ALTAREA COGEDIM

Uniquely positioned in cities

REGISTRATION DOCUMENT 2014

RETAIL RESIDENTIAL OFFICES AND HOTELS

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REGISTRATION DOCUMENT 2014

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Registration document was filed with the *Autorité des Marchés Financiers* on March 25, 2015 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 2014. 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 123, the annual financial statements and corresponding audit report provided on pages 125 and 143, as well as the management report provided on page 21 of the 2013 registration document filed with the Autorité des Marchés Financiers on March 21, 2014 under number D 14-0188.
- 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.

PROFILE

Uniquely positioned in cities

Most of France's demographic and economic growth is concentrated in its cities, and city dwellers have exacting requirements in terms of shopping, housing and working environments. Taking a forward-thinking and sustainable approach to cities also helps to meet the needs of local authorities.

As a major player in urban regeneration, Altarea Cogedim relies on the diversity of its offering and the broad scope of its expertise to get to grips with complex real estate issues. Altarea Cogedim is the only French group to cover the entire range of real estate products (retail, residential, offices and hotels).

The Group aims to provide the optimum response to the needs of city populations, whose lifestyles are changing. Our operational management, which is based on high value-added real estate products, enables us to anticipate and play an active role as their key real estate partner in the urban transformation that cities are currently undergoing.

With its innovation-based strategy, its mix of complementary business approaches and its agility, our Group strives to act with awareness of the impact of its business as a real estate player and city developer.

Paris-Raspail: bringing together a historical district and a contemporary office building.

Our values

FOSTERING A SUSTAINABLE CUSTOMER FOCUS

Shopping centers, residential, office buildings, hotels and managed residences – by creating unique living spaces for its customers, Altarea Cogedim assumes responsibility for their living and urban environment. The Group ensures that every project provides an appropriate solution for today's lifestyles and tomorrow's cities. It is committed to the long-term operation of its assets.

INVENTING PRODUCTS, CREATING VALUE

Living spaces can be created in two ways: by replicating traditional designs, or by inventing new ways of living, dwelling and working. Altarea Cogedim has chosen the second path.

A LONG-TERM PARTNER

Altarea Cogedim, the third-largest retail REIT in France, is a longstanding player in city development. The Group makes long-term investments in shopping centers, in both city centers and suburbs, and has high architectural standards. It also develops housing and offices.

MAKING OUR BUSINESS TRULY CROSS-CUTTING

With its cross-cutting approach, the Group can offer its customers smart, creative and made-to-measure solutions. These synergies help our Group to create real "pieces of the city" that fit into broader development projects featuring mixed-use facilities and functional diversity.

CONSTANT INNOVATION

Innovation is a key part of Altarea Cogedim's business approach. Innovation includes teaming up with its subsidiary, Rue du Commerce, to create connected shopping centers.

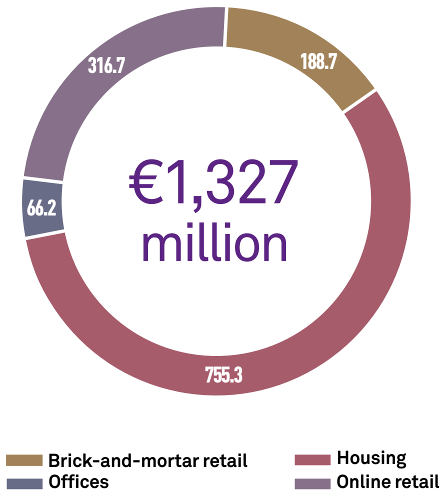
STEERING OUR OWN COURSE IN A SPIRIT OF ENTREPRENEURSHIP

Altarea Cogedim has become what it is today by steering its own course, using a model that goes against the grain, disregarding received ideas and fleeting trends. All Group employees share this entrepreneurial spirit and take a bold approach, taking calculated risks day-to-day.

Our key figures

Altarea Cogedim enjoys a sound financial position with significant leeway.
These strengths are founded primarily on a diversified business model
(retail, e-commerce, residential, offices and hotels) that generates substantial cash flows
at the top of the cycle, while making the Group highly resilient at the bottom.

2014 SALES (€M)



Retail

→ Flagship shopping centers:
Qwartz, Paris-Montparnasse, Cap 3000.
→ High concentration of Group holdings in the highest asset category.

Residential

→ Significant diversification towards entry-level and mid-range.
→ Increased sales to institutional players.

Offices and hotels

→ Complementary products and services.
→ Value creation with limited risk.

FINANCIAL SOUNDNESS

Growth in shareholders' equity

+18%
to €2.2 billion

Loan to value (LTV)

37.7%

Strong liquidity

622 million

FINANCIAL INDICATORS

FFO(1) (€M)

NAV (€M)

(1) Funds from operations.

GROUP ID IN 2014

Altarea Cogedim is present in France and also operates in Italy and Spain. With nearly 1,300 employees, the Group is committed to providing solutions for cities and city dwellers in terms of shopping, residential and working environments.

3rd
retail REIT

3rd
real estate developer
(in value terms)

1,300
employees

440,000 m²
in development

42
shopping centers included in Group holdings

4,500
reserved housing

€1,100 million
housing reservations

83,000 m²
offices delivered in 2014

500,000 m²
projects in progress

A range of products and services for the cities of today and tomorrow

Most of France's economic and demographic growth is concentrated in its cities. These cities have to deal with complex real estate issues, and need reliable partners to pursue their regional planning goals. Altarea Cogedim provides a broad range of solutions to its customers – individuals, businesses and local authorities – to meet their key needs. The Group is currently strategically positioned in 10 French cities and still has substantial development potential.

Retail

- → Regional shopping centers
- → Shopping and leisure centers
- → Family Village®
- → Retail flows
- → Convenience stores
- → Digital retail

Residential

- → Entry/mid/high-level
- → New districts
- → Serviced residences
- → Restoration

Offices and hotels

- → Complex refurbishments
- → High-end refurbishments
- → Turnkey
- → AltaFund

ALTAREA COGEDIM AT THE HEART OF THE CITY

As at 31 December, the Group has nearly 90 projects (including retail, hotels and offices), and more than 20,000 residences in development

10 years in
GREATER PARIS

18 managed and/or owned shopping centers

17,000 residences built

830,000 m² developed in office property

10 years in
MARSEILLE-PROVENCE

3 managed and/or owned shopping centers

2,600 residences built

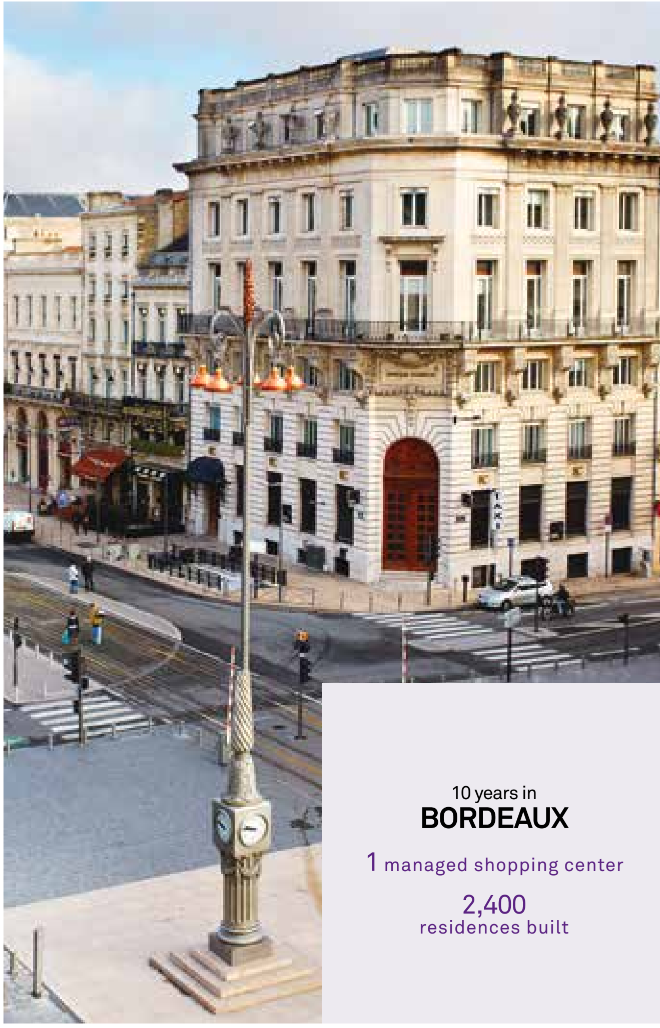
130,000 m² developed in office property

10 years in
NICE-CÔTE D'AZUR

2 owned shopping centers

3,300
residences built

38,000m^2
developed in office property



10 years in
BORDEAUX

1 managed shopping center

2,400
residences built

10 years in
TOULOUSE

2 managed and/or owned shopping centers

2,600
residences built

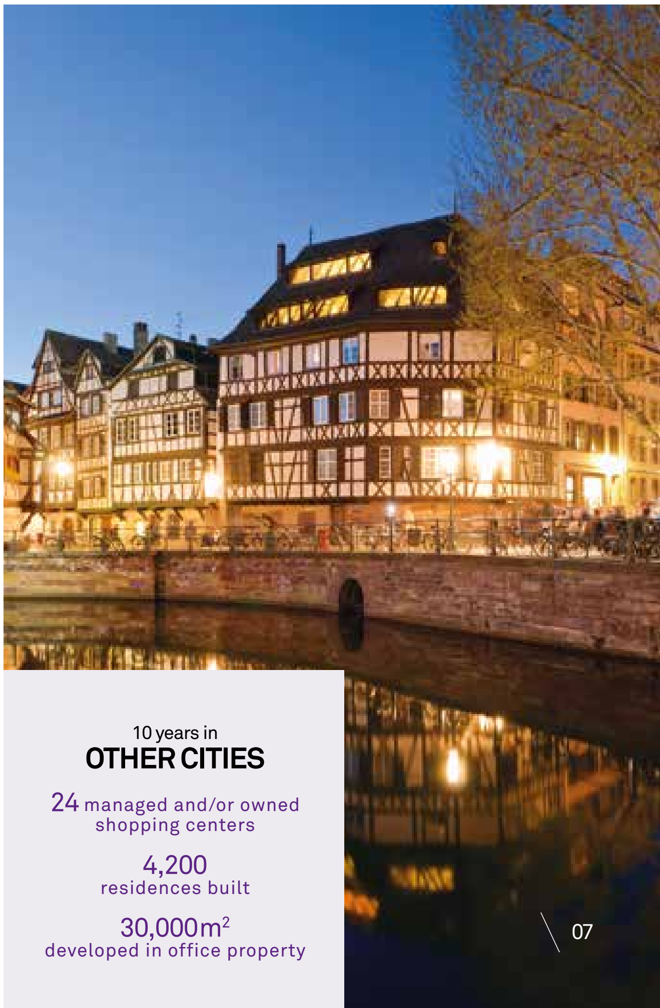
52,000m^2
developed in office property

10 years in
GREATER LYON

1 owned shopping center

4,900
residences built

137,000m^2
developed in office property



10 years in
OTHER CITIES

24 managed and/or owned shopping centers

4,200
residences built

30,000m^2
developed in office property

GREATER PARIS

Greater Paris has stepped up initiatives to improve quality of life and to ensure economic, social and urban development in the region surrounding the French capital. As a major player in this transformation, Altarea Cogedim has focused all of its three businesses – retail, residential and offices – its creativity and its innovative spirit on a metropolitan project that is not only daring but vital for all the residents of Ile-de-France.

Massy Place du Grand-Ouest
CREATING THE "BEATING HEART" OF A CITY

In Massy, Altarea Cogedim is coordinating a real strategic partnership with teams from the municipal authority to create a new city-center hub for Greater Paris. Works at the Place du Grand-Ouest will be ongoing from March 2015 until 2018, with the first deliveries scheduled for 2016 onwards. This mixed-use project extends over 100,000m² and includes 900 residences, 8,000m² of convenience stores, a Cogedim Club® residence for seniors, a 150-room hotel, a conference center, car parks, a nursery school and a multiplex cinema.

Cœur d'Orly
WE HAVE LIFT-OFF! WITH THE ASKIA OFFICE BUILDING

The airport city model is growing rapidly. In view of this, Altarea Cogedim, in partnership with Foncière des Régions and Aéroports de Paris, has come up with Cœur d'Orly. This mixed-use project, which combines a business zone and living space, is designed as a city-center district. There is a wide range of products on offer, including offices (70,000m²), shops, hotels and various services. In June 2014, construction work began on the first office building, which will cover 18,500m² (Askia).

AND ALSO...

→ **Completion of the Sky mixed-use program at Courbevoie,** instead of a 15-storey office building.

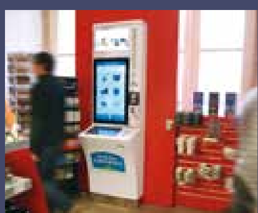
→ **Ongoing work** on four residential buildings at the Saint-Ouen Docks.

Qwartz
FRANCE'S FIRST CONNECTED REGIONAL SHOPPING CENTER

Qwartz, which opened in the Hauts-de-Seine region in April 2014, has taken shopping centers into a brand new era. As France's first regional connected shopping center, it extends across 86,000m² and hosts 165 stores and restaurants. With Qwartz, Altarea Cogedim has established itself as a pioneer in connected retail, building bridges between physical and virtual space. With links to a whole range of innovations, Qwartz symbolizes the new-generation shopping center, a true living and entertainment space where services and leisure combine. It has won a Mapic Award in the "Most Innovative Shopping Center" category, as well as a prize at the "Nuit du Commerce Connecté" ("Connected Commerce Evening").

Specialist in rail station retail flows

For more than 10 years, Altarea Cogedim has been coming up with retail solutions for transit spaces. In 2002, it opened stores at the Gare du Nord with a surface area of 3,800m², and did this again in 2008 with store openings at the Gare de l'Est. Thanks to its outstanding levels of expertise, Altarea Cogedim won the call for tenders launched by Gares et Connexions for another iconic rail station: Paris-Montparnasse. The contract involves designing and building retail spaces at the station and operating them for 30 years. The aim is to create a station that connects to the lifestyles of all kinds of people and addresses a projected increase in traffic of 50% by 2030.



AND ALSO…

→ **"Ma Boutique Express",** corners have been opened in six Relay stores. This completely new sales channel, developed by Rue du Commerce in partnership with Gares et Connexions and Relay France, offers a selection of around 100 key products from the e-commerce site, providing travelers with a whole new shopping experience.

Boulevard Paris Macdonald
AN EXCEPTIONAL CAPITAL COMBINATION

Altarea Cogedim has teamed up with Caisse des Dépôts (CDC) to create a real "piece of the city" at Macdonald Boulevard in Paris's 19th *arrondissement*. More than 1,000 housing units are to be built on this former logistics site, as well as 25,000m² of office space, a range of public facilities, the RER Rosa Parks rail station and more than 30,000m² of retail premises. As 50/50 partners, Altarea Cogedim and CDC are designing, producing and will manage the commercial side of the operation. The shopping center project was launched in 2014 with a scheduled opening date of 2016.

AND ALSO…

→ **Premium relets at Bercy Village (12th *arrondissement* of Paris),** which was the first retail-leisure concept to be created in France.

→ **The Family Village® in Aubergenville** has continued its transformation in the run-up to the arrival of Marques Avenue in 2015.

Paris 7 - Rive Gauche

LIVING SPACE AT THE HEART OF THE HISTORIC 7TH *ARRONDISSEMENT*

With the delivery of 191 premium residences in 2014, and the planned installation of the headquarters and showroom of luxury goods group Kering in 2015, the refurbishment of the former Laennec hospital is well on the way to completion. This is a high-end and ambitious project on rue de Sèvres near Bon Marché (in Paris's 7th *arrondissement*), and an unusual work site.
This year, luxury residential buildings, a facility for the elderly, a subsidized student residence, social housing and 14,000m^2 of green space were created in the heart of Paris.

Nouvelle Vague

RESIDENTIAL DEVELOPMENT ON THE BANKS OF THE SEINE

At Henri-IV quay (in Paris's 4th *arrondissement*), on the banks of the Seine, work on the Nouvelle Vague prestige real estate program continues. The program is based on the cutting-edge architecture of Finn Geipel (from architectural firm LIN). Its curved form was inspired by the flow of the river. Half of the program (70 apartments) has been set aside for social housing, providing a level of diversity that is unusual in this sector; 73 other apartments will be available on the open market.

Histoire & Patrimoine

In 2014, Altarea Cogedim acquired a 55% shareholding in Histoire & Patrimoine.
By taking a share in this company, which specializes in the renovation and restoration of unusual historical buildings, Altarea Cogedim is enhancing its know-how in urban renovation and recovery, and is providing an innovative, complementary and comprehensive solution for cities and their real estate assets. The renovation of Hôtel Voysin (in Paris's 3rd *arrondissement*) was celebrated in 2014.

Nanterre
LES HAUTS DE JARDINS BRIGHTENS THE DISTRICT CENTER

Part of the mixed-use Cœur de Quartier (District Center) project is the Les Hauts de Jardins project, which was launched in November 2014. It is ideally located close to Paris-La Défense, Europe's biggest business district. This residential complex, comprising 129 housing units, has excellent public transport connections (including RER A and SNCF train lines plus bus routes), and is right next to the Nanterre-Université rail station.

AND ALSO...

→ **Nanterre creates its own Cœur de Quartier for a better city experience.**
Since April 2013, when the foundation stone was laid for the huge Coeur de Quartier real estate program (120,000 m² on 3.5 hectares of land destined to become Nanterre's city center), work has been ongoing.

Bezons
HIGH-QUALITY SOCIAL HOUSING JUST OUTSIDE PARIS

In November 2014, the first tree was planted as part of the "D'Art & D'Architecture" real estate operation, a program of 104 high-quality apartments, 31 of which will be social housing managed by AB-Habitat. This residence will be built close to Bezons city center (Val-d'Oise department). "D'Art & D'Architecture" demonstrates Altarea Cogedim's ability to lead a fruitful collaboration with local authorities to ensure a better quality of life for residents.

Neuilly
TRANSFORMATION OF KOSMO ON AVENUE CHARLES-DE-GAULLE

At the end of 2013, AltaFund made another acquisition: an old office building covering 25,300m² at 190-192 avenue Charles-de-Gaulle in Neuilly-sur-Seine. The high-profile building, which is in an exceptionally good location at the corner of avenue Charles-de-Gaulle – one of the busiest roads in Europe – and the Seine, boasts some of the best public transport connections in Ile-de-France.

Raspail
LA FRANÇAISE HEADQUARTERS

In 2014, AltaFund sold the office building at 128-130 boulevard Raspail (in Paris's 6th *arrondissement*) to asset management group La Française for its new headquarters. Architect Franklin Azzi, who was engaged to breathe new life into this 1970s building by developing 10,000m² of usable space and around 220 parking spots, created a highly contemporary building with exemplary energy consumption (complying with the Paris city authority's climate plan). The works managed by the Group began in 2013, with delivery scheduled for 2015.

Semapa - Austerlitz

AN EXCEPTIONAL COMPLEX, WITH A VIEW

Work has begun on the A9-A1 block on avenue Pierre-Mendès-France in Paris (13th *arrondissement*), which was purchased by AltaFund in 2013. This project, called "Semapa – Austerlitz", will eventually entail the creation of 14,650m² of office space and 400m² of shops. The complex has exceptionally good access and will offer beautiful views over the gardens of the Pitié-Salpêtrière hospital and across the entire southern area of Paris. Designed according to an "open interior" concept, the spaces of the building will be built around a unifying central atrium, with an internal garden planted to coordinate with the city.

AND ALSO...

→ **AltaFund has entered the Central Business District with the purchase of the Richelieu building.** At the end of 2014, a sale agreement was signed with Allianz Vie to purchase this office complex of 33,500m² at 87 rue de Richelieu in Paris (2nd *arrondissement*).

→ **Refurbishment of shops and offices at 52 avenue des Champs Élysées.** In this prestigious building, which looks out onto "the most beautiful avenue in the world", 13,400m² of shops and 10,800m² of offices have been completely overhauled.

→ **Delivery of the new headquarters of Mercedes-Benz,** at Montigny-le-Bretonneux (Yvelines), in January 2014. A made-to-measure French campus for this prestigious brand.

Fhive - Cœur Marais

THE LARGEST TERTIARY-SECTOR COMPLEX IN THE MARAIS

This one-off complex at rue des Archives (in Paris's 3rd *arrondissement*) covering 22,000m² has been undergoing renovation since 2012. It comprises the Cœur Marais building on rue des Archives and the Fhive building on rue Charlot. It has now been acquired by General Electric.
This operation, with delivery scheduled for 2016, involves total refurbishment and independence of each building, and is aiming for HQE® Renovation certification and a BBC® Renovation label.

GREATER LYON

Through its subsidiary, Cogedim Greater Lyon, Altarea Cogedim has been supporting the city in its efforts to revitalize the region. The Group's Carré de Soie project in the eastern part of the Lyon area, and its new View One office program, which are symbolic of its ability to "cross-cut" with its expertise and create completely new districts, are "pieces of the city", designed to provide a range of services, including family housing, assisted-living facilities, offices, shopping centers, leisure centers and public amenities.

Villeurbanne-La Soie

A FURTHER BOOST FOR CARRÉ DE SOIE

Opened in March 2009, the Carré de Soie shopping and leisure center, built around the busiest racetrack in the Rhône-Alpes region, is poised to expand further from 2015. With the impetus provided by Altarea Cogedim in 2014, it will benefit from the construction of a new, modern and sustainable district: Villeurbanne-La Soie. The program consists of the creation of 78,000m² of space developed by Cogedim, including 2,000m² of retail space; 35,000m² of open-market housing; 14,000m² of rented social housing; 7,000m² of subsidized housing; and 20,000m² of tertiary-sector premises.

Carré de Soie

A PREMIUM CULTURAL AND COMMERCIAL CONCEPT

Carré de Soie, which was designed to bring city and nature together and which opened in the spring of 2009, marks the emergence of a new concept. It provides a program of sporting, cultural and festive activities along with a robust, high-end retail offering.

Sanofi Pasteur - Merial
BESPOKE COMPANY HEADQUARTERS

In 2017, Sanofi plans to group together the headquarters of two of its seven growth platforms into a single premises at 29 avenue Tony-Garnier in Gerland (Lyon's 7th *arrondissement*). For Altarea Cogedim, which is in charge of the operation, this means providing a solution for an ambitious corporate project. This complex of four buildings, arranged around an internal road, will eventually house around 700 employees (currently spread between various Group sites) in a surface area of 15,000m².

Vendôme Rive Gauche
SOCIAL HOUSING WITH SOPHISTICATION

Contemporary building Vendôme Rive Gauche, which was delivered in 2014, includes 26 prestige housing units in central Lyon (6th *arrondissement*), offering a sophisticated living environment.
Ideally situated in the "golden triangle" near shops, including high-end retailers, and transport, Vendôme Rive Gauche is a residence with a contemporary design. The project received a "Pyramide d'Argent" aesthetic building prize, which is awarded for buildings judged to be outstanding in terms of aesthetics, comfort and sustainable development.

AND ALSO...

→ **After delivering the Ambre (11,500m²) and Opale (12,000m²) office buildings in 2014,** Altarea Cogedim and Icade launched the development of the Ivoire (7,700m²) office building in the Girondins urban development zone in Gerland (Lyon's 7th *arrondissement*).

→ **Altarea Cogedim has continued with its residential property projects in the center of Villeurbanne**, with the delivery in 2014 of the Jardins de Sakura (117 apartments).

NICE-CÔTE D'AZUR

Serving regional dynamics, Altarea Cogedim is working on projects with local partners tailored to the needs of local populations: the Cap 3000 shopping center, which combines shopping, services and leisure; custom housing solutions for seniors; prestige residences at the best addresses; entry- and mid-level housing; business premises; and new districts are just some of the many practical solutions contributing to the regeneration of the region.

CAP 3000
A LEGENDARY CENTER FOR AN UNPARALLELED SHOPPING EXPERIENCE

Purchased by Altarea Cogedim in 2010, Cap 3000 is one of France's ten biggest shopping centers.
After opening a 1,500m^2 terrace housing restaurants with sea views in March 2014, another stage began in November 2014 with the launch of a major extension and renovation project.
By 2017, Cap 3000 is expected to host more than 300 shops and restaurants and 14 million visitors, and will have a surface area of 135,000m^2 for a new services offer.

AND ALSO...

→ **The creation of new districts,** such as Nice Méridia, which boasts a perfect position, only 500 meters from France's second-largest airport and the A8.

→ **Delivery of the intergenerational social residence** in Grasse, funded as part of the Group's sponsorship of Habitat et Humanisme.

Cannes - Pégomas
A RÉSIDENCE CLUB® FOR ACTIVE SENIORS

To meet the needs of active seniors, Cogedim Club® is building its fifth "Fleur d'Azur" serviced residence in the city of Pégomas, between the coast and the Cannes inland region. In addition to 78 elegantly decorated apartments, this complex will include a garden, swimming pool and solarium, communal spaces for socializing and services on demand.
The foundation stone for this operation, which is being executed in partnership with the municipal authorities, was laid in September 2014. The first apartments will be delivered at the end of 2015.

Cannes - Parc Eugénie
PRESTIGE HOUSING PROGRAMS

A prestige project comprising 104 housing units, with the first 54 apartments opened in September 2014 in Cannes, Parc Eugénie offers all of Cogedim's high-quality standards.
It includes two residences built on an iconic site, home to Sisters of the Assumption for 130 years, set in extensive grounds near an historic building restored under the project.
The program, which is NF Logement-certified, has achieved a BBC® label.

STRASBOURG

The Urban Community of Strasbourg, which is rapidly becoming more international, brings together economic and multi-cultural dynamism, quality of life and exceptional urban real estate assets. These are all good reasons to develop major projects offering a range of urban functions, as well as other residential, scientific and economic programs. All of these factors help to raise the Rhineland city's European profile and add to its international appeal.

Wacken Europe
ANOTHER BOOST TO STRASBOURG AND ITS URBAN AREA

During its first year of operation in Strasbourg, Altarea Cogedim was chosen at the end of 2014, alongside with Cirmad (a subsidiary of the Bouygues Construction group), to develop an area of 30,000m² as part of the first tranche of Wacken Europe, Strasbourg's international business district near the European Parliament. Cirmad will be the project manager for the offices and shops, while Altarea Cogedim will project manage the housing units.
For the Group, this represents more than 10,000m² of high-end housing, with exceptional views over Strasbourg. The two partners launched the architect consultation phase in early 2015.
The first deliveries are scheduled to take place by 2018.

AND ALSO...

→ **L'Aubette.** Located in an exceptional environment in Place Kléber, this legendary focal point for 20th century artistic creation is classed as a historic monument. Making use of the experience gained with Bercy Village, Altarea has brought this historic site back to life, creating a cultural, tourist and retail complex dedicated to the art of living. The shopping gallery contains a range of well-known and innovative brands.

→ **In Strasbourg,** construction is under way of 200 housing units and 2,100m² of shops in a discounted VAT zone at Avenue de Colmar, on land owned by PSA Peugeot-Citroën. Work will begin in 2016 for delivery in 2017.

→ **At Oberschaeffolsheim,** Cogedim Est has won a call for tenders launched by the municipal authorities to build 100 housing units, small collective residences and individual houses on two hectares. The program was launched at the end of 2014. Delivery is scheduled for the second half of 2017.

MARSEILLE-PROVENCE

As a city undergoing rapid change, Marseille-Provence combines economic dynamism, quality of life and exceptional natural assets. This has led to the development of a number of major projects, including pieces of the city that feature a range of urban functions – such as the Euromed center in Marseille – shopping centers offering retail and leisure facilities, housing programs tailored to local spending power, and office buildings that combine comfort, performance and respect for the environment.

Euromed Center
A NEW CITY WITHIN THE CITY

The 70,000m² Euromed Center program is the Group's first contribution to the broader Euroméditerranée urban renewal project. This "piece of the city" will contain four office buildings with a total surface area of 48,000m², as well as 5,000m² of green space, shops, restaurants, and a four-star Golden Tulip hotel with 210 rooms. In 2014, the 850-space car park was completed and the hotel's foundation stone was laid. Two office buildings – the Astrolabe (14,000m²) and the Calypso (9,700m²) – will be delivered in the first quarter of 2015 and early 2016, respectively.

Extension of Jas-de-Bouffan
NEW COMMERCIAL BOOST FOR AIX-EN-PROVENCE

The first phase of extension and renovation of the Jas-de-Bouffan shopping center, located in Aix-en-Provence in a catchment area of 220,000 residents, was completed in 2014. This first phase has doubled the center's retail surface area and created a strong architectural identity. In April 2015, after the second extension phase, Jas-de-Bouffan will house a 10,000m² Casino hypermarket, a medium-sized retail unit, 65 shops, five dining areas and 1,700 free parking spaces.

AND ALSO...

→ **The creation, since 2013, of more than 50,000m² of tertiary facilities at the Technopôle de la Mer (Marine Techno Park),** in the land base in the municipality of Ollioules, to the west of the Toulouse urban area.

Hôtel-Dieu à Marseille
A MIPIM AWARD FOR REFURBISHMENT

In March 2014, Altarea Cogedim received an award for its transformation of the Hôtel-Dieu in Marseille into a five-star hotel. The prize was given in recognition of the refurbishment of more than 23,000m^2 of total surface area, delivered to InterContinental Hotels Group in 2013.
The project demonstrates recognition by the international professional community of the expertise of Altarea's teams in this field. After the foundation stone was laid in 2010, three years of works would be required to deliver this new luxury crown jewel, which has 172 rooms, 22 suites, a spa, two restaurants, a cultural center and a conference center.

Gran'Voiles Estate
ACCESS TO PRIVATE OWNERSHIP

In close partnership with local elected representatives, Cogedim Provence provides housing to suit the needs and budgets of the local population. To this end, the Gran'Voiles estate was inaugurated in Martigues in September 2014. The estate is an exceptional real estate complex made up of 156 housing units in the hills above the city. It is a premium residential space with the BBC® Effinergie label.
This eco-district, which is made up of small residences, demonstrates the Group's commitment to quality and comfort.

L'Avenue 83 in Toulon: retail and leisure at the heart of the city

Work on L'Avenue 83 began in Toulon-La Valette in June 2014. The center, which is arranged in the form of an open shopping street, is part of an ambitious city project to update and renew 200 hectares in the Grand Var retail area. It will eventually include a Gaumont Pathé multiplex cinema with 16 screens, two large specialist retail units, around 15 medium-sized retail units, 60 shops and kiosks, around 20 restaurants, a fitness space, a children's play area and 1,500 free parking spaces. The complex is scheduled to open in 2016.

BORDEAUX

Bordeaux has always worked on building its appeal. Altarea Cogedim's proximity to the city and its region is a vital factor in stimulating the area's vitality. One of the Group's local challenges is therefore to preserve the city's special features, respect its balance and foster synergies to increase its potential.

Influence
LAYING THE FOUNDATION STONE

In September 2014, Altarea Cogedim laid the foundation stone of Influence, a housing program of 46,500m² as part of the development of the wet docks on the left bank of the Garonne.
The complex will provide 723 housing units, including 126 social housing units, 52 housing units under the social rental loans scheme, a residence for business tourism and a Cogedim Club® for seniors.

Cogedim Club®
OPENING OF A SECOND RESIDENCE

After opening a first residence for active seniors just outside Paris, Cogedim Club® opened a second in March 2014 at Arcachon.

AND ALSO...

→ **The start of work on the Songe d'une Ville d'Été development in Arcachon,** where Cogedim is building 117 housing units.

→ **Delivery of the final tranche of the Estey estate in Ambarès-et-Lagrave,** where Cogedim has created an estate of 298 housing units, including 122 houses and 176 apartments, organized around a mansion, at the center of a former vineyard.

Other projects, other cities, other challenges...

Annecy
The Florescence estate

Launched in 2014 and delivered at the end of 2016, this housing program comprising six buildings will be located at Annecy-le-Vieux and arranged around internal gardens.

Lille
Promenade de Flandre

Located in Greater Lille, Promenade de Flandre will comprise a retail space covering 60,000m² at the Belgian border. The project was developed in partnership with the Immochan group.

Nantes
The Erdre estate

Work has continued on the Erdre estate in Nantes (80 housing units, including 28 social housing units transferred to Logement Français).

TOULOUSE MÉTROPOLE

Toulouse Métropole is made up of large projects and major construction. With its multi-business expertise, Altarea Cogedim is helping the area to develop: it is committed to creating "the smart, sustainable city of the future", which will make Toulouse Métropole one of France's most dynamic cities.

Safran Site
LAYING THE FOUNDATION STONE

In September 2014, Altarea Cogedim laid the foundation stone of the future Safran building. The building, which is in a unique position at the center of the Andromède urban development zone in Blagnac, will have total floor area of 25,000m². From early 2016 it will house 1,400 employees from the Group's various entities.

AND ALSO...

→ **Delivery of the Carré Saint-Sernin student residence** comprising 94 housing units (including eight social housing units). The program was delivered in June 2014.

→ **Launch of work on the Perspective Sud program in the La Cartoucherie** district in September 2014, with delivery provisionally scheduled for March 2016.

À l'Ombre des Jasmins
OUTSTANDING EXPERTISE

A façade covered with jasmine and roses, balconies and terraces overlooking the Prairie des Filtres green zone and the banks of the Garonne, À l'Ombre des Jasmins is a testament to Altarea Cogedim's exceptional levels of expertise. It also demonstrates its capacity to manage diversity: under a partnership signed with the Toulouse city authorities and a social housing group, the two buildings also house 43 social rental housing units and 38 subsidized housing units. The 177 units were delivered in 2014.

Genoa
Ponte Parodi

A multi-use hub that includes shopping, recreational and cultural activities, a media library and exhibition spaces, along Genoa's waterfront.

Grenoble
L'Arboréale

Comprising innovative types of habitat, the housing in this eco-district in Gières complies with the principles of sustainable development without compromising on comfort.

Montpellier
Headquarters of La Mutuelle des Motards

Laying of the foundation stone of the future headquarters of La Mutuelle des Motards, which will have a surface area of 9,000m². Delivery is scheduled for the end of 2015.

POSITIVE FOOTPRINT AND INTANGIBLE CORPORATE CAPITAL

Being an expert on cities means playing a key role in regional development and the wellbeing of populations. For this reason, Altarea Cogedim continually seeks to increase its social utility, increase customer satisfaction, incorporate its real estate projects sustainably within their environments, and continually help to build more sustainable cities through the involvement of its 1,300 employees.

THE INTANGIBLE WEALTH OF ALTAREA COGEDIM

The value of a company can no longer solely be judged on the basis of traditional accounting elements. When the key wealth factors are intangible in nature (for example, employee skills, environmental impact, contribution to employment, customer satisfaction, innovation capacity), the new concept of intangible capital has shed new light on Altarea Cogedim's forward thinking. The Group's intangible wealth is apparent in four main areas: social capital, human capital, natural capital and customer capital.

1st IN EUROPE

The Group ranks ninth in the world on the 2014 GRESB (Global Real Estate Sustainability Benchmark) for its existing real estate assets, with a score of 82%, and ranks fourth in the world for its new builds, with a score of 90%. The GRESB assesses the CSR performances of real estate groups world-wide.

1st IN FRANCE

With a score of 99% for transparency and a B in performance, the Group ranks first among French property developers and real estate companies. The CDP assesses the carbon strategies of major corporations worldwide.

TOP CATEGORY

In 2014, Altarea Cogedim was included by Novethic, the responsible investment research center, in its top category ("Les Engagés") for the quality of its reporting on the environmental performance of buildings.

SOCIAL CAPITAL

Serving the region

The indicators established for social capital are used to measure the positive contribution to cities made by Altarea Cogedim. Through its activities, the Group aims to use its influence to boost employment in the region and encourage best practices among its partners and contractors.

€410m

in direct and indirect payroll distributed nationally [1]

HUMAN CAPITAL

Relying on our teams

The wellbeing and development of our employees, and the efforts made by the Group to aid their career progression, are a clear demonstration of how our human resources policy works. This year, several initiatives were launched to safeguard employability and boost skills development.

+6%

growth in the Group's workforce [2]

NATURAL CAPITAL

Reducing our environmental footprint

As a key player in the city, Altarea Cogedim creates broad-based projects with very long lifespans. This implies a major responsibility on its part: that of designing and operating buildings that are economical throughout their life cycles and comfortable to inhabit, and that can be adapted to other uses over time.

-41%

CO_2 emissions on existing assets [3]

CUSTOMER CAPITAL

Being close to our customers

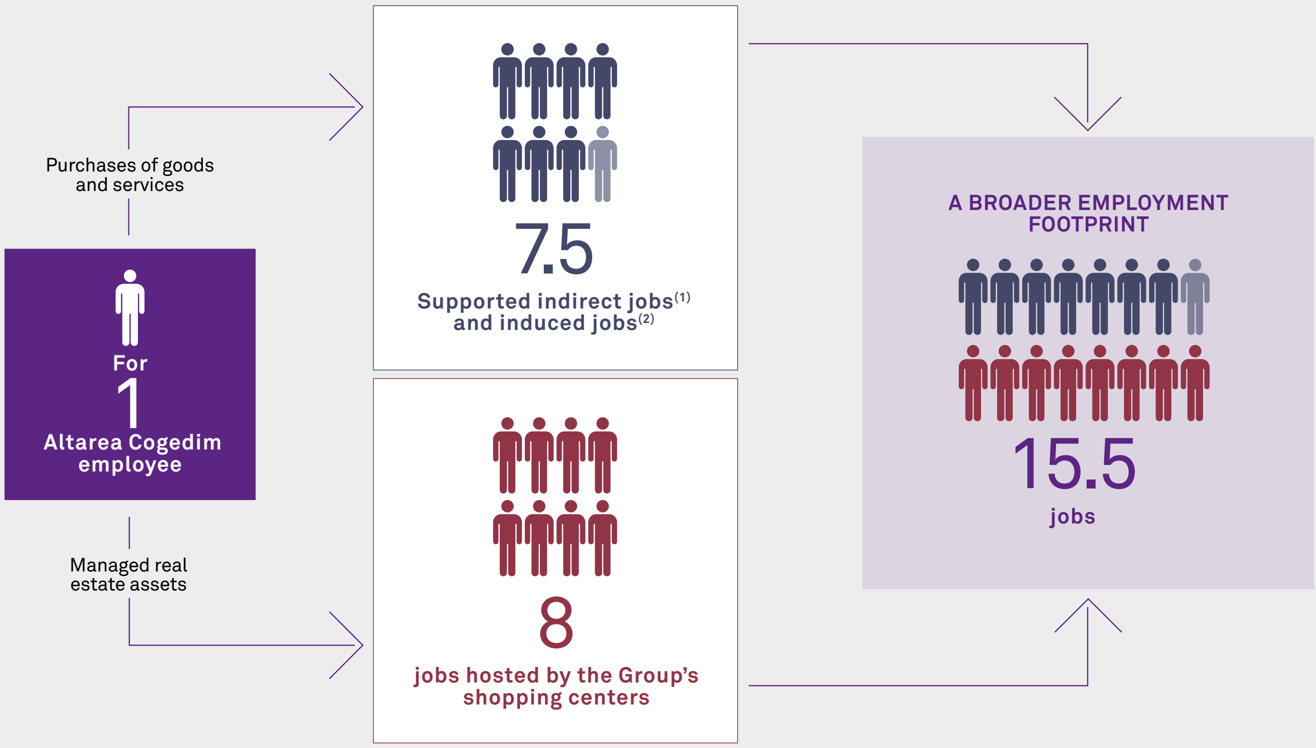
To ensure that it is close to its customers, the Group focuses its efforts on tools and action plans that continuously measure and enhance the satisfaction levels of those who put their trust in us. With the Delivery Quality Service for home buyers, satisfaction surveys set up for shopping centers, and daily measurements of customer confidence in Rue du Commerce, the Group has stepped up its efforts to make the customer its primary focus.

85.2%

Rue du Commerce customer recommendations

(1) Payroll amount for Altarea Cogedim employees and employment supported indirectly through the purchase of goods and services in France.
(2) Growth in staff numbers in the Group's real estate business (excluding Rue du Commerce).
(3) Reduced CO_2 emissions relating to energy consumption by real estate assets on a same-structure and same-weather basis in the period 2010-2014.

THE EMPLOYMENT FOOTPRINT OF ALTAREA COGEDIM



(1) Altarea Cogedim's indirect jobs are jobs with service providers and suppliers supported through the purchasing of goods and services from the various Group entities.
(2) Induced jobs are jobs generated by the consumption of direct and indirect employees in France.

Supporting innovative solidarity projects

Since 2007, Altarea Cogedim has been supporting Habitat et Humanisme, a general-interest charity that provides housing to families and individuals in difficulty. First of all, the Group helps to build innovative social residences and strengthen the charity's resources for prospecting and management by funding dedicated salaried positions. Altarea Cogedim also organizes initiatives to raise public awareness about Habitat et Humanisme in its shopping centers and via its Rue du Commerce subsidiary. Lastly, it encourages its employees to become actively involved through skills sponsorship.

Where we operate

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BUSINESS REVIEW 2014

2

2.1. BUSINESS REVIEW

2.1.1. RETAIL

2.1.1.1. Shopping centers

KEY FIGURES AT DECEMBER 31, 2014

	In operation			Under development		
December 31, 2014	GLA (m²)	Current gross rental income[d] (€ millions)	Appraisal value[e] (€ millions)	GLA (m²) created	Estimated gross rental income (€ millions)	Net investments[f] (€ millions)
Controlled assets (fully consolidated)[a]	**640,409**	**162.8**	**3,105**	**340,000**	**143.5**	**1,583**
Group share	*514,959*	*121.0*	*2,107*	*280,000*	*106.1*	*1,194*
Share of minority interests	*125,449*	*41.8*	*998*	*60,000*	*37.5*	*389*
Equity assets[b]	**148,598**	**37.0**	**632**	**98,000**	**16.1**	**203**
Group share	*70,822*	*17.8*	*309*	*39,000*	*5.9*	*73*
Share of third parties	*77,776*	*19.2*	*322*	*59,000*	*10.3*	*130*
Management for third parties[c]	**218,300**	**48.5**	**863**	-	-	-
Total assets under management	**1,007,307**	**248.3**	**4,600**	**438,000**	**159.7**	**1,785**
Group share	*585,781*	*138.9*	*2,416*	*319,000*	*111.9*	*1,266*
Share of third parties	*421,525*	*109.5*	*2,184*	*119,000*	*47.8*	*519*

(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 or has significant influence. 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, 2015.
(e) Appraisal value including transfer duties.
(f) Total budget including interest expenses and internal costs.

2.1.1.1.1. Market trends and Group strategy

French household consumption rose slightly at the end of year 2014, reaching an overall growth of 0.6%[1]. Online sales are recording similar trends (+2% for the French market, and +3% for the leading general merchandise websites[2] on a like-for-like basis), which shows e-commerce has achieved a certain maturity.

However, the CNCC recorded a 0.4% sales decline for shopping center tenants[3].

Despite a context of sluggish consumption, Altarea Cogedim pursues its strategy: concentrate its portfolio on premium assets with strong attractivity and marketability.

The Group's shopping centers demonstrated very solid performance with tenant sales up 1.0%[4].

2.1.1.1.2. Consolidated net rental income

Net rental income (IFRS) reached €156.6 million, (0.9)% in 2014. On a like-for-like basis, net rental income grew by +2.8% at Group level, and by +2.0% in France, in a context of stable indexation[5].

	(€ millions)	
Net rental income at December 31, 2013	**158.0**	
Disposals	(3.4)	
Redevelopments	(1.7)	
Like-for-like change France	2.2	*+2.0%[a]*
Like-for-like change International	1.6	*+6.2%[b]*
TOTAL CHANGE IN NET RENTAL INCOME	(1.4)	*(0.9)%*
Net rental income at December 31, 2014	**156.6**	

(a) As a like-for-like percentage in France.
(b) As a like-for-like percentage outside of France.

(1) Source: INSEE, late December 2014 (sale of manufactured goods).
(2) Source: FEVAD and iCE 100 survey (like-for-like growth of leading sites and high-tech products) as of late December 2014 (12 months rolling).
(3) Source: CNCC, Revenue development for shopping center tenants on a "same-floor area basis" as of late December 2014.
(4) 2014 revenue development for shopping center tenants on a "same-floor area basis" in France.
(5) ILC (Commercial Rent Index) Q2 2013: +0.85%, CCI (Construction Cost Index) Q2 2013: -1.7%.

OPENINGS

2014 whitnessed the delivery of the Qwartz in Villeneuve-la-Garenne, a 721,000 ft² (67,000 m²) regional shopping center which features a Carrefour hypermarket, Primark, Mark & Spencer, H&M, Zara and more than 165 retailers and restaurants.

Altarea Cogedim owns 50% of this shopping center which is consolidated using the equity method in the Group consolidated financial statements. As such, its impact does not appear in the net rental income recognized for the period.

DISPOSALS

The Group disposed of three small-sized assets over the year for a total net sale price of €82.3 million.

REDEVELOPMENTS

The Group strategy of focusing on premium assets also includes redeveloping/extending of existing shopping centers with strong potential for value creation. These projects often lead to rent decreases for current tenants during the construction.

In 2014, the Group undertook several initiatives to strengthen its shopping center portfolio, in particular:

- Aix-en-Provence, including the redevelopment of the gallery and an extension of 51,700 ft² GLA (4,800 m²), to be delivered during H1 2015;
- Aubergenville, which is being restructured to include a Marque Avenue® intended to attract new customers and to increase rental income. Delivery is scheduled for mid-2015.

2.1.1.1.3. Operational performance

FRANCE (87% OF THE PORTFOLIO)

Change in rental income

In France, the 2.0% like-for-like[6] growth in rental income was driven by the large shopping centers (Cap 3000, Toulouse Gramont and Bercy Village).

Tenant sales[7]

At 100%	Sales (incl. tax)	Footfall
Total shopping centers	**1.0%**	**0.2%**
CNCC index	(0.4)%	(0.1)%

Leasing activity (gross rental income)

	Number of leases	New rent	Old rent	*Change*
Letting	62	€6.7 mil.	-	*n/a*
Lease renewals/ re-lettings	121	€11.7 mil.	€8.1 mil.	*44%*
2014 total	**183**	**€18.3 mil.**	**€8.1 mil.**	***n/a***

Lease expiry schedule

(€ millions, at 100%)	Lease expiry date	% of total	3-year termi-nation option	% of total
Past years	14.7	*8.8%*	14.7	*8.8%*
2015	5.4	*3.2%*	15.7	*9.4%*
2016	4.9	*2.9%*	39.3	*23.6%*
2017	13.9	*8.3%*	44.9	*27.0%*
2018	17.0	*10.2%*	19.8	*11.9%*
2019	12.1	*7.2%*	7.8	*4.7%*
2020	22.3	*13.4%*	13.4	*8.0%*
2021	16.1	*9.6%*	7.1	*4.2%*
2022	17.8	*10.7%*	0.1	*0.1%*
2023	17.4	*10.5%*	2.5	*1.5%*
2024	21.6	*12.9%*	0.0	*0.0%*
2025	1.1	*0.7%*	-	*0.0%*
> 2025	2.4	*1.4%*	1.1	*0.7%*
Total	**166.5**	***100%***	**166.5**	***100%***

Occupancy cost ratio[8], bad debt ratio[9] and financial vacancy rate[10]

	2014	2013	2012
Occupancy cost ratio	9.8%	10.2%	10.1%
Bad debt ratio	0.7%	1.5%	1.5%
Financial vacancy rate	3.4%	3.4%	2.8%

INTERNATIONAL (13% OF THE PORTFOLIO)

The international shopping center portfolio includes one Spanish asset in Barcelona and six Italian assets mainly located in northern Italy.

In Italy, despite a morose economic environment as well as political and tax uncertainties, the portfolio has proven its resilience with a 7.3% growth in net rental income.

This growth was driven by a lease review strategy (enhancement of the retailers) and shopping center redevelopment initiatives. Thus, tenant sales[11] increased by 0.7% and footfall by 3.0%, in spite of a growth in the financial vacancy rate (6.8% as compared to 4.0% in 2013). The bad debt ratio also went down to 2.0%.

In Spain, net rental income also recorded a significant increase (+3.4%).

The shopping center performances confirm the economic upturn, with tenant sales up 2.0%, a financial vacancy rate down to 1,7% (as compared to 2.9% in 2013) and a drop in the bad debt ratio to 0.6% (as compared to 2.5% in 2013).

(6) Excluding impact of openings, acquisitions, disposals and redevelopments.
(7) Revenue development for shopping center tenants on a "same-floor area basis".
(8) Calculated as rent and expenses charges to tenants (incl. taxes) in 2014 (including rent reductions), in proportion to sales over the same period (incl. taxes) at 100 % in France. Excluding property being redeveloped.
(9) 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. Excluding property being redeveloped.
(10) Estimated rental value (ERV) of vacant lots as a percentage of total estimated rental value. Excluding property being redeveloped.
(11) Revenue development for shopping center tenants on a "same-floor area basis."

2.1.1.1.4. Management for third parties

Over the recent years, the Group has significantly developed its management for third parties activity.

At the end of 2014, these assets represented €48.5 million in rental income and an overall value of €863 million. They strongly contribute to the growth in Altarea Commerce's fees[12].

Combining controlled assets and assets managed for third parties, Altarea manages a total of approximately 1,800 leases in France and 500 leases in Italy and Spain.

2.1.1.1.5. Portfolio

PORTFOLIO COMPOSITION

As of December 31, 2014, the value of the portfolio owned by the Group (fully consolidated assets and equity assets) was up by €457 million, reaching €3,737 million.

(€ millions)	Value
TOTAL AT DECEMBER 31, 2013	3,280
Centers opened	370
Acquisitions	-
Disposals	(88)
Like-for-like change	**176**
o/w France	*204*
o/w Italy	*(39)*
o/w Spain	*11*
TOTAL CHANGE	457
TOTAL AT DECEMBER 31, 2014	3,737
o/w Group share	*2,416*
o/w share of third parties	*1,321*

Over the past four years, the Group has been concentrating its asset portfolio on "premium" shopping centers: regional shopping centers, large Retail Parks, urban entertainment centers, rail station shops, etc.

As a result of this strategy, the Group now owns 35 assets in France with an average value of €93 million and 7 assets abroad.

Regional shopping centers and large Retail Parks account for 82% of the portfolio (compared to 76% in 2013).

Breakdown by type (€ millions)	2014		2013		*Change*
Regional shopping centers	2,275	*61%*	1,703	*52%*	*9 pts*
Large Retail Parks (Family Village®)	802	*21%*	779	*24%*	*(2) pts*
Local/Downtown	661	*18%*	798	*24%*	*(7) pts*
TOTAL	3,737	*100%*	3,280	*100%*	
o/w Group share	*2,416*		*2,283*		

Geographical distribution (€ millions)	2014		2013		*Change*
Paris Region	1,275	*34%*	944	*29%*	*5 pts*
PACA/Rhône-Alpes/South	1,573	*42%*	1,386	*42%*	*(0) pts*
France – Other regions	411	*11%*	443	*13%*	*(3) pts*
International	478	*13%*	506	*15%*	*(3) pts*
TOTAL	3,737	*100%*	3,280	*100%*	
o/w Group share	*2,416*		*2,283*		

Asset format		2014	2013	*Change*
France	Average value	€93 million	€75 million	*24%*
	Num. of assets	35	37	-2
International[a]	Average value	€68 million	€72 million	*(6)%*
	Num. of assets	7	7	-

(a) After ongoing sales.

CAPITALIZATION RATE[13]

Average net capitalization rate, at 100%	2014	2013
France	5.49%	5.98%
International	7.15%	6.75%
TOTAL Portfolio	5.71%	6.10%
o/w Group share	*5.99%*	*6.30%*
o/w share of third parties	*5.03%*	*5.62%*

In France, the decrease of nearly 50 basis points in the average capitalization rate was mainly driven by major premium assets (Cap 3000, Qwartz).

APPRAISAL VALUES

The task of valuating Altarea Cogedim's assets is entrusted to DTZ Valuation and CBRE Valuation. The appraisers use two methods:

- discounting cash flows, with resale value at the end of the period;
- capitalization of net rental income, based on a capitalization rate that includes the site's characteristics and rental income (also including variable rent and market rent of vacant premises, adjusted for all charges incumbent upon the owner).

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. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/CNC Barthes de Ruyter working group and fully comply with the instructions of the Appraisal Charter of Real Estate Valuation (*Charte de l'Expertise en Evaluation Immobilière*) updated in 2012. Surveyors are paid lump-sum compensation based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

(12) A total of €19,2 million in fees invoiced to third parties in 2014.
(13) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.

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

Appraiser	Portfolio	% of value, incl. transfer taxes
CBRE	France	27%
DTZ	France & International	73%

2.1.1.1.6 Shopping centers under development

In line with its strategy of concentrating its portfolio on "premium" assets, the Group completely renewed its development portfolio, focusing on greenfields, restructuring/redevelopment of major regional shopping centers, on-the-spot retail sites and large Retail Parks, which now account for more than 90% of the pipeline.

As of December 31, 2014, the volume of projects secured or underway represented an estimated net investment[14] of approximately €1.8 billion. This stands for an addtionnal potential gross rental income of €160 million at 100% (€1.3 billion on a Group share basis for €112 million of gross rental income).

Compared with the Group's assets in operation, the pipeline accounts for more than 80% of potential additional rental income (both at 100% and on a Group share basis).

	GLA created[c] in m²	Est. gross rental income (€ millions)	Net investment[d] (€ millions)	Forecasted yield
Controlled projects (fully consolidated)[a]	**340,000**	**144**	**1,583**	**9.1%**
Group share	*280,000*	*106*	*1,194*	
Share of minority interests	*60,000*	*37*	*389*	
Equity projects[b]	**98,000**	**16**	**203**	**8.0%**
Group share	*39,000*	*6*	*73*	
Share of third parties	*59,000*	*10*	*130*	
Total	**438,000**	**160**	**1,785**	**8.9%**
Group share	*319,000*	*112*	*1,266*	*8.8%*

(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).
(a) 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 only reports on projects that are secured or underway[15]. This pipeline does not include identified projects for which development teams are currently in talks or carrying out advanced studies.

Given the Group's cautious risk management criteria, the decision to begin the construction is only made once a sufficient pre-letting level has been reached. Considering the administrative and commercial progresses achieved in 2014, most pipeline projects should be delivered between 2015 and 2018.

(€ millions, net)	At 100%	Group share
Paid out	309	213
Committed, remaining to be paid out	69	34
Total commitments	**378**	**247**
% of net investment	*21%*	*19%*

INVESTMENTS CARRIED OUT IN 2014 FOR PROJECTS UNDER DEVELOPMENT

Over the year, Altarea Cogedim invested[16] €118 million in its project portfolio on a Group share basis.

These investments mainly relate to:

- Qwartz, a regional shopping center with a Net floor area of 925,750 ft² (86,000 m²), which opened in Villeneuve-la-Garenne in April 2014;
- and shopping centers under construction and/or redevelopment (essentially Cap 3000, Toulon-la Valette, Aubergenville and Aix-en-Provence).

PARIS-MONTPARNASSE RAIL STATION

Following the consultation launched by Gares & Connexions, Altarea Cogedim was selected as a partner for the modernization of Paris-Montparnasse Rail Station in Paris. Thus, the Group will be in charge of the design and construction of the station's retail spaces, as well as the operation of these spaces for 30 years. This exceptional project aims to bring Paris-Montparnasse Rail Station in line with the new lifestyles of all of its users by taking into account the 50% increase in traffic expected by 2030.

CAP 3000

After an initial remodeling in 2012 and the opening of four new waterfront restaurants in May 2014, last November the Group launched the extension-renovation of the Cap 3000 shopping center, located close to Nice.

Following this project, which will be carried out between 2016 and 2018, the center will include 300 retailers over a total Net floor area of 1,453,000 ft² (135,000 m²) (as compared to 140 retailers and a Net floor area of 915,000 ft² (85,000 m²) as of today).

Construction cost amounts to approximately €400 million, bringing the overall amount invested in the center since its acquisition to over €1 billion.

DELIVERIES PLANNED FOR 2015

The Group will deliver three programs in 2015, generating nearly €14 million of additional annualised rental income[17]:

- extension-renovation of the Jas de Bouffan shopping center in Aix-en-Provence, with a delivery in Q1 2015;
- redevelopment of the Aubergenville Family Village®, in partnership with Concepts & Distribution, to create the first brand village in the Western Paris Region. With 129,000 ft² (12,000 m²) of space and 80 shops developed in phase 1, the center will open during Q2 2015;

(14) Total budget including interest expenses and internal costs.
(15) Projects underway: properties under construction. Secured projects: 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.
(16) Change in non-current assets net of changes in amounts payable to suppliers of non-current assets.
(17) Additional gross rental income at 100%, excluding the impact of stepped rents and rent holidays.

- At the end of 2015, opening of a shopping center of more than 323,000 ft² (30 000 m²), located on Boulevard Macdonald in Paris and developed in partnership with Caisse des Dépôts. This project will feature 40 shops and restaurants, including 10 mid-size stores.

2.1.1.1.7. Operating cash flow

(€ millions)	12/31/2014		12/31/2013
Rental income	169.6		174.4
Net rental income	**156.6**	*(1)%*	**158.0**
% of rental revenues	*92.3%*		*90.6%*
External services	19.2	*(12)%*	21.8
Own work capitalized and production held in inventory	19.7		12.3
Operating expenses	(50.2)	*(2)%*	(51.4)
Net overhead expenses	**(11.3)**	*(35)%*	**(17.3)**
Contribution of EM associates[a]	16.5		13.3
Operating cash flow	**161.8**	*5%*	**153.9**

(a) EM: Equity-method Particularly including the contribution of Qwartz since April.

Operating cash flow went up and reached €161.8 million (+5.1%): the impact of the disposals was more than offset by the like-for-like increase in rental income, the opening of the Qwartz (consolidated using the equity method) and the decrease in operating expenses (-2%).

2.1.1.1.8. High-street retail

In 2013, the Group created a structure dedicated to "high-street retail" to enhance the value of retail and business surfaces from development programs, as a development synergy with Cogedim's Residential property teams.

This pooling of expertise among the Retail, Residential and Office Property teams makes it possible for the Group to provide local authorities with the best solutions, particularly when it comes to creating new neighborhoods.

This activity deals with various shop formats:

- ground-floor shops;
- shopping streets;
- mid-size stores;
- retail complexes covering several thousand m² (new neighborhoods).

These assets are to remain within the Group for the bigger ones, or to be disposed following its leasing.

As of December 31, 2014, the Group was working on 51 programs, some of which have already been leased and are about to be sold. This new activity is expected to contribute significantly to the Group FFO starting 2015/2016.

	Number	Surface area
Secured programs[a]	26	385,350 ft² (35,800 m²)
Under development	25	364,900 ft² (33,900 m²)
Total programs underway	**51**	**750,250 ft² (69,700 m²)**

(a) Programs secured by a sales commitment.

Breakdown of the portfolio managed as of December 31, 2014

				o/w Group share		o/w share of third parties	
Centre	GLA in m²	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			34%		66%	
Thiais Village	22,324			100%		-	
Massy	18,200			100%		-	
Lille – Les Tanneurs & Grand' Place	25,480			100%		-	
Aix-en-Provence	3,729			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%		-	
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%	
Nîmes (RP)	27,500			100%		-	
Various shopping centers (3 assets)	7,491			n/a		n/a	
Sub-total France	**520,302**	**129.5**	**2,626**		**1,628**		**998**
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**	**33.3**	**478**		**478**		**-**
CONTROLLED ASSETS (FULLY CONSOLIDATED)[a]	640,409	162.8	3,105		2,107		998
Villeneuve-la-Garenne – Qwartz	42,980			50%		50%	
Carré de Soie	60,800			50%		50%	
Paris – Les Boutiques Gare du Nord	3,750			40%		60%	
Roubaix – Espace Grand' Rue	13,538			33%		68%	
Châlons – Hôtel de Ville	5,250			40%		60%	
Various shopping centers (2 assets)	22,279			n/a		n/a	
EQUITY ASSETS[b]	148,598	37.0	632		309		322
Chambourcy	33,800			-		100%	
Bordeaux – St Eulalie	14,500			-		100%	
Orange – Les Vignes	30,700			-		100%	
Toulon – Grand Ciel	2,800			-		100%	
Angers – Fleur d'Eau	2,900			-		100%	
Bordeaux – Grand' Tour	11,400			-		100%	
Brest – Coat ar Gueven	6,400			-		100%	
Brest – Jean Jaurès	12,500			-		100%	
Chalon Sud	4,000			-		100%	
Nantes – Le Sillon Shopping	11,200			-		100%	
Pau – Quartier libre	33,800			-		100%	
Reims – Espace d'Erlon	7,100			-		100%	
Toulouse – Espace Saint Georges	12,800			-		100%	
Valdoly	5,800			-		100%	
Vichy – Les 4 Chemins	14,000			-		100%	
Ville du Bois	14,600			-		100%	
ASSETS MANAGED FOR THIRD PARTIES[c]	218,300	48.5	863	-			863
TOTAL ASSETS UNDER MANAGEMENT	1,007,307	248.3	4,600		2,416		2,184

(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 it exercises joint operational control or a significant influence. 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, 2015.
(e) Including transfer taxes.
(RP) Retail Park.

Breakdown of the development pipeline as of December 31, 2014

			At 100%				Group share		
Center	SC/RP	Creation /Redevelopment /Extension	GLA in m² created[a]	Gross rental income (€ millions)	Net investments[b] (€ millions)	Return	GLA in m²[a]	Gross rental income (€ millions)	Net investments[b] (€ millions)
Cap 3000	SC	Redev./Extension	35,000				12,000		
Aix extension	SC	Extension	5,000				2,000		
La Valette-du-Var	SC	Creation	37,000				19,000		
F. Village Le Mans 2	RP	Creation	16,000				16,000		
F. Village Aubergenville 2	RP	Redev./Extension	n/a				n/a		
Massy -X%	SC	Redev./Extension	11,000				11,000		
Chartres	SC	Creation	56,000				56,000		
Paris Region	SC	Redev./Extension	84,000				84,000		
Entrepôt Macdonald	SC	Creation	32,000				16,000		
Paris-Montparnasse Rail Station	SC	Creation	19,000				19,000		
Developments France			**295,000**	**129.0**	**1,429**	**9.0%**	**235,000**	**91.6**	**1,040.0**
Ponte Parodi (Genoa)	SC	Creation	37,000					37,000	
Le Due Torri (Lombardy)	SC	Extension	8,000					8,000	
Developments International			**45,000**	**14.5**	**154**	**9.4%**	**45,000**	**14.5**	**153.8**
Controlled developments (fully consolidated)			**340,000**	**143.5**	**1,583**	**9.1%**	**280,000**	**106.1**	**1,194**
Promenade de Flandres – Lille	RP	Creation	58,000				29,000		
Cœur d'Orly – Retail	SC	Creation	40,000				10,000		
Equity-method developments			**98,000**	**16.1**	**203**	**8.0%**	**39,000**	**5.9**	**72.7**
Total at December 31, 2014			**438,000**	**159.7**	**1,785**	**8.9%**	**319,000**	**111.9**	**1,266**
o/w redevelopments/extensions			*143,000*	*86.6*	*926*	*9.4%*	*117,000*	*59.3*	*674*
o/w asset creation			*295,000*	*73.1*	*860*	*8.5%*	*202,000*	*52.7*	*592*

(a) Total GLA (Gross Leasable Area) created, excluding off-plan developments for third parties. For renovation/extension projects, figures represent additional GLA created.
(b) Total budget including interest expenses and internal costs.
(SC) Shopping center.
(RP) Retail Park.

2.1.1.2. Online retail

Altarea Cogedim is one of the leading names in e-commerce in France thanks to Rue du Commerce and its business volume of €428 million in 2014 (stable as compared to 2013).

2.1.1.2.1. Market trends[18]

In 2014, the e-commerce market recorded a 2% growth in France. General merchandise websites reported a sales increase of +3% on a like-for-like basis.

2.1.1.2.2. RueduCommerce.com visitor number

Rue du Commerce maintained its position as a leading website, ranking among the general merchandise website top-10 in France[19].

General merchandise sites	Average 11-month UV in 2014 (in thousands)
1. Amazon	16,248
2. CDiscount	9,994
3. Fnac	9,576
4. PriceMinister	7,220
5. Carrefour	6,948
6. La Redoute	6,331
7. Vente-privée	5,890
8. Rue du Commerce	**5,033**
9. E.Leclerc	4,748
10. Darty	4,621

(18) Source: FEVAD and iCE 100 survey (like-for-like growth of leading sites and high-tech products) as of late November 2014 (12 months).
(19) 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 2014.

2.1.1.2.3. Rue du Commerce performance

As of December 31, 2014, the site reported a business volume of €428 million (stable compared to 2013), of which 71% was generated by own-brand distribution and 29% by the marketplace. The number of orders reached 2.3 million, for an average basket of approximately €224, tax included.

(€ millions)	2014	2013	*Change*
Own-brand business volume	305.6	318.6	*(4)%*
Marketplace business volume	122.7	109.9	*12%*
Total business volume	**428.3**	**428.5**	***(0)%***
Own-brand business volume	305.6	318.6	*(4)%*
Marketplace commissions	11.1	9.6	*17%*
Commission rate	*9.1%*	*8.8%*	*+0.3 pts*
Rue du Commerce revenue	**316.7**	**328.1**	***(3)%***

Over the year, Rue du Commerce refocused its offering on men's departments ("High Tech – Home Appliances – DIY") to better meet the expectations of its main customers (men, high-income segments): "*1,200 brands to inspire men.*"

This refocusing primarily explains the decline in the global business volume.

Meanwhile, commission rates were increased for the marketplace where Rue du Commerce holds a leading position.

RUE DU COMMERCE RESULTS

(€ millions)	12/31/2014		12/31/2013
Distribution revenues	305.6	*(4)%*	318.6
Purchases consumed and other	(293.9)		(297.8)
Marketplace commissions	11.1	*17%*	9.6
Net overhead expenses	(41.9)		(42.8)
Operating cash flow	**(19.0)**	***53%***	**(12.5)**
% of revenue	*(6.2)%*		*(3.9)%*

The fierce competition on the high-tech retail market led to a decline in margins, as Rue du Commerce chose to maintain its market share.

Thanks to its positioning and visitor numbers, Rue du Commerce increased the contribution of its marketplace.

As a result, the operating loss increased in 2014, as overhead reduction measures only had a partial impact this year.

2.1.2. RESIDENTIAL

2.1.2.1. 2014 situation and outlook

Although the market enjoys positive fundamentals (demographics, extremely low interest rates[20], strong aspiration to homeownership and, most importantly, a structural housing shortage), new housing sales are estimated at 85,000 homes, down 7%[21] compared to already low 2013 levels. Further upstream in the process, construction starts and building permit applications, are following the same downward trend[22]: barely 300,000[23] homes were built in 2014, well below the government's goal of 500,000 homes per year.

The French government's announcements in H2 2014 advocating housing construction point to a potential recovery for the sector:

- since its implementation, the Pinel initiative, more flexible than the Duflot scheme[24], has led to a return of private investors who became much less active on the market[25] since the withdrawal of the Scellier Law;
- intermediate housing should benefit from the return of institutional investors to the housing market thanks to an attractive risk/return ratio;
- the first 50 simplification measures set out in the Macron Act for Growth are expected to contribute to a reduction in construction costs, thereby enhancing household purchasing power;
- the revision of regions experiencing a housing shortage will also benefit from all measures in place to support housing construction.

2.1.2.2. Equity investment in Histoire & Patrimoine

In June 2014, Altarea Cogedim acquired a 55% stake in Histoire & Patrimoine for €15.5 million, mainly through an equity capital increase.

Histoire & Patrimoine specializes in the renovation and redevelopment of urban heritage properties. With 100 employees, the Company carries out annual investments of approximately €100 million[26]. Histoire & Patrimoine develops programs throughout France, with a comprehensive real estate offering ranging from program design to administration of finished properties, as well as monitoring of restoration procedures and marketing of renovated properties.

Thus, Altarea Cogedim expanded its urban renovation know-how with a complementary field expertise that enable to provide comprehensive solutions for cities looking to preserve and enhance their architectural heritage.

The Group has a sale commitment for the remaining 45% of the equity by 2018/2019, ultimately offering the opportunity to take full control of Histoire & Patrimoine. In the meantime, the company is consolidated using the equity method in the Group consolidated financial statements.

(20) Rates continued downward throughout the year, coming to an average rate of 2.38 in November, according to the Crédit Logement / CSA Observatory. This amounts to a drop of 70 basis points since January 2014 and 158 basis points since 2011.
(21) Source: Commissariat Général au Développement durable: Observatoire et Statistiques No. 583 – Marketing of New Homes in Q3 2014.
(22) Source: Commissariat Général au Développement durable: Observatoire et Statistiques No. 593 – Housing Construction as of late November 2014.
(23) Including social housing.
(24) Lease commitments are now variable at 6, 9 or 12 years, with a 12%, 18% or 21% tax benefit: property may also be leased to ascendants and descendants.
(25) This scheme, funded by the French government and Caisse des Dépôts et Consignations, sets out a reduction in VAT to 10% and a 20-year land tax exemption. In late June 2014, Prime Minister Manuel Valls announced the plan to create 25,000 intermediate homes in five years.
(26) At 100%.

2.1.2.3. Cogedim: reservations[27] up +21% in a difficult market

Altarea Cogedim recorded strong sales growth in a tough market: +9% in value terms and +21% in number of units[28], up 1 point in market share as compared to 2013[29].

This performance is due to the adaptation of the offering to market segments with increasing needs, while maintaining **"quality as a principle," the foundation of Cogedim's brand capital**.

BROADENING THE RANGE OF PRODUCTS

Cogedim continued to enlarge its residential housing offering to align with the demand while taking advantage of its historical strengths. Today, Cogedim's offering breaks down into:

- **high-end products,** with an upscale positioning in terms of architecture, quality and location. This product range offers housing priced at over €5,000/m² in the Paris Region and over €3,600/m² outside of Paris, and includes truly exceptional programs;
- **mid-range and entry-level products:** while upholding Cogedim's quality standards, the programs in these ranges are specifically designed to:
  - meet the need for affordable housing suited to the creditworthiness of our customers,
  - fulfill individual investors' desires to take advantage of the new "Pinel" scheme,
  - take advantage of local authorities' eagerness to develop affordable housing operations.

GEOGRAPHICAL POSITIONING FOCUSED ON REGIONS WITH A HOUSING SHORTAGE

Active in the Paris Region and several of the most economically and demographically dynamic regional centers[30], Altarea Cogedim targets areas where housing is short in supply and where needs for new constructions are the strongest.

In the Paris Region, the Group is developing several programs as part of the Greater Paris Project, including Massy Place du Grand Ouest, where the Group took advantage of its multi-product expertise to design a New Neighborhood that includes a combination of homes (680 apartments, including a senior residence), retail (a mid-sized store, ground-floor shops and a movie theatre) and offices (a 4-star hotel and convention center).

A MULTI-PRODUCT STRATEGY

A broad range of Serviced residences[31]

Under the Cogedim Club® brand in particular, Altarea Cogedim is developing a serviced-residence concept for active seniors with a variety of *à la carte* services and attractive downtown locations. The Group 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.

The 35% stake acquired by Crédit Agricole Assurances in Cogedim Résidences Services, the company that operates Cogedim Club® residences, will enable to accelarate the development of these structures which are sound growth drivers for the Group in the medium-term.

Development of bare ownership sales

To meet the growing needs to secure additional long-term income or reduce tax burdens, Altarea Cogedim has developed a bare ownership product offering.

The Group created a dedicated team and acquired true expertise in this field, hence contributing to the development of this new estate planning tool that remains less known for the public.

A new offering of renovation products thanks to the acquisition of Histoire & Patrimoine

With the acquisition of a 55% stake in Histoire & Patrimoine, Altarea Cogedim now boasts a product offering eligible for tax benefits under the Historic Monuments, Malraux and real estate losses schemes. This new offering rounds out a product range highly appreciated by taxpayers.

This acquisition also enables the Group to enlarge its offering for local governments while creating sales and development synergies with all Group businesses.

RESERVATIONS IN VALUE TERMS AND IN NUMBER OF UNITS[32]

In 2014, reservations amounted to €1.103 billion (incl. tax) (+9% compared to 2013) and 4,526 units (+21%), an all-time high for the number of units sold.

	2014	2013	*Change*
Individual reservations	€730 mil.	€650 mil.	*+12%*
Block reservations	€373 mil.	€366 mil.	*+2%*
Total in value terms	**€1,103 mil.**	**€1,016 mil.**	*+9%*
Individual reservations	2,695 units	2,286 units	*+18%*
Block reservations	1,831 units	1,446 units	*+27%*
Total in number of units	**4,526 units**	**3,732 units**	*+21%*

Individual reservations grew by 12% in value terms (+18% in volume), as a result of increased reservations of entry-level and mid-scale products.

Sales to private investors increased by 8% and accounted for 43% of individual reservations in value terms in 2014 (vs. 42% in 2013 and vs. 37% in 2012).

Block sales to institutional investors represented 34% of the total placements in 2014 in value terms, up 2% compared to 2013 espacially outside of Paris.

65 programs comprising more than 4,700 units were put on sale in 2014 (+9% compared to 2013).

(27) Reservations net of cancellations, with Histoire et Patrimoine reservations accounted for in proportion to the Group share of ownership.
(28) +4% in value terms and +17% in volume like-for-like (excl. Histoire & Patrimoine).
(29) 2014 market share in volume: 5.3% / market share in value terms: 5.7%.
(30) Lyon, Grenoble, Annecy, Nice, Marseille, Montpellier, Nantes, Bordeaux, Toulouse and Strasbourg.
(31) Cogedim Club® senior residences, student residences, tourism and business and accommodations, homes for young workers, etc.
(32) Consolidated, except for jointly controlled operations, which are recognized in proportion to the interest held. Histoire & Patrimoine reservations are recognized at 55%.

Reservations by product range

(Number of units)	2014	%	2013	% Change
Entry-level/mid-range	2,876	*66%*	2,349	*63%*
High-end	999	*23%*	817	*22%*
Serviced residences	494	*11%*	567	*15%*
Sub-total	**4,369**		**3,732**	*+17%*
Histoire & Patrimoine	157			
Total	**4,526**		**3,732**	*+21%*

Sales growth in 2014 was primarily driven by entry-level and mid-range programs, which now account for two-thirds of the sales in volume, excluding Histoire & Patrimoine (compared to 63% in 2013).

NOTARIZED SALES

(€ millions incl. tax 2014)	2014	%	2013	% Change
Entry-level/mid-range	593	*57%*	458	*51%*
High-end	324	*31%*	358	*40%*
Serviced residences	124	12%	85	*9%*
Sub-total	**1,041**		**901**	*+16%*
Histoire & Patrimoine	39			
Total	**1,081**		**901**	*+20%*

Altarea Cogedim reported notarized sales of €1,081 million in 2014 (+20% compared to 2013), following the same growth trends as reservations.

2.1.2.4. Operating income

PERCENTAGE-OF-COMPLETION REVENUES[33]

(€ millions excl. tax)	2014	%	2013	% Change
Entry-level/mid-range	364	*48%*	342	*39%*
High-end	318	*42%*	499	*57%*
Serviced residences	72	*9%*	41	*5%*
Total	**755**		**883**	*(15)%*

Residential revenue came to €755 million, versus €883 million in 2013 which included a significant contribution from the Paris Laennec program. Excluding Laennec, 2014 revenues are close to the 2013 figures[34].

NET PROPERTY INCOME[35] AND OPERATING CASH FLOW

(€ millions)	12/31/2014		12/31/2013
Revenue	754.5	*(15)%*	883.2
Cost of sales	(699.7)		(788.5)
Net property income	**54.8**	*(42)%*	**94.7**
% of revenue	*7.3%*		*10.7%*
Production held in inventory	59.5		55.0
Net overhead expenses	(80.6)		(92.0)
Other[a]	6.9		4.6
Operating cash flow	**40.6**	*(35)%*	**62.3**
% of revenue	5.4%		7.1%

(a) Particularly includes the contributions of companies consolidated using the equity method.

In 2014, Net property income came to 7.3% of the revenue compared to 10.7% in 2013, as the Laennec program contributed very strongly to the 2013 results.

BACKLOG

(€ millions excl. tax)	2014	2013	Change
Notarized revenues not recognized	879	777	
Revenues reserved but not notarized	580	554	
Backlog	**1,459**	**1,331**	*+10%*
Number of months	*22*	*17*	*+5*

As of December 31, 2014, the residential backlog amounted to €1.459 billion, representing 22 months of business, i.e. a 10% increase compared to 2013.

60% of the backlog stands for revenues notarized but not recognized (compared to 58% in 2013). This level provides the Group with excellent visibility as to its future residential development income.

2.1.2.5. Risk management

Breakdown of properties for sale at the end of 2014 (€562 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 (€ mil. excl. tax)		14	3		
Cost price of properties for sale (€ mil. excl. tax)				311	9
Property for sale (€562 mil. incl. tax)		**213**	**10**	**329**	**10**
As %		*38%*	*2%*	*59%*	*2%*
o/w to be delivered	*in 2015*			*€56 mil.*	
	in 2016			*€183 mil.*	
	in 2017			*€83 mil.*	
	in 2018			*€8 mil.*	

(33) 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.
(34) 2013 revenue excluding Laennec: €770 million.
(35) Net property income is calculated after interest, after marketing and advertising fees and expenses.

MANAGEMENT OF PROPERTIES FOR SALE[36]

40% of the properties for sale relate to developments for which construction had not yet begun and for which the amounts committed primarily correspond to studies, advertising costs and land sales fees (or guarantees) paid upon the signature of preliminary land acquisition agreements with possibilities of retraction (mainly unilateral agreements).

59% of the properties for sale are currently being built. Only €56 million (out of €329 million) concern units to be completed by the end of 2015.

The stock of finished products is insignificant.

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

- the will to give priority to signature of unilateral preliminary sale 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 authorization 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 cautious management of the Group commitments.

MANAGING THE PROPERTY CYCLE

Thanks to the use of cautious risk management criteria, Cogedim's exerts virtually exclusive control over its property assets through unilateral land options, which are only exercised in accordance with the commercial success of its programs.

SUPPLY[37]

	Revenue incl. tax (€ millions)	Number of units
Operations supplied in 2014	**2,100**	**10,128**
o/w entry-level and mid-range	1,432	7,390
% of operations supplied in 2014	*68%*	*73%*

Sales commitments signed in 2014 are equivalent to €2 billion of revenues (incl. tax). 75% of such agreements concern entry-level and mid-range programs, with prices particularly well suited to purchasers' creditworthiness.

PROPERTIES FOR SALE AND FUTURE OFFERING[38]

(€ millions incl. tax)	< 1 year	> 1 year	On 12/31/2014	Number of months	As of 12/31/2013
Properties for sale	562		562	6	711
Future offering	2,128	2,252	4,380	49	3,719
Total Pipeline	**2,690**	**2,252**	**4,942**	**55**	**4,430**
12/31/2013			**4,430**		
Change			*+12%*		

The residential pipeline (properties for sale + future offering) is up 12% compared to 2013.

It comprises:

- 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, hence allowing the Group to seize opportunities in all ranges once the market recovers.

2.1.3. OFFICES

2.1.3.1. Economic environment and 2014 activity

INVESTMENT IN OFFICE PROPERTY[39]

With investments of nearly €23 billion in 2014, the French market grew by 37% compared to 2013 while the number of transactions went down 20%. The market saw seven transactions of more than €500 million, hiding the relative scarcity of mid-sized investments, traditionally the backbone of the market.

Investors benefited from low cost of debt, hence generating a flow of financial resources which primarily benefited to large-sized "core" assets, especially in Paris. Competition for these high-quality assets remains strong, hence, resulting in a drop in "prime" yields (3.75% in Q4 2014 in the Central Business District of Paris).

OFFICE PROPERTY TAKE-UP[40]

In 2014, take-up in the Paris Region amounted to 22.6 million ft² (2.1 million m²), up 13% from 2013.

Users first motivation remains the will to optimize floor-space and to lower rents. The economic environment and low margins lead users to limit risks and to prefer renegotiating their current leases.

At the end of 2014, immediate supply grew slightly at 43 million ft² (4 million m²), up 2% compared to the end of 2013. The share of new and redeveloped properties in immediate supply dropped to 20%.

2.1.3.2. Group strategy

Regarding Office property, the Group has developed an original model enabling to take part to significant operations on the market with limited risks.

(36) Properties for sale include units available for sale and are expressed as values including tax. The breakdown of the offering does not include the Histoire & Patrimoine renovation product offering (€15 million including tax).
(37) New programs included in the land portfolio.
(38) The future offering is made up of secured programs (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched. It is expressed as values including tax. Excluding Histoire & Patrimoine.
(39) Source: CBRE: vs. €16.5 billion in 2013.
(40) All rental or sale transactions carried out by end users. CBRE data from January 2015 – Offices in the Paris Region.

- As an investor through the investment fund AltaFund[41] for which the Group is the exclusive operator and one of the main shareholders, with a 17% capital share. In 2014, the Group increased its allocation from €100 million to €150 million for the next operations of the fund, increasing its share to 30% in the next operations of the fund.
- As a property developer carrying out off-plan sales or leases and Property Development contracts, with a particularly strong position on the market for turnkey projects.
- As a service provider for large institutional investors.

Overall, the Group is able to operate at each step of the value-creation chain with a diversified revenue mix (margins, fees, capital gains, etc.) and with an optimized capital allocation.

2.1.3.3. Summary of projects underway

Nature of project	Surface area (at 100%)	Amount (Group share)
AltaFund[a]	760,450 ft² (70,650 m²)	€461 million
Property Development contracts/Off-plan sales/ Off-plan leases[b]	3,981,860 ft² (369,927 m²)	€1,114 million
Delegated project management[c]	539,270 ft² (50,100 m²)	€127€ million
Total	**5,281,600 ft² (490,677 m²)**	**€1,702 million**
o/w under construction	*1,444,400 ft² (134,189 m²)*	*€450 million*

(a) Amount = total cost price of programs at 100%.
(b) Amount = amount of the signed contract (or estimate in the case of off-plan leases).
(c) Amount = capitalized fees.

SIGNATURES

The Group secured[42] seven new projects in 2014, for potential business of nearly €500 million and 1.4 million ft² (130,000 m²) of which the main ones are:

- Paris – 52 Champs Élysées: Signature of a delegated project management contract for on-site redevelopment of a 280,000 ft² (26,000 m²) building.
- Paris – Richelieu: Signature of a purchase commitment for the long-time head office of Allianz, spanning 333,680 ft² (31,000 m²).
- Paris – 16 Matignon: Signature of a delegated project management contract to carry out a preliminary feasibility study for the renovation/redevelopment of a 87,200 ft² (8,100 m²) building.
- Paris – Raspail: Sale by AltaFund of the Raspail building and signature of a Property Development contract with the purchaser for redevelopment work on the 109,200 ft² (10,145 m²) building. Delivery is expected for late 2015.
- Toulouse – Safran: Signature of a lease with Safran for its future 270,200 ft² (25,100 m²) headquarters. The building, sold off-plan to a major French investor, is currently under construction. Delivery is expected for late 2015.
- Lyon – Sanofi: Signature of an off-plan lease with Sanofi Aventis Group, which plans to establish the head offices of two of its subsidiaries in a 162,500 ft² (15,100 m²) building. Construction began in late 2014 for delivery scheduled in late 2016.

The group also started six construction in 2014 for a total of 861,000 ft² (80,000 m²): Ilot Askia (Cœur d'Orly), the headquarters of Mutuelle des Motards in Montpellier, phase 1 of the Technopôle de la Mer in Ollioules, phase 3 of the Euromed Center in Marseille, Safran in Toulouse and Sanofi in Lyon.

2014 DELIVERIES

The Group delivered four programs for a total of 893,400 ft² (83,000 m²): the headquarter of Mercedes-Benz France in Montigny-le-Bretonneux, Tour Blanche (Chartis) in La Défense, the Sisley Building in Saint-Denis (Landy) and the Opale Building in Lyon Gerland.

The very significant replenishment of Office property projects since 2013 should lead to considerable results as of 2016/2017.

2.1.3.4. Revenue and operating cash flow

(€ millions)	12/31/2014		12/31/2013
Revenue	59.0	*(45)%*	107.5
Net property income	6.2	*(56)%*	14.1
% of revenue	*10.6%*		*13.1%*
External services	7.3	*118%*	3.3
Production held in inventory	12.4		2.7
Operating expenses	(15.1)		(12.9)
Net overhead expenses	4.5		(6.8)
Other (Profit attributable to EM associates)[a]	7.1		8.1
Operating cash flow	**17.8**	*15%*	**15.5**
% of revenue	*30.2%*		*14.4%*

(a) Incl. AltaFund (Raspail).

The composition of the results over the year varies considerably due to the mix of contributing programs: the drop in revenue from off-plan programs (after the contribution of the Mercedes project in 2013) was more than offset by fees and AltaFund's contribution. In total, operating cash flow grew 15% to €17.8 million.

2.1.3.5. Backlog[43] (Off-plan, Property Development contracts and delegated project management)

The off-plan and Property Development contract backlog amounted to €133 million in late December 2014, compared with €78 million the previous year. The Group also had a stable backlog of delegated project management fees amounting to €5.7 million.

(In € millions)	12/31/2014	12/31/2013
Backlog(off-plan/ Property Development contracts)	€133.0 mil.	€78.0 mil.
Backlog of delegated project management fees	€5.7 mil.	€4.7 mil.

(41) AltaFund is a discretionary investment fund with €600 million in equity.
(42) Secured program: program for which the Group has signed an off-plan sale or lease, property development or delegated project management contract, or for which AltaFund has acquired an asset.
(43) The backlog comprises notarized sales to be recognized according to the percentage-of-completion method, take-ups (excl. tax) not yet subject to a notarized deed and fees owed by third parties on contracts signed.

BREAKDOWN OF PROGRAMS UNDERWAY AT DECEMBER 31, 2014

Project	Description	Surface area at 100%	Equivalent value	Statuts
PARIS – SEMAPA	AltaFund	157,700 ft² (14,650 m²)		Secured
NEUILLY – Avenue Charles-de-Gaulle	AltaFund	269,000 ft² (25,000 m²)		Secured
PARIS – Rue de Richelieu	AltaFund	333,680 ft² (31,000 m²)		Secured
AltaFund programs [a]		**760,470 ft² (70,650 m²)**	**€461 million**	
PARIS – Raspail	Property Development contract	109,200 ft² (10,145 m²)		Construction underway
CŒUR D'ORLY – Ilot Askia	Property Development contract	197,420 ft² (18,341 m²)		Construction underway
MONTPELLIER – Mutuelle des motards	Property Development contract	96,875 ft² (9,000 m²)		Construction underway
OLLIOULES – Technopôle de la Mer	Off-plan sale	49,850 ft² (4,630 m²)		Construction underway
Marseille – Euromed Center (Phases 1, 2 et 3)	Property Development contract	364,600 ft² (33,873 m²)		Construction underway
Toulouse Blagnac – SAFRAN	Off-plan sale	270,175 ft² (25,100 m²)		Construction underway
LYON GERLAND – SANOFI	Off-plan lease	162,500 ft² (15,100 m²)		Construction underway
ISSY-LES-MOULINEAUX	Property Development contract	607,000 ft² (56,400 m²)		Secured
LYON GERLAND – Ivoire	Off-plan sale	81,800 ft² (7,600 m²)		Secured
VILLEURBANNE	Off-plan sale	183,000 ft² (17,000 m²)		Secured
Marseille – Michelet	Off-plan sale	172,200 ft² (16,000 m²)		Secured
TOULON – TPM (Retail & hotel)	Off-plan sale	51,020 ft² (4,740 m²)		Secured
PARIS – Rue des Archives	Property Development contract	223,900 ft² (20,800 m²)		Secured
MASSY – Hôtel Place du Grand Ouest	Off-plan sale	64,900 ft² (6,029 m²)		Secured
ANTONY – Croix de Berny (Tranche 2)	Off-plan sale	179,176 ft² (16,646 m²)		Secured
NANTERRe – Cœur de Quartier	Off-plan sale	223,728 ft² (20,785 m²)		Secured
CŒUR D'ORLY (Excl. Ilot Askia)	Property Development contract	585,255 ft² (54,372 m²)		Secured
NICE MERIDIA – Ilot Robini (Lot 1 & 3)	Property Development contract	101,008 ft² (9,384 m²)		Secured
Marseille – Euromed Center (Phases 4 & 5)	Property Development contract	258,140 ft² (23,982 m²)		Secured
Property Development contracts/ Off-plan sales/Off-plan leases [b]		**3,981,860 ft² (369,927 m²)**	**€1.114 billion**	
PARIS – Laënnec	Delegated project management	193,750 ft² (18,000 m²)		Construction underway
PARIS – Champs Élysées	Delegated project management	258,000 ft² (24,000 m²)		Secured
PARIS – Avenue de Matignon	Delegated project management	87,200 ft² (8,100 m²)		Secured
Delegated project management [c]		**539,270 ft² (50,100 m²)**	**€127 million**	
TOTAL		**5,281,600 ft² (490,677 m²)**	**€1,702 million**	

(a) Amount = total cost price of the program at 100%.
(b) Amount = amount of the signed contract (or estimate in the case of off-plan leases).
(c) Amount = capitalized fees.

2.1.4. INNOVATION

In 2015, Altarea Cogedim created AltaFuture, a new structure with a multidisciplinary team focusing on identifying innovations to be implemented within the Group, providing support to deploy these innovations and on enhancing Altarea Cogedim's strategy by developing close relations with innovative companies.

AltaFuture will work for all the Group business lines and pursue the development of the innovations currently being implemented:

- in retail: the Digital Factory, a revolutionnary approach for data collection and processing, which provides in-depth understanding of customer behaviors. This system, already in place at the Qwartz Shopping Center in Villeneuve-la-Garenne, strengthens the attractivty of our assets. The Group is also continuing its investments in Rue du Commerce to develop synergies between brick-and-mortar shopping centers and e-commerce;
- for Residential property, Altarea Cogedim is developing new sales techniques thanks to digital marketing tools (virtual tours, 3D project models, etc.) and innovative financing solutions ("Bon Plan Cogedim": 10% -90% funding solution);
- for Office property, Altarea Cogedim is incorporating sustainable and innovative solutions into its new office projects, thus guaranteeing its clients with comfort and productivity. The headquarters of Sanofi Pasteur and Merial in Lyon (69), currently undergoing both NF HQE® "Exceptionnel" and BREEAM® "Excellent" certification processes, will produce more energy than it consumes (BEPOS) thanks to an energy-efficient design and simultaneous use of solar, thermal, photovoltaic and geothermal energy sources.

2.2. CONSOLIDATED RESULTS

2.2.1. RESULTS

On December 31, 2014, the Group recorded a consolidated revenue deacrease of 13% and a consolidated FFO (Group share and minorities) deacrease of 0.7%, reaching €166.5 million.

On a Group share basis, FFO was down 11.3% to €126.2 million, i.e. €10.47 per share after dilution.

This decline in the per share FFO was mainly due to the will to reduce the financial debt enabling to lower the LTV from 49.3% to 37.7%. On a comparable financial structure basis[44], the per share FFO was down 1.3% to €12.49.

	(€/share)		
FFO as of December 31, 2013	12.66		
Change in 2014 FFO	(0.17)		
FFO as of December 31, 2014 at comparable financial structure	12.49		(1.3)%
Dilution partnership (Allianz)	(1.26)	(2.03)	
Dilution new shares issued	(0.77)		
FFO at December 31, 2014	10.47		(17.3)%

Altarea Cogedim reported net consolidated income of €260 million (+18%), driven by strong growth in the asset portfolio value. On a Group share basis, net income amounted to €114.3 million.

(€ millions)	12/31/2014				12/31/2013		
	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
Shopping centers	188.7	*(4)%*	3.5	192.2	196.1	-	196.1
Online retail	316.7	*(3)%*	-	316.7	328.1	-	328.1
Residential	755.3	*(14)%*	-	755.3	883.3	-	883.3
Offices	66.2	*(40)%*	-	66.2	110.8	-	110.8
REVENUE	1,326.9	*(13)%*	3.5	1,330.4	1,518.4	-	1,518.4
Shopping centers	161.8	*5.1%*	104.5	266.3	153.9	68.5	222.4
Online retail	(19.0)	*52.7%*	(5.2)	(24.3)	(12.5)	(47.0)	(59.5)
Residential	40.6	*(34.8)%*	(7.0)	33.6	62.3	(5.2)	57.0
Offices	17.8	*15.4%*	1.4	19.3	15.5	(1.9)	13.6
Other	0.6		(2.7)	(2.1)	(0.6)	(0.6)	(1.2)
OPERATING INCOME	201.8	*(7.7)%*	91.1	292.9	218.6	13.8	232.4
Cost of net debt	(34.1)	*(29.3)%*	(5.0)	(39.1)	(48.2)	(6.6)	(54.8)
Change in value and income from disposal of financial instruments	-		(78.7)	(78.7)	-	22.0	22.0
Proceeds from the disposal of investments	-		0.0	0.0	-	(0.0)	(0.0)
Corporate income tax	(1.3)		86.1	84.8	(2.7)	23.2	20.4
NET CONSOLIDATED INCOME	166.5	*(0.7)%*	93.5	260.0	167.7	52.3	220.0
Non-controlling interests	(40.3)	*58.1%*	(105.4)	(145.7)	(25.5)	(48.3)	(73.8)
NET ATTRIBUTABLE INCOME	126.2	*(11.3)%*	(11.8)	114.3	142.2	4.1	146.3
Average number of shares after dilution	*12.055*				*11.232*		
FFO (GROUP SHARE) PER SHARE	10.47	*(17.3)%*			12.66		

(44) Before impact of the partnership with Allianz, which acquired a 49% stake in five assets (Bercy Village, Gare de l'Est, Gennevilliers, Toulouse Gramont and La Valette du Var) and of the payment of the 2013 dividend in shares (creation of 922,692 new shares at €108.3/share).

2.2.1.1. Operating cash flow[45]: €201.8 million (-7.7%)

Shopping centers and Office contributions were up by 5.1% (to €161.8 million) and 15.4% (to €17.8 million), respectively, driven by the positive impact of the strategic repositioning initiated several years ago.

The Residential contribution declined 37.8% to €40.6 million due to a reduction in margins (in pursuit of higher take-up rates) and a base effect (the 2013 contribution was driven to a large extent by the Laennec program)[46].

In e-commerce, the decline of the contribution (-€19.0 million) is due to intense competitive pressure on the price of high-tech products and the will to maintain the market shares. The marketplace has reached its breack even level.

2.2.1.2. FFO[47]: €166.5 million (–0.7%)

FFO represents operating cash flow after interests and Corporate income tax expenses.

COST OF NET DEBT: €34.1 MILLION (-36%)

The drop in the cost of the net debt is due to the reduction of the consolidated net debt amount (€1.772 billion compared to €1.837 billion in 2013), but mostly to a reduction of the average cost of debt (-39 bps).

This reduction of the average cost of debt is due to the financing operations carried out over the year (financing/refinancing concluded with more advantageous conditions) and the restructuring of hedging instruments.

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 2014, the Group was able to offset its taxable income against tax loss carryforwards, limiting the amount of income tax payments to €1.3 million.

AVERAGE NUMBER OF SHARES AND DILUTION OF FFO

Late 2013 and throughout 2014, the Group consolidated its financial structure through two operations resulting in a dilution of per-share indicators:

- €395 million of equity brought by Allianz in December 2013 to acquire a stake in a portfolio of five assets, resulting in an increase in the share of net income attributable to minority interests (dilution of the Group share net income);
- €100 million equity capital increase[48] due to the payment of the 2014 dividend in shares, leading to the issuing of 922,692 shares (dilution of net income per share).

2.2.1.3. Changes in value and estimated expenses: €93.5 million

	(€ millions)
Change in value – Investment properties[a]	121.2
Change in value – Change in registration fees[b]	(11.8)
Change in value – Financial instruments	(78.7)
Disposal of assets and transaction costs	0.7
Share of equity-method associates	(4.2)
Deferred tax	86.1
Estimated expenses[c]	(19.8)
TOTAL	93.5

(a) Including change in value of assets consolidated using the equity method.
(b) For 65% of assets, registration fees increased form 6.20% to 6,90%.
(c) Allowances for depreciation and non-current provisions, stock grants, pension provisions, staggering of debt issuance costs.

2.2.1.4. Tax investigation: definitive settlement of the dispute

Late 2011, the Group received a follow-up notice of tax due in a principal amount of €133.9 million concerning restructuring operations carried out in 2008.

Following a procedure concluded during H1 2014[49], an overall settlement was accepted, resulting in full relief concerning the tax claim and a partial reduction of tax deficits generated in 2008.

This dispute has been definitively concluded with no outflow of resources for the Group. The Company took full account of the accounting consequences in its financial statements as of December 31, 2014.

(45) Or consolidated EBITDA.
(46) Excluding the Laënnec effect, the operating cash flow of the Residential property business was up 28%.
(47) Funds from operations.
(48) Share-based 2013 dividend payment accounting for 536,364 shares and share-based 2014 dividend payment accounting for 922,692 shares.
(49) Two opinions wholly in favor of the Group taxpayers concerned were delivered by the Regional Tax Commission (*Commission Départementale des Impôts*) and the National Tax Commission (*Commission Nationale des Impôts*) on October 3, 2013 and January 31, 2014, respectively.

2.2.2. NET ASSET VALUE (NAV)

GROUP NAV	12/31/2014				12/31/2013	
	€ millions	*Change*	€/share[c]	*Change/share*	€ millions	€/share[c]
Consolidated equity, Group share	1,249.5		99.9		1,151.3	99.3
Other unrealized capital gains	276.8				317.6	
Restatement of financial instruments	87.8				71.5	
Deferred tax on the balance sheet for non-SIIC assets (international assets)	22.4				23.4	
EPRA NAV	1,636.5	*4.6%*	130.8	*(3.1)%*	1,563.9	134.9
Market value of financial instruments	(87.8)				(71.5)	
Fixed-rate market value of debt	(13.1)				(2.3)	
Effective tax for unrealized capital gains on non-SIIC assets[a]	(17.6)				(32.1)	
Optimization of transfer taxes[a]	55.6				48.7	
Partners share[b]	(14.9)				(15.4)	
EPRA NNNAV (liquidation NAV)	1,558.6	*4.5%*	124.6	*(3.2)%*	1,491.2	128.7
Estimated transfer taxes and selling fees	65.9				63.6	
Partners' share[b]	(0.6)				(0.7)	
DILUTED GOING CONCERN NAV	1,623.9	*4.5%*	129.8	*(3.2)%*	1,554.1	134.1

(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. 12,512,638 11,590,807

2.2.2.1. Change in Going Concern NAV

As of December 31, 2014, the Group diluted Going Concern NAV amounted to €1.624 billion, up +4.5% compared to 2013.

On a per share basis, the Group Going Concern NAV was stable on a comparable financial structure basis[50].

After the impact of the dilution generated by the restructuring operations (partnership with Allianz, 2014 share-based dividend payment), the Group Going Concern NAV came to €129.8/share, i.e. a decline of 3.2%.

Diluted Going-Concern NAV	(€ millions)	(€/share)	
At Tuesday, December 31, 2013	1,554	134.1	
Net income, like-for-like	117	10.1	
2013 dividend	(116)	(10.0)	
Other changes in value[a]	(10)	(0.8)	
At December 31, 2014 at comparable financial structure basis	1,545	133.3	*(0.6)%*
Dilution from partnership (Allianz)	(21)	(1.8)	
Dilution from creation of new shares	100	(1.7)	*(3.5)*
At December 31, 2014	1,624	129.8	*(3.2)%*

(a) Including a tax effect of €64 million (recognition of tax losses).

2.2.2.2. 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 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.

(50) Excluding the impact of the partnership with Allianz for five assets (Bercy Village, Gare de l'Est, Gennevilliers, Toulouse Gramont and La Valette du Var, of which Allianz acquired a 49% interest) and the impact of payment of the 2013 dividend in shares (creation of 922,692 new shares at €108.3/share).

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 TAXES

Investment properties have been recognized in the IFRS consolidated financial statements at appraisal value excluding transfer taxes. 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.

FINANCIAL INSTRUMENTS

The mark-to-market value of financial instruments came to €-88 million at December 31, 2014, with an impact on the Group net financial position in the amount of €-73 million.

This amount was reincorporated in the EPRA NNNAV calculation and deducted from published liquidation and going-concern NAV.

PARTNERS' SHARE

The partners' share represents the maximum dilution provided for under the Group 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 diluted number of shares recognizes all shares subscribed in the payment of the 2013 dividend in shares, i.e. 922,692 shares.

2.3. FINANCIAL RESOURCES

2.3.1. FINANCIAL POSITION

Altarea Cogedim has a solid financial structure:

- €622 million of available cash and cash equivalents;
- robust consolidated bank covenants (LTV <60% and ICR >2x) with significant room for manoeuvre as of December 31, 2014 (LTV of 37.7% and ICR of 5.9 x).

This strong position results primarily from a diversified business model that generates substantial cash flow at the top of the cycle while remaining highly resilient at the bottom.

2.3.1.1. Available cash and cash equivalents: €622 million

Available cash and cash equivalents includes:

- €595 million in corporate sources of funds (cash and confirmed authorizations);
- €27 million in unused loan authorizations secured against specific developments.

2.3.1.2. Financing: €805 million in long-term corporate financing agreements signed, including a €230 million private bond issue

The year was particularly dynamic, with €805 million in corporate financing signed, composed of €350 million in refinancing of existing lines of credit, which were extended under more advantageous terms, and €455 million in new fundings. These financings break down as follows:

- €200 million in corporate credit intended to refinance the 2007 Cogedim acquisition loan;
- €375 million in corporate lines of credit issued by the current banks of the Group;
- a €230 million private bond issue with a terms of seven years with a 3.0% coupon. This issue was subscribed by a pool of diverse investors, most of which are not French residents, thereby externalizing a 195 bp spread.

The Group also continued diversifying its short-term sources of financing by ramping up its new Treasury Note program with €53 million in outstandings, thereby optimizing liquidity costs.

The average term of financing concluded over the year was 5.5 years.

2.3.1.3. Debt by category

Altarea Cogedim's net financial debt stood at €1.772 billion at December 31, 2014 compared to €1.837 billion at December 31, 2013 (-€65 million).

(€ millions)	Dec. 2014	Dec. 2013
Corporate and bank debt	458	657
Credit markets	537	250
Mortgage debt	901	997
Property Development debt	234	168
Total gross debt	**2,130**	**2,072**
Cash and cash equivalents	(358)	(235)
Total net debt	**1,772**	**1,837**

2.3.1.4. Financial covenants

MAIN CORPORATE DEBT COVENANTS

	Covenant	Dec. 2014	Dec. 2013	Delta
LTV[a]	≤ 60%	37.7%	41.7%	(4.0)%
ICR[b]	≥ 2.0 x	5.9 x	4.5 x	+1.4 x

(a) LTV (Loan To Value) = Net debt/Restated value of assets including transfer taxes.
(b) IRC = Operating profit/Net cost of debt (Funds from operations column).

OTHER SPECIFIC COVENANTS

On December 31, 2014, the Group was in compliance with all covenants.

2.3.2. HEDGING AND MATURITY

NOMINAL AMOUNT (€ MILLIONS) AND AVERAGE HEDGE RATE

Maturity	Swap	Fixed-rate debt	Total	Average swap rate
Dec. 14	1,515	580	2,095	1.10%
Dec. 15	1,438	580	2,018	1.39%
Dec. 16	1,365	580	1,945	2.91%
Dec. 17	1,033	380	1,413	2.70%
Dec. 18	877	380	1,257	2.53%
Dec. 19	550	230	780	2.43%
Dec. 20	550	230	780	2.43%
Dec. 21	-	-	-	-

As of the end of 2014, the Group also had a €388 million portfolio of caps and collars all "out of the money."

Early 2015, the Group made significant restructurings of its hedging instruments which will have strong positif impacts on the FFO over the coming years.

COST OF DEBT

Altarea Cogedim's average cost of debt, including the credit spread, was 2.41% as of December 31, 2014 compared to 2.80% at the end of 2013.

This decline from 2013 was made possible both by financing operations carried out over the year (financing/refinancing concluded with more advantageous conditions) and the restructuring of hedging instruments with longer terms and reduced nominal amounts.

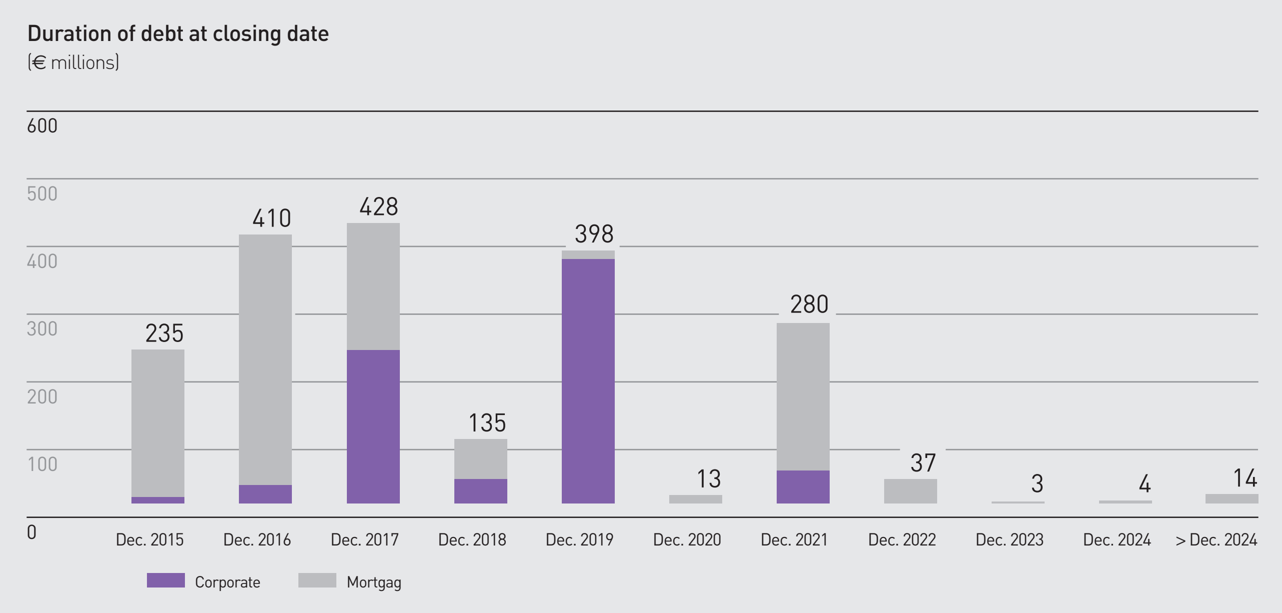
Moreover, the Group has continued to benefit from the "2006/2007 vintage" mortgage financing signed at extremely favorable conditions in terms of spread (50-60bps), which have strongly contributed to lowering the average cost.

DEBT MATURITY

After accounting for transactions over the year, average debt maturity stood at 3.7 years as of December 31, 2014:

- 4.8 ans for corporate loans following the financing agreements signed during the year;
- 2.8 years for mortgage loans.

MATURITY SCHEDULE FOR GROUP DEBT[51]



2015 mortgage maturities mainly concern the Cap 3000 acquisition debt. An agreement was signed late 2014 among the shareholders of Aldeta, entity owning the shopping center, for a additionnal equity investment of €200 million. To cover additional financing needs related to the ongoing renovation/extension work on the center, a new loan will be put in place during H1 2015.

2016-2017 mortgage maturities are backed by assets with very little debt (40% average LTV) and could all be easily refinanced. As such, the Group faces no significant reimboursment before 2017.

(51) € millions, excluding property-development debt and treasury notes.

Consolidated Income Statement by segment as of December 31, 2014

(€ millions)	12/31/2014			12/31/2013		
	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	169.6	-	169.6	174.4	-	174.4
Other expenses	(13.0)	-	(13.0)	(16.4)	-	(16.4)
Net rental income	**156.6**	**-**	**156.6**	**158.0**	**-**	**158.0**
External services	19.2	-	19.2	21.8	-	21.8
Own work capitalized and production held in inventory	19.7	-	19.7	12.3	-	12.3
Operating expenses	(50.2)	(2.1)	(52.4)	(51.4)	(1.8)	(53.2)
Net overhead expenses	**(11.3)**	**(2.1)**	**(13.4)**	**(17.3)**	**(1.8)**	**(19.2)**
Share of equity-method affiliates	**16.5**	**19.9**	**36.4**	**13.3**	**25.1**	**38.4**
Net allowances for depreciation and impairment	**-**	**(0.1)**	**(0.1)**	**-**	**(1.7)**	**(1.7)**
Income/loss on sale of assets	**-**	**1.9**	**1.9**	**-**	**8.8**	**8.8**
Income/loss in the value of investment property	**-**	**85.2**	**85.2**	**-**	**39.9**	**39.9**
Transaction costs	**-**	**(0.3)**	**(0.3)**	**-**	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (SHOPPING CENTERS)	161.8	104.5	266.3	153.9	68.5	222.4
Distribution and other revenue	305.6	(0.0)	305.5	318.6	(0.0)	318.6
Cost of sales and other expenses	(293.9)	-	(293.9)	(297.8)	-	(297.8)
Retail margin	**11.7**	**(0.0)**	**11.7**	**20.8**	**(0.0)**	**20.8**
Marketplace commissions	**11.1**	**-**	**11.1**	**9.6**	**-**	**9.6**
Operating expenses	(41.9)	(0.3)	(42.2)	(42.8)	(0.3)	(43.1)
Net overhead expenses	**(41.9)**	**(0.3)**	**(42.2)**	**(42.8)**	**(0.3)**	**(43.1)**
Net allowances for depreciation and impairment	**-**	**(4.3)**	**(4.3)**	**-**	**(45.7)**	**(45.7)**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**(1.0)**	**(1.0)**
NET RETAIL PROPERTY INCOME (ONLINE)	(19.0)	(5.2)	(24.3)	(12.5)	(47.0)	(59.5)
Revenue	754.5	-	754.5	883.2	-	883.2
Cost of sales and other expenses	(699.7)	-	(699.7)	(788.5)	-	(788.5)
Net property income	**54.8**	**-**	**54.8**	**94.7**	**-**	**94.7**
External services	0.7	-	0.7	0.1	-	0.1
Production held in inventory	58.7	-	58.7	54.9	-	54.9
Operating expenses	(80.6)	(1.4)	(82.0)	(92.0)	(1.4)	(93.4)
Net overhead expenses	**(21.1)**	**(1.4)**	**(22.6)**	**(37.0)**	**(1.4)**	**(38.5)**
Share of equity-method affiliates	**6.9**	**(2.2)**	**4.7**	**4.6**	**0.1**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.9)**	**(2.9)**	**-**	**(3.4)**	**(3.4)**
Transaction costs	**-**	**(0.4)**	**(0.4)**	**-**	**(0.5)**	**(0.5)**
NET RESIDENTIAL PROPERTY INCOME	40.6	(7.0)	33.6	62.3	(5.2)	57.0
Revenue	59.0	-	59.0	107.5	-	107.5
Cost of sales and other expenses	(52.7)	-	(52.7)	(93.4)	-	(93.4)
Net property income	**6.2**	**-**	**6.2**	**14.1**	**-**	**14.1**
External services	7.3	-	7.3	3.3	-	3.3
Production held in inventory	12.4	-	12.4	2.7	-	2.7
Operating expenses	(15.1)	(0.6)	(15.8)	(12.9)	(0.5)	(13.4)
Net overhead expenses	**4.5**	**(0.6)**	**3.9**	**(6.8)**	**(0.5)**	**(7.3)**
Share of equity-method affiliates	**7.1**	**2.3**	**9.5**	**8.1**	**(1.1)**	**7.1**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	17.8	1.4	19.3	15.5	(1.9)	13.6
Other (Corporate)	**0.6**	**(2.7)**	**(2.1)**	**(0.6)**	**(0.6)**	**(1.2)**
OPERATING INCOME	201.8	91.1	292.9	218.6	13.8	232.4
Cost of net debt	**(34.1)**	**(5.0)**	**(39.1)**	**(48.2)**	**(6.6)**	**(54.8)**
Discounting of debt and receivables	**-**	**(5.9)**	**(5.9)**	**-**	**(0.2)**	**(0.2)**
Change in value and income from disposal of financial instruments	**-**	**(72.8)**	**(72.8)**	**-**	**22.2**	**22.2**
Proceeds from the disposal of investments	**-**	**0.0**	**0.0**	**-**	**(0.0)**	**(0.0)**
PROFIT (LOSS) BEFORE TAX	167.7	7.4	175.2	170.4	29.2	199.6
Corporate income tax	**(1.3)**	**86.1**	**84.8**	**(2.7)**	**23.2**	**20.4**
NET PROFIT	166.5	93.5	260.0	167.7	52.3	220.0
Non-controlling interests	**(40.3)**	**(105.4)**	**(145.7)**	**(25.5)**	**(48.3)**	**(73.8)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**126.2**	**(11.8)**	**114.3**	**142.2**	**4.1**	**146.3**
Average number of shares after dilution	*12,054,997*	*12,054,997*	*12,054,997*	*11,231,747*	*11,231,747*	*11,231,747*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	10.47	(0.98)	9.48	12.66	0.36	13.02

Balance sheet as of December 31, 2014

(€ millions)	12/31/2014	12/31/2013
NON-CURRENT ASSETS	3,940.6	3,600.7
Intangible assets	244.7	237.7
o/w Goodwill	*128.7*	*128.7*
o/w Brands	*96.8*	*98.6*
o/w Other intangible assets	*19.2*	*10.4*
Property, plant and equipment	10.6	12.6
Investment properties	3,163.6	3,029.0
o/w Investment properties in operation at fair value	*2,974.4*	*2,917.9*
o/w Investment properties under development and under construction at cost	*189.2*	*111.1*
Securities and investments in equity affiliates and unconsolidated interests	362.0	278.6
Loans and receivables (non-current)	43.3	6.6
Deferred tax assets	116.4	36.2
CURRENT ASSETS	1,406.4	1,292.2
Non-current assets held for sale	0.7	1.7
Net inventories and work in progress	617.9	606.4
Trade and other receivables	392.5	428.2
Income tax credit	6.3	2.3
Loans and receivables (current)	15.2	18.1
Derivative financial instruments	15.9	0.8
Cash and cash equivalents	358.0	234.9
TOTAL ASSETS	5,347.0	4,892.9
EQUITY	2,169.2	1,832.9
Equity attributable to Altarea SCA shareholders	**1,249.5**	**1,151.3**
Share capital	191.2	177.1
Other paid-in capital	518.7	437.0
Reserves	425.2	391.0
Income associated with Altarea SCA shareholders	114.3	146.2
Equity attributable to minority shareholders of subsidiaries	**919.8**	**681.6**
Reserves associated with minority shareholders of subsidiaries	579.0	498.8
Other equity components, subordinated perpetual Notes	195.1	109.0
Income associated with minority shareholders of subsidiaries	145.7	73.8
NON-CURRENT LIABILITIES	1,849.8	1,782.5
Non-current borrowings and financial liabilities	1,795.1	1,722.7
o/w Participating loans and advances from associates	*50.8*	*41.8*
o/w Bond issues	*477.2*	*248.5*
o/w Borrowings from lending establishments	*1,267.1*	*1,432.3*
Long-term provisions	21.3	21.1
Deposits and security interests received	26.2	26.8
Deferred tax liability	7.2	11.9
CURRENT LIABILITIES	1,328.0	1,277.6
Current borrowings and financial liabilities	448.3	436.2
o/w Bond issues	*4.3*	*0.2*
o/w Borrowings from credit institutions (excluding overdrafts)	*326.5*	*323.4*
o/w Treasury Notes	*53.0*	*28.0*
o/w Bank overdrafts	*2.1*	*39.7*
o/w Advances from the Group and associates	*62.3*	*44.9*
Derivative financial instruments	102.7	73.7
Accounts payable and other operating liabilities	758.3	739.5
Tax due	18.7	28.1
Amount due to shareholders	0.0	0.0
TOTAL LIABILITIES	5,347.0	4,892.9

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 located 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 property business for brick-and-mortar shopping centers with an online presence with Rue du Commerce. This activity includes the asset and property management functions performed on a proprietary basis and for third parties.

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

Altarea enjoys a close relationship with local authorities.

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

Altarea's financial statements and Notes to the financial statements are expressed in millions of euros.

The Supervisory Board convened on March 04, 2015 reviewed the consolidated financial statements for the year ended December 31, 2014 as drawn up by the Executive Management.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Note	12/31/2014	12/31/2013
NON-CURRENT ASSETS		3,940.6	3,600.7
Intangible assets	6.1	244.7	237.7
o/w Goodwill		*128.7*	*128.7*
o/w Brands		*96.8*	*98.6*
o/w Other intangible assets		*19.2*	*10.4*
Property, plant and equipment	6.2	10.6	12.6
Investment properties	6.3	3,163.6	3,029.0
o/w Investment properties in operation at fair value		*2,974.4*	*2,917.9*
o/w Investment properties under development and under construction at cost		*189.2*	*111.1*
Securities and investments in equity affiliates and non-consolidated interests	6.4	362.0	278.6
Loans and receivables (non-current)	6.5	43.3	6.6
Deferred tax assets	7.10	116.4	36.2
CURRENT ASSETS		1,406.4	1,292.2
Non-current assets held for sale	6.3	0.7	1.7
Net inventories and work in progress	6.7	617.9	606.4
Trade and other receivables	6.8	392.5	428.2
Income tax credit		6.3	2.3
Loans and receivables (current)	6.5	15.2	18.1
Derivative financial instruments	9	15.9	0.8
Cash and cash equivalents	8	358.0	234.9
TOTAL ASSETS		5,347.0	4,892.9
EQUITY		2,169.2	1,832.9
Equity attributable to Altarea SCA shareholders		**1,249.5**	**1,151.3**
Share capital	6.10	191.2	177.1
Other paid-in capital		518.7	437.0
Reserves		425.2	391.0
Income associated with Altarea SCA shareholders		114.3	146.2
Equity attributable to minority interests of subsidiaries		**919.8**	**681.6**
Reserves associated with minority interests of subsidiaries		579.0	498.8
Other equity components, subordinated perpetual Notes		195.1	109.0
Income associated with minority interests of subsidiaries		145.7	73.8
NON-CURRENT LIABILITIES		1,849.8	1,782.5
Non-current borrowings and financial liabilities	6.11	1,795.1	1,722.7
o/w Participating loans and advances from associates		*50.8*	*41.8*
o/w Bond issues		*477.2*	*248.5*
o/w Borrowings from lending establishments		*1,267.1*	*1,432.3*
Long-term provisions	6.12	21.3	21.1
Deposits and security interests received	6.13	26.2	26.8
Deferred tax liability	7.10	7.2	11.9
CURRENT LIABILITIES		1,328.0	1,277.6
Current borrowings and financial debt (less than one year)	6.11	448.3	436.2
o/w Bond issues		*4.3*	*0.2*
o/w Borrowings from credit institutions (excluding overdrafts)		*326.5*	*323.4*
o/w Treasury Notes		*53.0*	*28.0*
o/w Bank overdrafts		*2.1*	*39.7*
o/w Advances from the Group and associates		*62.3*	*44.9*
Derivative financial instruments	9	102.7	73.7
Accounts payable and other operating liabilities	6.9	758.3	739.5
Tax due		18.7	28.1
Amount due to shareholders		0.0	0.0
TOTAL EQUITY AND LIABILITIES		5,347.0	4,892.9

The Notes constitute an integral part of the financial statements.

3.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Note	12/31/2014	12/31/2013
Rental income		169.6	174.4
Property expenses		(4.9)	(4.6)
Unrecoverable rental expenses		(5.3)	(6.2)
Management costs		(0.0)	(0.0)
Net charge to provisions for risks and contingencies		(2.7)	(5.5)
NET RENTAL INCOME	7.1	156.6	158.0
Revenue		816.9	990.7
Cost of sales		(704.1)	(831.1)
Selling expenses		(44.4)	(43.8)
Net charge to provisions for current assets		(6.9)	(5.3)
NET PROPERTY INCOME	7.2	61.5	110.5
Distribution and other revenue		305.5	318.6
Purchases consumed		(290.5)	(296.1)
Net charge to provisions for current assets		(3.3)	(1.7)
RETAIL MARGIN	7.3	11.7	20.8
GALERIE MARCHANDE COMMISSIONS	7.4	11.1	9.6
External services		27.3	25.3
Own work capitalized and production held in inventory		91.3	69.9
Personnel costs		(129.5)	(131.1)
Other overhead expenses		(60.5)	(66.3)
Depreciation expense on operating assets[a]		(8.1)	(6.8)
NET OVERHEAD EXPENSE	7.5	(79.6)	(109.0)
Other income and expense		(2.5)	(6.8)
Depreciation expenses[a]		(0.4)	(0.6)
Transaction costs		(5.8)	(3.3)
OTHER	7.6	(8.8)	(10.7)
Proceeds from disposal of investment properties		83.1	142.8
Book value of assets sold		(79.6)	(136.5)
Net charge to provisions for risks and contingencies		(2.0)	0.9
NET GAIN/(LOSS) ON DISPOSAL OF INVESTMENT ASSETS	7.6	1.5	7.1
Change in value of investment properties	7.6	89.2	57.7
Net impairment losses on investment properties measured at cost	7.6	(4.0)	(17.8)
Net impairment losses on other non-current assets	7.6	(0.1)	(4.5)
Net charge to provisions for risks and contingencies	7.6	3.2	(1.7)
Goodwill impairment		-	(37.9)
Operating profit before the share of net income of equity-method affiliates		242.3	182.1
Share in earnings of equity-method affiliates	7.6	50.6	50.2
Operating profit after the share of net income of equity-method affiliates		292.9	232.4
Net borrowing costs	7.7	(39.1)	(54.8)
Financial expenses		(52.2)	(60.2)
Financial income		13.1	5.4
Change in value and income from disposal of financial instruments	7.8	(72.8)	22.2
Discounting of debt and receivables	7.8	(5.9)	(0.2)
Proceeds from the disposal of investments		0.0	(0.0)
Dividend per share		0.0	0.0
PROFIT BEFORE TAX		175.2	199.6
Income tax	7.10	84.8	20.4
NET PROFIT		260.0	220.0
o/w Net income attributable to Altarea SCA shareholders		114.3	146.2
o/w Net income attributable to non-controlling interests in subsidiaries	7.9	145.7	73.8
Average number of non-diluted shares		11,943,751	11,110,742
BASIC NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	7.11	9.57	13.16
Average number of diluted shares		12,054,997	11,231,747
DILUTED NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	7.11	9.48	13.02

(€ millions)	12/31/2014	12/31/2013
NET PROFIT	**260.0**	**220.0**
Translation differences		
Subtotal of comprehensive income items that may be reclassified to profit or loss		
Actuarial differences on defined-benefit retirement plans	(0.6)	0.7
o/w Taxes	*0.2*	*(0.3)*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	**(0.6)**	**0.7**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	**(0.6)**	**0.7**
COMPREHENSIVE INCOME	**259.4**	**220.7**
o/w Net comprehensive income attributable to Altarea SCA shareholders	113.8	147.0
o/w Net comprehensive attributable to non-controlling interests in subsidiaries	145.7	73.8

(a) On 12/31/2013 a reclassification was recognized between these two line items for €3 million.

The Notes constitute an integral part of the financial statements.

3.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Note	12/31/2014	12/31/2013
Cash flow from operating activities			
Consolidated profit after tax		**260.0**	**220.0**
Elimination of income tax expense (income)	7.10	(84.8)	(20.4)
Elimination of net interest expense (income)		39.1	54.7
Profit before tax and before net interest expense (income)		**214.3**	**254.3**
Elimination of share in earnings of equity-method subsidiaries	6.4	(50.6)	(50.2)
Elimination of depreciation, amortization and provisions		6.0	52.6
Elimination of value adjustments	8	(13.6)	(64.8)
Elimination of proceeds from disposals [a]		(1.3)	(6.6)
Elimination of dividend income		(0.0)	(0.0)
Estimated income and expenses associated with share-based payments	6.10	3.9	4.3
Net cash flow		**158.6**	**189.6**
Tax paid	6.6	(14.9)	(12.4)
Impact of change in operating working capital requirement (WCR)	6.6	41.6	(60.8)
CASH FLOW FROM OPERATING ACTIVITIES		185.3	116.4
Cash flow from investment activities			
Net acquisitions of assets and capitalized expenditures	8	(134.4)	(120.6)
Gross investments in equity-method subsidiaries and non-consolidated investments		(72.5)	(26.6)
Acquisitions of consolidated companies, net of cash acquired	8	(0.6)	(6.8)
Other changes in Group structure		(0.5)	0.0
Increase in loans and advances		(0.3)	(0.8)
Sale of non-current assets and repayment of advances and down payments [a]	8	84.0	143.2
Disposals of holdings in equity-method subsidiaries and non-consolidated investments		19.8	0.0
Disposals of consolidated companies, net of cash transferred		0.0	127.1 [b]
Reduction in loans and other financial investments		7.1	0.8
Net change in investments and derivative financial instruments	8	(55.1)	(72.9)
Dividends received	8	11.5	8.3
Interest income		10.6	4.8
CASH FLOW FROM INVESTMENT ACTIVITIES		(130.5)	56.7
Cash flow from financing activities			
Capital increase		-	-
Subordinated perpetual Notes		49.1	-
Minority interests' share in capital increases in subsidiaries		38.3	196.7 [b]
Dividends paid to Altarea SCA shareholders	10	(16.2)	(53.3)
Dividends paid to minority shareholders of subsidiaries		(22.2)	(13.3)
Issuance of debt and other financial liabilities	6.11	1,008.5	513.3
Repayment of borrowings and other financial liabilities	6.11	(908.1)	(850.1)
Net sales (purchases) of treasury shares	6.10	(1.5)	(7.3)
Net change in security deposits and guarantees received	6.13	(0.6)	(0.3)
Interest paid		(41.5)	(54.8)
CASH FLOW FROM FINANCING ACTIVITIES		105.9	(269.1)
Change in cash balance		160.7	(96.0)
CASH BALANCE AT THE BEGINNING OF THE YEAR	8	195.2	291.2
Cash and cash equivalents		234.9	293.0
Bank overdraft		(39.7)	(1.8)
CASH BALANCE AT PERIOD-END	8	355.9	195.2
Cash and cash equivalents		358.0	234.9
Bank overdraft		(2.1)	(39.7)

(a) Proceeds on disposals included in the calculation of net cash flow are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.
(b) These concern capital interests acquired by Allianz Group in several companies with holdings in shopping centers.

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, 2013	**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*** [a]	*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 [b]	280.1 [b]	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	0.0
At December 31, 2013	**177.1**	**437.0**	**(19.0)**	**556.2**	**1,151.3**	**681.6**	**1,832.9**
Net profit	-	-	-	*114.3*	***114.3***	*145.7*	***260.0***
Actuarial difference relating to pension obligations	-	-	-	*(0.6)*	***(0.6)***	*(0.0)*	***(0.6)***
Comprehensive income	-	-	-	113.8	113.8	145.7	259.4
Dividend distribution	-	*(4.1)*	-	*(112.0)*	***(116.1)***	*(31.8)*	***(147.9)***
Share capital increase	*14.1*	*85.8*	-	*0.0*	***99.9*** [c]	*37.8* [d]	***137.8***
Subordinated perpetual Notes	-	-	-	-	-	*86.1* [e]	***86.1***
Measurement of share-based payments	-	-	-	*2.5*	***2.5***	*0.0*	***2.5***
Elimination of treasury shares	-	-	*(0.6)*	*(0.6)*	***(1.2)***	-	***(1.2)***
Transactions with shareholders	14.1	81.7	(0.6)	(110.0)	(14.8)	92.1	77.3
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	(0.8)	(0.8)	0.4	(0.4)
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-	-
Other	-	0.0	-	0.0	0.0	0.1	0.1
At December 31, 2014	**191.2**	**518.7**	**(19.6)**	**559.2**	**1,249.5**	**919.8**	**2,169.2**

(a) 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 merger-contribution of a company and on the other hand, €56.1 million from the capital increase from the conversion of dividends into shares.
(b) The impact relating to changes in interests not entailing the acquisition or loss of control of subsidiaries reflects the acquisition of the minority interests in SCI Bercy Village 2, Rue du Commerce and Altarea Développement Italie thereby increasing the Group's direct stake to 100% and the 49% capital stake acquired by Allianz in a shopping center portfolio.
(c) The capital increase of Altarea SCA from the conversion of dividends into shares.
(d) The share of non-controlling interests in the capital increase of the subsidiary Altablue, net of issuance costs.
(e) The additional subscription for subordinated perpetual Notes classified as equity attributable to a minority shareholder of a subsidiary.

The Notes constitute an integral part of the financial statements.

3.6. CONSOLIDATED INCOME STATEMENT BY SEGMENT AS OF DECEMBER 31, 2014

(€ millions)	12/31/2014			12/31/2013		
	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	169.6	-	169.6	174.4	-	174.4
Other expenses	(13.0)	-	(13.0)	(16.4)	-	(16.4)
Net rental income	**156.6**	**-**	**156.6**	**158.0**	**-**	**158.0**
External services	19.2	-	19.2	21.8	-	21.8
Own work capitalized and production held in inventory	19.7	-	19.7	12.3	-	12.3
Operating expenses	(50.2)	(2.1)	(52.4)	(51.4)	(1.8)	(53.2)
Net overhead expenses	**(11.3)**	**(2.1)**	**(13.4)**	**(17.3)**	**(1.8)**	**(19.2)**
Share of equity-method affiliates	**16.5**	**19.9**	**36.4**	**13.3**	**25.1**	**38.4**
Net allowances for depreciation and impairment	**-**	**(0.1)**	**(0.1)**	**-**	**(1.7)**	**(1.7)**
Income/(loss) on sale of assets	**-**	**1.9**	**1.9**	**-**	**8.8**	**8.8**
Income/(loss) in the value of investment property	**-**	**85.2**	**85.2**	**-**	**39.9**	**39.9**
Transaction costs	**-**	**(0.3)**	**(0.3)**	**-**	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (SHOPPING CENTERS)	161.8	104.5	266.3	153.9	68.5	222.4
Distribution and other revenue	305.6	(0.0)	305.5	318.6	(0.0)	318.6
Cost of sales and other expenses	(293.9)	-	(293.9)	(297.8)	-	(297.8)
Retail margin	**11.7**	**(0.0)**	**11.7**	**20.8**	**(0.0)**	**20.8**
Marketplace commissions	**11.1**	**-**	**11.1**	**9.6**	**-**	**9.6**
Operating expenses	(41.9)	(0.3)	(42.2)	(42.8)	(0.3)	(43.1)
Net overhead expenses	**(41.9)**	**(0.3)**	**(42.2)**	**(42.8)**	**(0.3)**	**(43.1)**
Net allowances for depreciation and impairment	**-**	**(4.3)**	**(4.3)**	**-**	**(45.7)**	**(45.7)**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**(1.0)**	**(1.0)**
NET RETAIL PROPERTY INCOME (ONLINE)	(19.0)	(5.2)	(24.3)	(12.5)	(47.0)	(59.5)
Revenue	754.5	-	754.5	883.2	-	883.2
Cost of sales and other expenses	(699.7)	-	(699.7)	(788.5)	-	(788.5)
Net property income	**54.8**	**-**	**54.8**	**94.7**	**-**	**94.7**
External services	0.7	-	0.7	0.1	-	0.1
Production held in inventory	58.7	-	58.7	54.9	-	54.9
Operating expenses	(80.6)	(1.4)	(82.0)	(92.0)	(1.4)	(93.4)
Net overhead expenses	**(21.1)**	**(1.4)**	**(22.6)**	**(37.0)**	**(1.4)**	**(38.5)**
Share of equity-method affiliates	**6.9**	**(2.2)**	**4.7**	**4.6**	**0.1**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.9)**	**(2.9)**	**-**	**(3.4)**	**(3.4)**
Transaction costs	**-**	**(0.4)**	**(0.4)**	**-**	**(0.5)**	**(0.5)**
NET RESIDENTIAL PROPERTY INCOME	40.6	(7.0)	33.6	62.3	(5.2)	57.0
Revenue	59.0	-	59.0	107.5	-	107.5
Cost of sales and other expenses	(52.7)	-	(52.7)	(93.4)	-	(93.4)
Net property income	**6.2**	**-**	**6.2**	**14.1**	**-**	**14.1**
External services	7.3	-	7.3	3.3	-	3.3
Production held in inventory	12.4	-	12.4	2.7	-	2.7
Operating expenses	(15.1)	(0.6)	(15.8)	(12.9)	(0.5)	(13.4)
Net overhead expenses	**4.5**	**(0.6)**	**3.9**	**(6.8)**	**(0.5)**	**(7.3)**
Share of equity-method affiliates	**7.1**	**2.3**	**9.5**	**8.1**	**(1.1)**	**7.1**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	17.8	1.4	19.3	15.5	(1.9)	13.6
Other (Corporate)	**0.6**	**(2.7)**	**(2.1)**	**(0.6)**	**(0.6)**	**(1.2)**
OPERATING INCOME	201.8	91.1	292.9	218.6	13.8	232.4
Cost of net debt	**(34.1)**	**(5.0)**	**(39.1)**	**(48.2)**	**(6.6)**	**(54.8)**
Discounting of debt and receivables	**-**	**(5.9)**	**(5.9)**	**-**	**(0.2)**	**(0.2)**
Change in value and income from disposal of financial instruments	**-**	**(72.8)**	**(72.8)**	**-**	**22.2**	**22.2**
Proceeds from the disposal of investments	**-**	**0.0**	**0.0**	**-**	**(0.0)**	**(0.0)**
PROFIT BEFORE TAX	167.7	7.4	175.2	170.4	29.2	199.6
Corporate income tax	**(1.3)**	**86.1**	**84.8**	**(2.7)**	**23.2**	**20.4**
NET PROFIT	166.5	93.5	260.0	167.7	52.3	220.0
Non-controlling interests	**(40.3)**	**(105.4)**	**(145.7)**	**(25.5)**	**(48.3)**	**(73.8)**
NET PROFIT, attributable to Group shareholders	**126.2**	**(11.8)**	**114.3**	**142.2**	**4.1**	**146.3**
Average number of shares after dilution	*12,054,997*	*12,054,997*	*12,054,997*	*11,231,747*	*11,231,747*	*11,231,747*
DILUTED EARNINGS PER SHARE attributable to Group shareholders (€)	10.47	(0.98)	9.48	12.66	0.36	13.02

The Notes constitute an integral part of the financial statements.

3.7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES AND 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 IASB interpretations, as adopted by the European Union at December 31, 2014 and available at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

Accounting standards and interpretations applied in advance on December 31, 2014 and mandatory for periods commencing on or after January 1, 2015.

None.

Accounting standards and interpretations in issue at December 31, 2015 and mandatory after December 31, 2014:

- **Amendments to IAS 19** – Defined Benefit Plans: Employee Contributions;
- **Annual improvements to IFRSs** (2010-2012 cycle) (released by the IASB in May 2013);
- **Annual improvements to IFRSs** (2011-2013 cycle) (released by the IASB in May 2013);
- **IFRIC 21** – Levies.

The Company is assessing the impact of this new standard on the interim financial statements. Initial analysis indicates that such impact is not significant.

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;
- **IFRS 14** – Regulatory deferral accounts;
- **IFRS 15** – Revenue from contract with customers;
- **Amendments limited to IFRS 10, IFRS 12 and IAS 28**: Applying the consolidation exemption applicable to investment entities;
- **Amendments to IAS 1 "Presentation of financial statements"** – Disclosure initiative;
- **Annual improvements to IFRSs (2012-2014)** (issued by the IASB on September 25, 2014);
- **Amendments to IFRS 10 and IAS 28** – Sale or contribution of assets between an investor and its associate or joint venture;
- **Amendments to IAS 16 and IAS 41**: Agriculture – Bearer plants;
- **Amendments to IAS 16 and IAS 38** – Clarification of acceptable methods of depreciation and amortization;
- **Amendments to IFRS 11** – Accounting for acquisitions of interests in joint operations.

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 or the classification of expense items and 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 assets

Notes 1.5 "Business combinations and goodwill" and 1.6 "Intangible assets" describes the methods for identifying intangible assets and the performance of the corresponding impairment tests. Note 5 "Impairment of assets under IAS 36" describes impairment tests on intangible assets and their impacts and note 6.1 "Intangible assets" the recognition of their carrying value.

Measurements of other assets and liabilities

- measurement of investment property (see notes 1.8 "Investment properties" and 6.3. "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 7.10 "Corporate income tax");
- measurement of share-based payments (see note 6.10 "Share capital, share-based payments and treasury shares");
- measurement of financial instruments (see note 9 "Financial instruments et 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, particularly including an estimate of year-end rebates granted by suppliers (see note 1.19 "Revenue and revenue-related expenses").

Non-current assets held for sale and discontinued operations

In accordance with the provisions of IFRS 5, the Group makes judgments to determine if criteria used to classifying an asset or as a group as held for sale or discontinued operations respectively are met. (see Notes 1.9 "Non-current assets held for sale and discontinued operations" and 6.3 "Investment properties and assets held for sale").

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.

On this basis, and within the limit of the protective rights granted to joint partners,

- Altablue and Aldeta, jointly held along with two other institutional partners, are considered to be controlled by the Group These companies hold the Cap 3000 shopping center located near Nice;
- Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est jointly held with another institutional partner are considered to be controlled by the Group.

In accordance with 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.

Entities subject to joint control

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 associates 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 is analyzed, regardless of the percentage of interest held, 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 associate 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 associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method associates" line item in the income statement. These investments are presented in the balance sheet under "Securities and investments in equity affiliates and non-consolidated interests" with the corresponding investment-related receivables.

The financial statements of associates 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 associates 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 the of other provisions portion due in less than one year. Provisions that meet neither of these criteria are classified as non-current liabilities;
- financial liabilities that must be settled within 12 months of the balance sheet date are classified as current. Conversely, the portion of financial liabilities due in more than 12 months is classified as non-current;
- deposits and security interests received under leases are classified as non-current;
- deferred taxes are all shown as non-current assets or liabilities.

1.5. 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.

Goodwill results mainly from controlling interests acquired in Cogedim in 2007 and Rue du Commerce and 2011.

Goodwill results from controlling interests acquired in Cogedim in 2007 and allocated to CGUs. (the programs) corresponding to the residential and office operating segments. The principal signs of impairment for Residential and Office Property development sectors are a slower absorption rate for programs or a contraction in margin levels combined with a decline in new business (reservations, backlog, portfolio, etc.).

Goodwill arising from the acquisition of controlling interests in Rue du Commerce was fully amortized in 2013.

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

1.6. 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;
- brands are amortized over their estimated useful lives when resulting from the identification of a finite life asset derived from an acquisition. They are tested for impairment where, as applicable, evidence of such impairment exists.

  The Cogedim brand, as an indefinite life intangible asset, is allocated to the Residential segment.

  The Rue du Commerce brand, as an indefinite life intangible asset, is allocated to the "online" retail segment. The brand is amortized over a period of 20 years (refer to 5.2 "Brand" and 6.1 "Intangible assets").
- customer relationship assets, which result from the identification of intangible acquired from property developers, 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. They are tested for impairment where, as applicable, evidence of such impairment exists.

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 and hotels.

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

In accordance with IAS 40, Altarea has opted for the fair value model (instead of the alternative cost model). On that basis, investment properties are 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. With this objective, 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 6.9% (6.2% in 2013) with the exception of Paris and Yvelines set at 6.2%, in Italy, 4% (same in 2013), and in Spain 1.5% (same in 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 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 Valuation Standards published by the Royal Institute 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, 2014, an external appraisal was performed of all completed investment properties in the portfolio.

Each time an exchange value exists for one of the Company's buildings, set in connection with a potential transaction between knowledgeable and willing parties in an arm's length transaction, the Company will use its own judgment to choose between this value and that of the appraiser.

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 guidance 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. When at the end of the reporting period 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.

For an operation to be discontinued, the Company determines, according to the facts and circumstances whether or not there exists single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

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 5 "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.);
- programs where its nature or specific administrative situation 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 programs" 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 programs" and if completion is deemed improbable, incurred costs are expensed.

"Programs 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 programs" 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

- The 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 "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 exclusively holds money market funds and short-term 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 mortised 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 (Crédit 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. On that basis, the subordinated perpetual Notes issued by Altarea SCA are equity instruments.

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 "Personnel 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.

Long-term salary escalation rate: 2.5%.

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 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 known with precision.

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, the Altarea Group is subject to a specific tax regime:

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

Income taxes are recognized in accordance with IAS 12.

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

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

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 bad debt.

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, and notably 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 permit, 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 loss on bad debt.

b) Net property income

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

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

- 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 guarantee, 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 sames 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 expenses

The "Net overhead costs" line item includes income and expense items that are inherent in 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 borne by acquirers).

• Expenses

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

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 transfer substantially all the risks and rewards incidental to ownership of the leased asset, and operating leases, which do not.

• Leases in the financial statements with the Company as lessor

The 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 retains substantially all the 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 on 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.

Finance 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 finance costs attributable to the program any longer. Management estimates the date at which the capitalization of finance 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)[1];
- 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 excluding current taxes related to changes in value (exit tax, etc.) and dividend distributions.

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).**

(1) Fund From Operations.

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. certain 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, additional 3% French statutory levy on income tax based on dividend distributions).

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. OPERATING SEGMENTS

2.1. Income statement items by operating segment

(€ millions)	12/31/2014			12/31/2013		
	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	169.6	-	169.6	174.4	-	174.4
Other expenses	(13.0)	-	(13.0)	(16.4)	-	(16.4)
Net rental income	**156.6**	**-**	**156.6**	**158.0**	**-**	**158.0**
External services	19.2	-	19.2	21.8	-	21.8
Own work capitalized and production held in inventory	19.7	-	19.7	12.3	-	12.3
Operating expenses	(50.2)	(2.1)	(52.4)	(51.4)	(1.8)	(53.2)
Net overhead expenses	**(11.3)**	**(2.1)**	**(13.4)**	**(17.3)**	**(1.8)**	**(19.2)**
Share of equity-method affiliates	**16.5**	**19.9**	**36.4**	**13.3**	**25.1**	**38.4**
Net allowances for depreciation and impairment	**-**	**(0.1)**	**(0.1)**	**-**	**(1.7)**	**(1.7)**
Income/(loss) from the disposal of assets	**-**	**1.9**	**1.9**	**-**	**8.8**	**8.8**
Income/(loss) in the value of investment property	**-**	**85.2**	**85.2**	**-**	**39.9**	**39.9**
Transaction costs	**-**	**(0.3)**	**(0.3)**	**-**	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	161.8	104.5	266.3	153.9	68.5	222.4
Retail and other revenue	305.6	(0.0)	305.5	318.6	(0.0)	318.6
Cost of sales and other expenses	(293.9)	-	(293.9)	(297.8)	-	(297.8)
Retail margin	**11.7**	**(0.0)**	**11.7**	**20.8**	**(0.0)**	**20.8**
***Galerie Marchande* commissions**	**11.1**	**-**	**11.1**	**9.6**	**-**	**9.6**
Operating expenses	(41.9)	(0.3)	(42.2)	(42.8)	(0.3)	(43.1)
Net overhead expenses	**(41.9)**	**(0.3)**	**(42.2)**	**(42.8)**	**(0.3)**	**(43.1)**
Net allowances for depreciation and impairment	**-**	**(4.3)**	**(4.3)**	**-**	**(45.7)**	**(45.7)**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**(1.0)**	**(1.0)**
NET RETAIL PROPERTY INCOME (ON-LINE FORMATS)	(19.0)	(5.2)	(24.3)	(12.5)	(47.0)	(59.5)
Revenue	754.5	-	754.5	883.2	-	883.2
Cost of sales and other expenses	(699.7)	-	(699.7)	(788.5)	-	(788.5)
Net property income	**54.8**	**-**	**54.8**	**94.7**	**-**	**94.7**
External services	0.7	-	0.7	0.1	-	0.1
Production held in inventory	58.7	-	58.7	54.9	-	54.9
Operating expenses	(80.6)	(1.4)	(82.0)	(92.0)	(1.4)	(93.4)
Net overhead expenses	**(21.1)**	**(1.4)**	**(22.6)**	**(37.0)**	**(1.4)**	**(38.5)**
Share of equity-method affiliates	**6.9**	**(2.2)**	**4.7**	**4.6**	**0.1**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.9)**	**(2.9)**	**-**	**(3.4)**	**(3.4)**
Transaction costs	**-**	**(0.4)**	**(0.4)**	**-**	**(0.5)**	**(0.5)**
NET RESIDENTIAL PROPERTY INCOME	40.6	(7.0)	33.6	62.3	(5.2)	57.0
Revenue	59.0	-	59.0	107.5	-	107.5
Cost of sales and other expenses	(52.7)	-	(52.7)	(93.4)	-	(93.4)
Net property income	**6.2**	**-**	**6.2**	**14.1**	**-**	**14.1**
External services	7.3	-	7.3	3.3	-	3.3
Production held in inventory	12.4	-	12.4	2.7	-	2.7
Operating expenses	(15.1)	(0.6)	(15.8)	(12.9)	(0.5)	(13.4)
Net overhead expenses	**4.5**	**(0.6)**	**3.9**	**(6.8)**	**(0.5)**	**(7.3)**
Share of equity-method affiliates	**7.1**	**2.3**	**9.5**	**8.1**	**(1.1)**	**7.1**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	17.8	1.4	19.3	15.5	(1.9)	13.6
Other (Corporate)	**0.6**	**(2.7)**	**(2.1)**	**(0.6)**	**(0.6)**	**(1.2)**
OPERATING INCOME	201.8	91.1	292.9	218.6	13.8	232.4
Net borrowing costs	**(34.1)**	**(5.0)**	**(39.1)**	**(48.2)**	**(6.6)**	**(54.8)**
Discounting of debt and receivables	**-**	**(5.9)**	**(5.9)**	**-**	**(0.2)**	**(0.2)**
Change in value and income from disposal of financial instruments	**-**	**(72.8)**	**(72.8)**	**-**	**22.2**	**22.2**
Proceeds from the disposal of investments	**-**	**0.0**	**0.0**	**-**	**(0.0)**	**(0.0)**
PROFIT BEFORE TAX	167.7	7.4	175.2	170.4	29.2	199.6
Corporate income tax	**(1.3)**	**86.1**	**84.8**	**(2.7)**	**23.2**	**20.4**
Tax due [a]	(1.3)	(0.4)	(1.6)	(2.7)	(33.3)	(36.0)
Deferred tax		86.5	86.5	-	56.5	56.5
NET PROFIT	166.5	93.5	260.0	167.7	52.3	220.0
Non-controlling interests	**(40.3)**	**(105.4)**	**(145.7)**	**(25.5)**	**(48.3)**	**(73.8)**
NET PROFIT, attributable to group shareholders	**126.2**	**(11.8)**	**114.3**	**142.2**	**4.1**	**146.3**
Average number of shares after dilution	*12,054,997*	*12,054,997*	*12,054,997*	*11,231,747*	*11,231,747*	*11,231,747*
DILUTED EARNINGS PER SHARE attributable to group shareholders (€)	10.47	(0.98)	9.48	12.66	0.36	13.02

(a) The tax due under change in value is primary 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.

2.2. Income statement items by operating segment

At December 31, 2014

(€ millions)	Brick-and-mortar retail	Online retail	Residential	Offices	Other receivables	Total
Operating assets and liabilities						
INTANGIBLE ASSETS	**19.3**	**41.4**	**173.8**	**9.0**	**1.1**	**244.7**
o/w Goodwill	*15.7*	*-*	*104.0*	*9.0*	*-*	*128.7*
o/w Brands	*-*	*30.2*	*66.6*	*-*	*-*	*96.8*
o/w Other intangible assets	*3.7*	*11.2*	*3.2*	*0.0*	*1.1*	*19.2*
PROPERTY, PLANT AND EQUIPMENT	**3.1**	**3.4**	**4.0**	**0.0**	**0.1**	**10.6**
INVESTMENT PROPERTIES	**3,163.6**	**-**	**-**	**-**	**-**	**3,163.6**
o/w Investment properties in operation at fair value	*2,974.4*	*-*	*-*	*-*	*-*	*2,974.4*
o/w Investment properties under development and under construction at cost	*189.2*	*-*	*-*	*-*	*-*	*189.2*
ASSETS HELD FOR SALE AND RELATED LIABILITIES	**0.7**	**-**	**-**	**-**	**-**	**0.7**
SECURITIES AND INVESTMENTS IN EQUITY AFFILIATES AND NON-CONSOLIDATED INTERESTS	**277.5**	**0.1**	**58.4**	**26.0**	**-**	**362.0**
NET DEFERRED TAX	**(1.0)**	**(10.5)**	**(42.0)**	**0.3**	**162.5**	**109.2**
o/w Deferred taxes on tax losses	*17.1*	*-*	*-*	*-*	*162.5*[a]	*179.6*
o/w Deferred taxes on identified intangible assets	*(5.3)*	*(10.4)*	*(22.9)*	*-*	*-*	*(38.6)*
o/w Deferred taxes on other timing differences	*(12.8)*	*(0.1)*	*(19.1)*	*0.3*	*-*	*(31.7)*
OPERATIONAL WORKING CAPITAL REQUIREMENT	**20.0**	**(10.0)**	**272.1**	**5.2**	**4.6**	**291.9**
o/w Net inventories and work in progress	*0.1*	*40.3*	*532.8*	*44.7*	*-*	*617.9*
o/w Trade receivables and other accounts receivable	*95.1*	*56.8*	*204.6*	*20.6*	*2.9*	*380.0*
o/w Accounts payable and other operating liabilities	*75.2*	*107.1*	*465.3*	*60.1*	*(1.7)*	*706.0*
Total operating assets and liabilities	**3,483.3**	**24.3**	**466.3**	**40.5**	**168.2**	**4,182.7**
Gross increase in investment properties	124.2	-	-	-	-	124.2
o/w Investment properties in operation at fair value	*73.3*	*-*	*-*	*-*	*-*	*73.3*
o/w Investment properties under development and under construction at cost	*50.9*	*-*	*-*	*-*	*-*	*50.9*

(a) Losses classified as assets in the Altareit tax consolidation group.

At December 31, 2013

(€ millions)	Brick-and-mortar retail	Online retail	Residential	Offices	Other receivables	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*
ASSETS HELD FOR SALE AND RELATED LIABILITIES	**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*[a]	*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	**3,262.3**	**20.2**	**451.7**	**66.8**	**107.8**	**3,908.9**
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*

(a) Losses classified as assets in the Altareit tax consolidation group.

2.3. Revenue by region

As in 2013, no single customer contributed to 10% or more of the Group's 2014 revenue.

	12/31/2014					12/31/2013				
(€ millions)	France	Italy	Spain	Other recei-vables	Total	France	Italy	Spain	Other recei-vables	Total
Rental income	138.1	23.5	8.0	-	169.6	142.7	23.7	8.0	-	174.4
External services	18.4	0.5	0.3	-	19.2	21.1	0.5	0.3	-	21.8
Revenues from Net property income	3.5	-	-	-	3.5	-	-	-	-	-
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**160.0**	**24.0**	**8.2**	**-**	**192.2**	**163.7**	**24.2**	**8.2**	**-**	**196.1**
Overall business volume	*428.3*	-	-	-	*428.3*	*428.5*	-	-	-	*428.5*
Retail and other revenue	305.5	-	-	-	305.5	318.6	-	-	-	318.6
Galerie Marchande commissions	11.1	-	-	-	11.1	9.6	-	-	-	9.6
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**316.7**	**-**	**-**	**-**	**316.7**	**328.1**	**-**	**-**	**-**	**328.1**
Revenue	754.5	-	-	-	754.5	883.2	-	-	-	883.2
External services	0.7	-	-	-	0.7	0.1	-	-	-	0.1
NET RESIDENTIAL PROPERTY INCOME	**755.3**	**-**	**-**	**-**	**755.3**	**883.3**	**-**	**-**	**-**	**883.3**
Revenue	59.0	-	-	-	59.0	107.5	-	-	-	107.5
External services	5.8	-	-	1.4	7.3	1.8	-	-	1.6	3.3
NET OFFICE PROPERTY INCOME	**64.8**	**-**	**-**	**1.4**	**66.2**	**109.3**	**-**	**-**	**1.6**	**110.8**
Other (Corporate)	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Total revenues	**1,296.8**	**24.0**	**8.2**	**1.4**	**1,330.5**	**1,484.5**	**24.2**	**8.2**	**1.6**	**1,518.5**

3. MAJOR EVENTS DURING THE FINANCIAL YEAR

Corporate

The year under review was particularly dynamic, with €805 million in corporate financing agreements signed, with €455 million from new funding and €350 million in refinancing of existing lines of credit at more more advantageous terms.

Brick-and-mortar retail

Disposals

Pursuing its strategy to refocus on large shopping centers, Altarea sold three small-sized assets for a total of €82.3 million.

Delivery and developments

The year stood out for the delivery of Qwartz in Villeneuve-la-Garenne, a 721,000-ft² (67,000- m²) regional shopping center. This shopping center, jointly controlled with Orion, consolidated under the equity method.

Altarea is moving forward with its developments, mainly:

- continued redevelopment work on the Cap 3000 center and launch of the extension after obtaining definitive authorizations in September 2014. These extension and renovation projects for which financing has been secured will bring the service area of the center to 1.453 million ft² (135,000 m²);
- continued construction of the of the Toulon-La-Valette center;
- continued construction of the shopping center in Aix-en-Provence;
- continued redevelopment of the Aubergenville site through the integration of a brand village;
- continued redevelopment of the Massy center.

Altarea was furthermore chosen as a partner for the modernization of the Paris Montparnasse rail station. In that capacity, Altarea will be responsible for the design and construction of the station's retail spaces, as well as operation of these spaces for 30 years.

Residential

In June 2014, Altarea Cogedim acquired 55.6% of the capital of Histoire & Patrimoine for €15.5 million, which is consolidated, witted subsidiaries subsidiaries, under the equity method.

Under the terms of agreements executed, control of this company will continue to be exercised by the historic shareholder. Altarea Cogedim holds a put option that gives it a right to eventually purchase the balance of the Company's shares.

4. SCOPE OF CONSOLIDATION

4.1. List of consolidated companies

			12/31/2014			12/31/2013		
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	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%	FC	100.0%	100.0%
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	51.0%	100.0%
ALTA CRP GUIPAVAS SNC	451282628		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP LA VALETTE SNC	494539687		FC	51.0%	100.0%	FC	51.0%	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	444561476		FC	100.0%	100.0%	FC	100.0%	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%	FC	51.0%	100.0%
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 ORGEVAL SNC	795338441		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-MONTPARNASSE SNC	524049244		FC	100.0%	100.0%	NIC	0.0%	0.0%
ALTABLUE SAS	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	NA		FC	100.0%	100.0%	FC	100.0%	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%
BERCY VILLAGE 2 SCI	419669064		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE SCI	384987517		FC	51.0%	100.0%	FC	51.0%	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%
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%
VALDOLY SNC shopping center	440226298		NIC	0.0%	0.0%	FC	100.0%	100.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
KB SNC shopping center	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%	FC	100.0%	100.0%
FONCIÈRE CÉZANNE MERMOZ SNC	445291404		FC	100.0%	100.0%	FC	100.0%	100.0%
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 René Coty SNC shopping center	407943620		FC	100.0%	100.0%	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%
SCI MAC DONALD COMMERCE	524049244	Affiliate	EM	50.0%	50.0%	EM	50.0%	50.0%
SIC RETAIL PARK LES VIGNOLES	512086117		FC	100.0%	100.0%	FC	100.0%	100.0%
SILLON 2 SNC	420718082		NIC	0.0%	0.0%	FC	100.0%	100.0%
SILLON 3 SAS	422088815		NIC	0.0%	0.0%	FC	100.0%	100.0%
SILLON SAS	410629562		NIC	0.0%	0.0%	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	51.0%	100.0%
SOCOBAC SARL	352781389		FC	100.0%	100.0%	FC	100.0%	100.0%
STE AMENAGEMENT MEZZANINE PARIS NORD SA	422281766	Affiliate	EM	40.0%	40.0%	EM	40.0%	40.0%
Société d'Amenagement de la Gare de l'Est SNC	481104420		FC	51.0%	100.0%	FC	51.0%	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	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTACASALE SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTACERRO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAGE SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAIMMO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPINEROLO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPIO SRL	NA		NIC	0.0%	0.0%	FC	100.0%	100.0%
ALTAPONTEPARODI SPA	NA		FC	95.0%	100.0%	FC	95.0%	100.0%
ALTARAG SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea ITALIA PROGETTI SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea ITALIA SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTARIMI SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAROMA SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
AURELIA TRADING SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Brick-and-mortar retail – Spain								
ALTAOPERAE II S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE III S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE SALAMANCA S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPATRIMAE II S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea ESPANA S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea OPERAE S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea PATRIMAE S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ORTIALTAE S.L	NA	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
Diversification								
ALTA CINE 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 REIM SAS EX ALTA MONTAIGNE SAS	790197263		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%	FC	99.9%	100.0%
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%
SEMMARIS	662012491	Affiliate	EM	33.3%	33.3%	EM	33.3%	33.3%
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	99.9%	100.0%
RUE DU COMMERCE SAS	422797720		FC	99.9%	100.0%	FC	99.9%	100.0%
Residential								
COGEDIM RÉSIDENCES SERVICES SNC	394648455	Joint venture	EM	64.9%	65.0%	FC	99.9%	100.0%
CSE SAS	790172860	Joint venture	EM	64.9%	65.0%	FC	99.9%	100.0%
41 RUE DE LA LÉGION D'HONNEUR SCCV	504638784	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
72 CARTIER BRESSON SCCV	504638784	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
MARSEILLE MICHELET SNC	792774382		FC	99.9%	100.0%	FC	99.9%	100.0%
TOULON METROPOLITAIN SNC	750297137		FC	99.9%	100.0%	NIC	0.0%	0.0%
ALBATROS SNC	803307354	Affiliate	EM	46.1%	46.2%	NIC	0.0%	0.0%
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 PERCIER SAS	538447475		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA SAINT-GERMAIN SAS	808067375		FC	99.9%	100.0%	NIC	0.0%	0.0%
ALTAREIT SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
AUDITAFUL SARL	511472318	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
BALCONS DU GENEVOIS SCCV	532227741	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
BOUCLES DE SEINE SNC	482315405	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
CHAMPAGNE-ARDENNES SNC	492961487	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
EAGLE SNC	788652568	Affiliate	EM	37.0%	37.1%	NIC	0.0%	0.0%
EUROPE RIVE SUD SCCV	522391846	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
GARANCE MEISSONNIER SCCV	513696724	Affiliate	EM	27.8%	27.8%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE FINANCEMENT SARL	504638784	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE GESTION SAS	401165089	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE MOD SAS	394203509	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE PARTENARIATS SASU	452727985	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE PROMOTION EURL	792751992	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE SAS	480309731	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE DÉVELOPPEMENT SASU	480110931	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
LA CÔTE BLEUE SNC	497538348	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
LA SCAMA SCI	538362674	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
LES JARDINS DU CARMEL SARL	497538124	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
LES VERRIERS SCI	538394271	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
MASSY GRAND OUEST SNC – AF050	793338146		FC	99.9%	100.0%	FC	99.9%	100.0%
METBURY EURL	493279178	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
MICHELET BAUER SCCV	480727999	Affiliate	EM	27.8%	27.8%	NIC	0.0%	0.0%
ODONIA SCCV	752636860	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
RÉSIDENCE DU THÉÂTRE SCCV	494094212	Affiliate	EM	27.8%	27.8%	NIC	0.0%	0.0%
S.O.R.A.C. SNC	330996133		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV DES 13 FRANCS-TIREURS	751201567	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
SNC DE LA PLAINE	490746419	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
SNC DES CÔTES ATLANTIQUES	490743101	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
SNC DES ÉGLANTIERS	501581318	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
SNC DES GALETS	481045763	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
SNC DES VIGNES	480169507	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
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 PERI	793727322		FC	99.9%	100.0%	FC	50.9%	100.0%
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%
SNC AIX LA VISITATION	452701824		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV RACINE CARRÉ – AIX LA DURANNE	801954132	Joint venture	EM	48.9%	49.0%	NIC	0.0%	0.0%
SCCV QUAI DE SEINE A ALFORTVILLE	803321942	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV AMIENS PLACE VADE	801598624	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV ANGLET BELAY	512392325		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ANNEMASSE FOSSARD	803779438		FC	79.9%	100.0%	NIC	0.0%	0.0%
SNC ANTIBES 38 ALBERT 1ER (liquidated 09/2014)	440521995		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI MIMOSAS	451063499		NIC	0.0%	0.0%	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 ILOTS E, F ET H1	483537866	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ASNIÈRES ALPHA	529222028	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 LAMY ILOT AUBERVILLIERS	798364030		FC	79.9%	100.0%	NIC	0.0%	0.0%
SCCV BAGNEUX – TERTRES	789328804	Affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCV BAGNEUX FONTAINE GUEFFIER 1	794841189	Affiliate	EM	48.9%	49.0%	EM	29.0%	29.0%
SCCVBAGNEUX FONTAINE GUEFFIER 2	794757245		FC	50.9%	100.0%	FC	50.9%	100.0%
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 BENOÎT 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 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	NIC	0.0%	0.0%	EM	49.9%	50.0%
SNC BORDEAUX BACALAN INFLUENCE	803283910	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SARL BOULOGNE VAUTHIER	794305185		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BOULOGNE VAUTHIER	533782546		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV TOULOUSE BOURRASSOL WAGNER	503431116		FC	99.9%	100.0%	FC	99.9%	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 CANNES 2 AV ST NICOLAS	482524758	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 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%
SAS COGEDIM EST	419461546		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM PROVENCE	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
Cogedim SAS	54500814		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%
SCCV CONFLANS FOCH	802774810		FC	59.9%	100.0%	NIC	0.0%	0.0%
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%
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%	EM	10.0%	10.0%
SCCV ESERY ROUTE D'ARCINE	751533522		NIC	0.0%	0.0%	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		NIC	0.0%	0.0%	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 ILOT 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%	FC	53.9%	100.0%
SNC DULAC – ROUMANILLE	513406942		FC	98.9%	100.0%	FC	98.9%	100.0%
SCCV DE L'ORAISON	794048959		FC	99.9%	100.0%	FC	84.9%	100.0%
SCCV L'ILE 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	99.9%	100.0%	FC	79.9%	100.0%
SNC FONCIÈRE ILES 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		NIC	0.0%	0.0%	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	449666114		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LE CHESNAY 127 VERSAILLES	801526716		FC	89.9%	100.0%	NIC	0.0%	0.0%
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%	EM	49.9%	50.0%
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%	EM	49.9%	50.0%
SCCV LE PARADISIO	537797649		FC	89.9%	100.0%	FC	89.9%	100.0%
SNC LE PINET	501286124		FC	99.9%	100.0%	NIC	0.0%	0.0%
SCCV LES COLORIADES	538153248	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV TOULOUSE GUILHEMERY	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%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
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%
SCI LEVALLOIS ILOT 4.1	409853165		FC	49.9%	100.0%	FC	49.9%	100.0%
SCI 65 LACASSAGNE – LYON 3	451783732		FC	71.4%	100.0%	FC	71.4%	100.0%
SCI 85BIS A 89BIS RUE DU DAUPHINE	429641434		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC NOVEL GENEVE – LYON 6	481997609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC LYON 6-145 RUE DE CREQUI	442179826		NIC	0.0%	0.0%	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%	EM	49.9%	50.0%
SCI MAISONS ALFORT VILLA MANSART	443937040	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MALAKOFF DUMONT	752776591		FC	99.9%	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%
SCCV MANTES DUNANT	803318393	Joint venture	EM	59.9%	60.0%	NIC	0.0%	0.0%
SCI MARSEILLE 514 MADRAGUE VILLE	482119567		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI COTE PARC	447789595		FC	57.9%	100.0%	FC	57.9%	100.0%
SCCV MARSEILLE SERRE	528065618		FC	69.9%	100.0%	FC	69.9%	100.0%
SCI MARSEILLE 2 E ÉVÊCHÉ SCHUMANN	482568235		NIC	0.0%	0.0%	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		NIC	0.0%	0.0%	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 ST MARTIN	493348007	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI NANTERRE-ST MAURICE	481091288		FC	71.4%	100.0%	FC	71.4%	100.0%
SCCV NANTERRE PROVINCES FRANCAISES LOT A3	793491812	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
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		NIC	0.0%	0.0%	FC	49.9%	100.0%
SCI FRATERNITÉ MICHELET À NOISY-LE-SEC	504969692		FC	49.9%	100.0%	FC	49.9%	100.0%
SCCV PANTIN MEHUL	807671656		FC	50.9%	100.0%	NIC	0.0%	0.0%
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	NIC	0.0%	0.0%	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 PERI 1	537407140		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI ROTONDE DE PUTEAUX	429674021	Joint venture	NIC	0.0%	0.0%	EM	33.3%	33.3%
SAS QUARTIER ANATOLE FRANCE	428711709	Joint venture	NIC	0.0%	0.0%	EM	33.3%	33.3%
SCCV PUTEAUX LES PASTOURELLES	802997510		FC	99.9%	100.0%	NIC	0.0%	0.0%
SCCV RADOIRE ORDET	ONGOING***		FC	79.9%	100.0%	NIC	0.0%	0.0%
SCI LE CLOS DES LAVANDIERES	483286191		NIC	0.0%	0.0%	FC	79.7%	100.0%
SNC RÉPUBLIQUE	443802392		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV REZE-JEAN-JAURÈS	788521375		FC	50.9%	100.0%	FC	50.9%	100.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
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%	EM	44.9%	45.0%
SCI ST-CLOUD 9/11 RUE DE GARCHES	444734669	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LES CÉLESTINES	481888196	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV PHOENIX	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 ANNE	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 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%	EM	28.2%	28.2%
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 ILOT 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 SEVERINE	522144609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV L'ESTEREL (liquidated 09/2014)	489868125		NIC	0.0%	0.0%	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		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI DE LA PAIX	ONGOING	Joint venture	EM	36.0%	36.0%	NIC	0.0%	0.0%
SCI LES OPALINES	413093170		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HANOI GUERIN	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 SEVRAN FREINVILLE	801560079		FC	59.9%	100.0%	NIC	0.0%	0.0%
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. INVESTMENT	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 BORDEAUX FAURE DURAND INFLUENCE	803042118	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
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-LEMAN	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 ST GENIS – RUE DARCIEUX	793115908		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC VILLEURBANNE CAMBON COLIN	508138740		NIC	0.0%	0.0%	FC	99.9%	100.0%
SARL SOLIM	517618211	Affiliate	NIC	0.0%	0.0%	EM	25.0%	25.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV SAINT CLOUD PALISSY	792326704		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV SAINT HERBLAIN PLAISANCE	498619444		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ST 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%
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 CH. 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		NIC	0.0%	0.0%	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 HEREDIA	507489375	Joint venture	NIC	0.0%	0.0%	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%
SCCV GREEN ATTITUDE	807582267		FC	89.9%	100.0%	NIC	0.0%	0.0%
SNC PROVENCE LUBERON	520030206		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LC2 -VENISSIEUX	532790052		FC	99.9%	100.0%	FC	99.9%	100.0%
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%	FC	74.9%	100.0%
SCI CIRY-VIRY	490793221		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV VITRY BALZAC	807649355		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC WAGRAM	500795034		FC	99.9%	100.0%	FC	99.9%	100.0%
Offices								
ACEP INVEST 1 (*société civile*) sold in 2014 Q2	530702455	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
ACEP INVEST 2 CDG NEUILLY/EX ACEP INVEST 4	794194274	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
ACEP INVEST 2 HOLDING SCI	794194274	Affiliate	EM	16.6%	16.7%	NIC	0.0%	0.0%
ACEP INVEST 3 (société civile)	751731530	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AF INVESTCO 4 (SCI)	798601936	Affiliate	EM	58.3%	58.3%	EM	16.6%	16.7%
AF INVESTCO 5 (SCI)	798601936	Affiliate	EM	16.6%	16.7%	NIC	0.0%	0.0%
MONTIGNY NEWTON SNC	750297137		FC	99.9%	100.0%	FC	99.9%	100.0%
LYON 7 GARNIER VERCORS SNC	798069365		FC	100.0%	100.0%	FC	99.9%	100.0%
ANDROMEDE CAMPUS SNC	798013280		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA VAI HOLDCO A (formally *Salle Wagram* and *Théâtre de l'Empire*)	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
AltaFund General Partner SARL	NA		FC	99.9%	100.0%	FC	99.9%	100.0%
AltaFund Holding SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 1 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 2 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 3 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 4 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 5 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund Invest 6 SARL	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AltaFund OPCI (SPPICAV)	539124529	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Value Add I SCA	NA	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
Altarea Cogedim Entreprise ASSET MANAGEMENT SNC	534207386		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%
Altarea Cogedim Entreprise PROMOTION SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
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%
ISSY PONT SCI	524049244	Joint venture	EM	25.0%	25.0%	NIC	0.0%	0.0%

			12/31/2014			12/31/2013		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
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	NIC	0.0%	0.0%	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		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV SILOPARK	799237722	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV TECHNOFFICE	799125109	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SNC ROBINI	501765382	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV SAINT ÉTIENNE – ILOT 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 MERIDIA	493279285	Affiliate	NIC	0.0%	0.0%	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 MERIDIA	493367429	Affiliate	NIC	0.0%	0.0%	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	NIC	0.0%	0.0%	EM	49.9%	50.0%
SCI ZOLA 276 – VILLEURBANNE	453440695		FC	74.9%	100.0%	FC	74.9%	100.0%

4.2. Changes in Group structure

The scope of consolidation included 455 companies at December 31, 2014, compared with 437 companies at December 31, 2013.

In 2014, 58 companies were consolidated for the first time. 33 were acquired (including 31 forming Groupe Histoire & Patrimoine specialized in the renovation of historic monuments), and 25 newly created, including 1 direct subsidiary of Altarea SCA, 1 subsidiary of société Foncière Altarea, 2 subsidiaries of Alta Faubourg, 2 subsidiaries of the office Property Investment fund, AltaFund, and 19 subsidiaries of Cogedim.

In addition, 3 companies that previously fully consolidated are now accounted for under the equity method. These include Cogedim Résidences Services and its subsidiary. This change reflects equity interests acquired by a partner and subsequent changes to the corporate governance of these two companies.

40 companies were removed from the consolidation scope, including 31 through merger, dissolution or deconsolidation (5 in the Property Investment division and 26 n Cogedim), and 9 through disposals, including Acepinvest1,holding an Office property on boulevard Raspail, as well as AltaFund VAI and seven of its subsidiaries following the restructuring of the fund's shareholder base.

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

5. IMPAIRMENT OF ASSETS UNDER IAS 36

5.1. Goodwill resulting from the acquisition of Cogedim

In the market for new housing that that had reached a new low, Cogedim recorded increases in reservations, which jumped from €1.016 billion to €1.103 billion (incl. tax). This 9% increase on 2003 was well above market trends and allowed the Company to strengthen its market share. In terms of number of units, the entry-level and mid-range accounted for 66% of reservations. At the end of 2014, the residential backlog amounted to €1.459 billion, equal to 22 months of revenues, i.e. a 10% increase compared to 2013. This offers the Group good visibility as to the future performance of this segment. The Property Portfolio under contract amounted to €4.4 billion corresponding to 49 months of revenue. Net property income was down for the period. This was a consequence of the strategy for enlarging the product range adapted to current market conditions (2013 in addition benefited from the Laënnec program). At December 31, 2014, the inventory of finished products was insignificant.

In a market up last year (€23 billion traded in France), the Office property sector stood out in particular by very large scale transactions and benefited from the low interest rates. At the end of 2014, the backlog of off-plan properties and properties under development contracts stood at €133 million.

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

- a discount rate of 9.5%;
- 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;
- ranges for terminal values for the residential (excl. the stake in Histoire et Patrimoine) and office sectors (excl. the AltaFund investment fund) were calculated using a growth rate of 1.5% starting in 2020 applied to normative revenues and a normative EBITA range.

At December 31, 2014, 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 EBITA rate retained. No impairment charge was recognized.

Changes to the assumptions used, deemed reasonable by Management – namely, a growth rate of 1% instead of 1.5% and a discount rate of 10.0% instead of 9.5% – would result in valuations for operating assets exceeding their carrying values at December 31, 2014, on the basis of range of normative EBITA. This phenomenon includes intangible assets and goodwill of the Residential and Office segments.

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, 2014.

5.2. Brands

Cogedim Brand

(The Cogedim brand was assessed individually and as part of the residential CGU (See the previous paragraph).

Rue du Commerce brand

Sales revenue for the period stood at €428 million, remaining steady in relation to 2013.

Rue du Commerce maintained its position as a leading site, ranking among the "Top 10" general merchandise sites in France in a competitive market.

General merchandise sites		Average 11-month UV in 2014 (in thousands)
1	Amazon	16,248
2	CDiscount	9,994
3	Fnac	9,576
4	PriceMinister	7,220
5	Carrefour	6,948
6	La Redoute	6,331
7	Vente-privee.com	5,890
8	Rue du Commerce	5,033
9	E.Leclerc	4,748
10	Darty	4,621

These indicators taken together once again confirm Rue du Commerce's strong name recognition in an increasingly competitive market. The Group is continuing to amortize its brand over the useful life as previously determined.

5.3. 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, "secured" (a project is completely secured 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.

Net impairment losses on investment properties at cost correspond to the impairment of shopping center projects that were discontinued, abandoned or delayed. See notes 6.3 "Investment properties and assets held for sale" and 7.6 "Other operating income."

6. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.1. Intangible assets

Gross (€ millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other receivables	Total	
At January 1, 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**
Acquisitions	-	-	-	12.1	0.4	1.1	13.6	13.6
Disposals/write-offs	-	-	-	(0.1)	-	(1.5)	(1.6)	(1.6)
Transfers	-	-	-	5.1	-	(2.6)	2.5	2.5
Changes of accounting method	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	0.0	-	-	0.0	0.0
At December 31, 2014	**406.2**	**102.1**	**181.6**	**43.5**	**2.5**	**2.8**	**48.8**	**738.7**

Impairment losses (€ millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other receivables	Total	
At January 1, 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)**
Impairment, depreciation and amortization	-	(1.8)	-	(3.0)	(0.2)	(0.0)	(3.2)	(5.0)
Reversals/Disposals	-	-	-	0.0	-	-	0.0	0.0
Transfers	-	-	-	(3.1)	-	0.6	(2.5)	(2.5)
Changes of accounting method	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
At December 31, 2014	**(277.5)**	**(5.3)**	**(181.6)**	**(25.3)**	**(1.7)**	**(2.6)**	**(29.6)**	**(494.0)**

	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other receivables	Total	
Net values at 01/1/2013	166.6	98.6	-	10.2	0.9	0.5	11.5	276.7
Net values at 01/1/2014	128.7	98.6	-	7.5	0.7	2.3	10.4	237.7
Net values at 12/31/2014	128.7	96.8	-	18.2	0.8	0.2	19.2	244.7

The balance of goodwill for €128 million concerns primarily Cogedim SAS.

Brands represent those of Cogedim and Rue du Commerce.

6.2. Property, plant and equipment

(€ millions)	Land and buildings	Other property, plant and equipment	Total Gross	Amortization	Net
At January 1, 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**
Acquisitions/Allowances	-	1.9	1.9	(3.6)	(1.7)
Disposals/Reversals	(0.0)	(0.3)	(0.4)	0.3	(0.0)
Changes in scope of consolidation	(0.2)	(0.1)	(0.3)	0.0	(0.3)
At December 31, 2014	**2.5**	**32.9**	**35.4**	**(24.9)**	**10.6**

At December 31, 2014 as on December 31, 2013, 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. Acquisition for the period relate to the Saint-Ouen site development.

6.3. Investment properties and assets held for sale

(en millions d'euros)	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	**2,869.6**	**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**
Subsequent investments and expenditures capitalized	73.3	50.9	-	124.2
Change in spread of incentives to buyers	3.8	-	-	3.8
Disposals/repayment of deposits	(79.6)	-	-	(79.6)
Net impairment/project discontinuation	-	(4.0)	-	(4.0)
Transfers to assets held for sale or to or from other categories	(30.2)	31.2	(1.0)	-
Change in fair value	89.2	-	(0.0)	89.2
At December 31, 2014	**2,974.4**	**189.2**	**0.7**	**3,164.3**

During 2014, financial expenses amounting to €3.2 million were capitalized in respect of projects under development and construction (whether recognized at value or at cost) versus €3.2 million in 2013.

Investment properties at fair value

The main changes over 2014 related to:

- the transfer to buildings at cost of a shopping center for which major renovations were decided;
- investments and expenditures essentially associated with:
  - redevelopment of areas in the Cap 3000 shopping center located in Saint Laurent du Var and redevelopment of the shopping center,
  - redevelopment of the shopping center located in Aubergenville,
  - the Toulon la Valette center under development,
  - And renovation and extension work at the commercial center in Aix-en-Provence;
- the increase in the fair value of investment properties, adversely impacted by the rise in the overall rate of transfer duties provided for by the French 2014 Finance Act from 6.2% to 6.9% in most French departments with the exception of Paris and Yvelines;
- the sale of two shopping centers located respectively in Nantes and Essonne on September 30, 2014.

Investment properties valued at cost

Investment properties valued at cost are buildings under development and under 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).

Assets in development or under construction carried at cost mainly concern projects for the extension of the Cap 3000 center in Saint Laurent du Var and the redevelopment of the shopping center in Massy and the port of Genoa in Italy.

The impairment loss in 2014 concerns land located in Spain.

Non-current assets held for sale

There were no significant events in 2014 to report relating to non-current assets held for sale.

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 Group and therefore do not include assets consolidated under the equity method and which are measured at fair value by the expert appraisers.

		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
	Maximum	8.9%	1,287	8.2%	6.8%	6.3%
France	Minimum	4.3%	107	5.8%	4.4%	1.2%
	Weighted average	**5.4%**	**393**	**6.6%**	**5.1%**	**3.5%**
	Maximum	7.1%	400	7.8%	7.0%	2.3%
International	Minimum	6.5%	211	7.3%	6.3%	1.8%
	Weighted average	**6.8%**	**317**	**7.4%**	**6.6%**	**2.0%**

a – The initial capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.
b – Annual Average rent (minimum guaranteed rent and variable rent) per asset and m².
c – Tate used to discount the future cash flows.
d – Capitalization rate 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[2] excluding transfer duties came to 5.53% at December 31, 2014 as opposed to 6.11% at December 31, 2013.

Based on a weighted average capitalization rate of 5.53%, a 0.25 point increase in capitalization rates would lead to a reduction of €130.7 million in the value of investment properties (-4.5%), while a 0.25 point decrease in capitalization rates would increase the value of investment properties by €139.6 million (4.8%). At December 31, the entire portfolio of properties in operation underwent an external appraisal. This appraisal was performed by DTZ and CBRE.

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

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

In application of IFRS 10, 11 and 12, the following are therefore recognized under securities and investments in equity affiliates: investments in joint ventures and affiliate companies, including receivables from these holdings.

6.4.1. 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 January 1, 2013	**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 December 31, 2013	**94.2**	**98.1**	**192.2**	**0.3**	**76.9**	**9.2**	**86.1**	**278.6**
Dividend per share	(8.6)	(3.1)	(11.8)	-	-	-	-	(11.8)
Share of earnings	34.9	15.7	50.6	-	-	-	-	50.6
Capital increase	6.5	(7.7)	(1.3)	(0.0)	-	-	-	(1.3)
Change in financial receivables	(0.0)	0.0	-	0.0	36.8	3.2	40.0	40.0
Allocations to and reversals of provisions	-	-	-	(0.0)	-	-	-	(0.0)
Other changes	(5.6)	(0.3)	(5.9)	(0.0)	(0.0)	-	(0.0)	(5.9)
Change in scope of consolidation	(0.2)	11.8	11.6	0.2	(2.6)	2.6	0.0	11.8
At December 31, 2014	**121.2**	**114.3**	**235.5**	**0.4**	**111.0**	**15.0**	**126.1**	**362.0**

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

(€ millions)	Net value of equity-method affiliates 12/31/2014	Net value of equity-method affiliates 12/31/2013
Joint ventures:		
Brick-and-mortar retail	101.1	73.5
Online retail	-	-
Residential	8.6	8.3
Offices	11.4	12.4
EQUITY-ACCOUNTING VALUE OF JOINT VENTURES	**121.2**	**94.2**
Affiliates:		
Brick-and-mortar retail	92.4	83.9
Online retail	-	-
Residential	17.2	0.2
Offices	4.7	14.0
EQUITY-ACCOUNTING VALUE OF AFFILIATED COMPANIES	**114.3**	**98.1**
Value of equity investments in joint ventures and affiliated companies	**235.5**	**192.2**

The primary joint ventures and affiliates are Alta Carré de Soie, Ori Alta and SEMMARIS, which own the Carré de Soie shopping center in Lyon, the Qwartz in Villeneuve-la-Garenne and the Rungis Marché d'Intérêt National, respectively. The individual carrying value of each of these companies is not significant for the Group.

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

Share of balance sheet items of joint ventures

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2014	Brick-and-mortar retail	Residential	Offices	12/31/2013
Non-current assets	307.7	1.3	0.3	309.3	244.3	0.3	0.3	245.0
Current assets	61.6	103.6	50.9	216.0	61.3	63.3	53.0	177.6
Total assets	**369.2**	**104.9**	**51.2**	**525.3**	**305.7**	**63.6**	**53.4**	**422.6**
Non-current liabilities	190.8	14.9	3.4	209.1	143.9	5.3	4.0	153.2
Current liabilities	77.3	81.3	36.3	194.9	88.2	50.0	37.0	175.2
Total liabilities	**268.1**	**96.2**	**39.7**	**404.1**	**232.1**	**55.3**	**41.0**	**328.4**
Net assets (equity-accounting basis)	**101.1**	**8.6**	**11.4**	**121.2**	**73.5**	**8.3**	**12.4**	**94.2**

Share of income statement items

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2014	Brick-and-mortar retail	Residential	Offices	12/31/2013
Operating income	**32.0**	**3.6**	**2.6**	**38.2**	**31.1**	**4.3**	**8.7**	**44.1**
Net borrowing costs	(4.9)	(0.1)	0.0	(4.9)	(2.4)	(0.0)	(0.1)	(2.5)
Change in value of hedging instruments	(0.0)	-	-	(0.0)	2.8	-	-	2.8
Pre-tax profit	**27.1**	**3.5**	**2.6**	**33.3**	**31.5**	**4.3**	**8.6**	**44.3**
Corporate income tax	0.1	(1.0)	2.5	1.6	0.1	0.2	(1.1)	(0.8)
Profit before tax	**27.3**	**2.5**	**5.2**	**34.9**	**31.5**	**4.5**	**7.5**	**43.5**
Non-Group profit or loss	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net profit, attributable to Group shareholders	27.3	2.5	5.2	34.9	31.5	4.5	7.5	43.5

Group revenues from joint ventures amounted to €20.1 million at December 31, 2014, up from €13.8 million one year earlier.

6.4.4. Principal balance sheet and income statement items of affiliated companies

Share of balance sheet items of affiliates

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2014	Brick-and-mortar retail	Residential	Offices	12/31/2013
Non-current assets	104.1	7.1	30.3	141.5	100.7	0.0	21.8	122.5
Current assets	39.0	86.2	16.0	141.2	31.0	4.5	38.1	73.6
Total assets	**143.1**	**93.3**	**46.3**	**282.7**	**131.7**	**4.5**	**59.9**	**196.1**
Non-current liabilities	23.5	5.3	25.8	54.7	24.6	0.5	35.7	60.8
Current liabilities	27.3	70.8	15.7	113.8	23.2	3.8	10.3	37.3
Total liabilities	**50.8**	**76.1**	**41.6**	**168.5**	**47.8**	**4.3**	**46.0**	**98.1**
Net assets (equity-accounting basis)	**92.4**	**17.2**	**4.7**	**114.3**	**83.9**	**0.2**	**14.0**	**98.1**

Share of income statement items

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2014	Brick-and-mortar retail	Residential	Offices	12/31/2013
Operating income	**12.6**	**3.3**	**5.4**	**21.4**	**9.7**	**0.6**	**0.1**	**10.4**
Net borrowing costs	0.3	0.0	(0.5)	(0.1)	0.2	0.0	(0.5)	(0.3)
Change in value of hedging instruments	0.0	-	(0.1)	(0.1)	(0.0)	-	0.0	0.0
Proceeds from the disposal of investments	(0.0)	-	0.0	(0.0)	-	-	-	-
Dividend per share	0.6	-	-	0.6	0.5	-	-	0.5
Pre-tax profit	**13.5**	**3.4**	**4.9**	**21.7**	**10.4**	**0.6**	**(0.4)**	**10.6**
Corporate income tax	(4.3)	(1.2)	(0.5)	(6.0)	(3.5)	(0.3)	(0.0)	(3.9)
Profit before tax	**9.2**	**2.2**	**4.3**	**15.7**	**6.9**	**0.3**	**(0.4)**	**6.7**
Non-Group profit or loss	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)
Net profit, attributable to Group shareholders	9.2	2.2	4.3	15.6	6.9	0.3	(0.4)	6.7

Group revenues from affiliates amounted to €5.3 million at December 31, 2014 compared to €4.2 million at the end of 2013.

6.4.5. Commitments given or received in connection with equity-accounted investees (pro rata share)

Commitments given

Cogedim Résidences Services undertook to pay rent in connection with the leasing of the Résidences Services Cogedim Club®. In exchange, Cogedim Résidence Services receives the lease payments of the sub-lessees.

Completion guarantees were given in connection with Property Development activities for joint ventures in the amount of €27.5 million.

Commitments received

The main commitments received concern joint ventures and payment guarantees received from their customers. On December 31, 2014, the Group share of these guarantees was €7 million.

6.5. 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 advances paid	Subtotal: loans and advances	Other financial assets	Total receivables and other gross assets	Impair-ment	Net
At January 1, 2013	**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**
Increases/allowances	37.1	0.0	0.3	37.3	36.8	74.1	-	74.1
Decreases/Reversals	(42.8)	(0.3)	(0.2)	(43.4)	(0.0)	(43.4)	-	(43.4)
Transfers/Reclassifications	(0.3)	(0.0)	-	(0.3)	0.5	0.2	0.3	0.4
Change in scope of consolidation	2.7	-	-	2.7	(0.0)	2.7	-	2.7
At December 31, 2014	**14.7**	**1.1**	**5.1**	**20.9**	**37.7**	**58.5**	**(0.0)**	**58.5**
o/w Non-current at end of December 2013	*0.4*	*1.4*	*5.1*	*6.9*	*0.0*	*6.9*	*(0.3)*	*6.6*
o/w Current at end of December 2013	*17.7*	*(0.0)*	*-*	*17.7*	*0.4*	*18.1*	*-*	*18.1*
o/w Non-current at end of December 2014	*0.1*	*1.1*	*5.1*	*6.3*	*37.0*	*43.3*	*(0.0)*	*43.3*
o/w Current at end of December 2014	*14.6*	*-*	*-*	*14.6*	*0.6*	*15.2*	*-*	*15.2*

Accounts receivable from participating interests and Shareholders' accounts

Accounts receivable from participating interests and Shareholders' accounts relate mainly to advances made to minority partners or deconsolidated companies.

Changes in scope concern mainly advances to companies deconsolidated in the Property Development period.

Loans

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

Deposits and advances paid

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

Other financial assets

This concerns primarily the uncalled amount for subordinated perpetual Notes.

6.6. Working capital requirement

6.6.1. 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	Operational working capital requirement
At January 1, 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	12.7	(45.1)	10.5	(34.6)	1.2	(19.2)	(17.9)	(39.8)
Net impairment losses	(0.8)	0.4	(1.4)	(1.0)	-	-	-	(1.8)
Transfers	(0.4)	1.1	(1.3)	(0.2)	3.7	2.8	6.5	5.8
Change in scope of consolidation	0.0	(0.2)	(0.4)	(0.6)	0.0	1.5	1.5	0.9
At December 31, 2014	**617.9**	**130.9**	**249.0**	**380.0**	**(335.0)**	**(371.0)**	**(706.0)**	**291.9**
Change in WCR at December 31, 2014	**(11.9)**	**44.7**	**(9.1)**	**35.6**	**1.2**	**(19.2)**	**(17.9)**	**41.6**
Change in WCR at December 31, 2013	**52.5**	**(44.3)**	**18.1**	**(26.2)**	**54.1**	**33.0**	**87.1**	**(60.8)**

Note: Presentation excluding payables and receivables on the sale or acquisition of fixed assets.

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

At December 31, 2014, operating WCR represented 21.9% of sales (over 12 months rolling) compared to 21.5% at December 31, 2013.

Changes in scope are mainly related to changes in scope in the Property Development sector.

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

Investment working capital requirement

(€ millions)	Receivables on sale of assets	Payables on acquisition of assets	Investment WCR
At January 1, 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	0.8	(8.4)	(7.6)
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	-	0.1	0.1
Change in scope of consolidation	-	(0.5)	(0.5)
At December 31, 2014	12.5	(52.3)	(39.8)
Change in WCR at December 31, 2014	**0.8**	**(8.4)**	**(7.6)**
Change in WCR at December 31, 2013	**(127.4)**	**9.3**	**(118.2)**

The increase in working requirements for investments is mainly due to the rise in fixed asset payables for shopping centers under renovation or under development.

The change in scope concerns Foncière Altarea, and earnout payments due in connection with the interests acquired by Allianz in 2013 in certain shopping centers.

Tax working capital requirement

(€ millions)	Tax receivables	Tax payables	Tax WCR
At January 1, 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)
Tax paid over the year	3.8	11.0	14.9
Tax charge for the period	-	(1.6)	(1.6)
Other changes	-	0.1	0.1
Change in scope of consolidation	0.2	0.0	0.2
Accretion on receivables and payables	-	(0.2)	(0.2)
At December 31, 2014	6.3	(18.7)	(12.5)
Change in WCR at December 31, 2014	**3.8**	**11.0**	**14.9**
Change in WCR at December 31, 2013	**0.5**	**12.0**	**12. 4**

Current tax liabilities consist mainly of the remaining balance of the exit tax payable by Aleta having opted for SIIC tax treatment in 2013.

6.7. Inventories and work in progress

(€ millions)	Gross inventories	Impairment	Net
At January 1, 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
Change	12.7	0.0	12.7
Increases	-	(1.5)	(1.5)
Reversals	-	0.7	0.7
Reclassifications	(0.3)	(0.1)	(0.4)
At December 31, 2014	623.9	(6.0)	617.9

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

At December 31, 2014	Brick-and-mortar retail	Online retail	Residential property development	Office property	Total net inventories and work in progress
New programs	-	-	37.2	4.5	41.7
Programs at land stage	-	-	37.6	12.0	49.6
Ongoing programs	0.0	-	434.8	13.6	448.4
Completed programs	-	-	13.1	8.3	21.3
Dealer transactions	-	-	10.1	6.4	16.5
Goods and merchandise	0.1	40.3	-	-	40.3
Total	0.1	40.3	532.8	44.7	617.9

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 transactions	-	-	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

"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" sector relate to off-plan (VEFA) retail programs sold, as well as land held for resale (without transformation).

Merchandise inventories essentially correspond to supplies of goods held by Rue du Commerce.

6.8. Trade receivables and other accounts receivable

(€ millions)	12/31/2014	12/31/2013
Bricks-and-mortar retail clients	56.3	54.4
Online retail clients	33.0	34.5
Residential clients	56.7	88.5
Office property clients	8.7	21.6
Gross trade receivables	**154.7**	**198.9**
Opening impairment	**(24.1)**	**(19.2)**
Increases	(6.5)	(8.4)
Changes in scope of consolidation	-	-
Reversals	6.9	3.4
Closing impairment	**(23.7)**	**(24.1)**
Net trade Receivables	130.9	174.8
Advances and down payments paid	39.2	31.7
VAT receivables	126.9	132.9
Sundry debtors	30.6	35.6
Prepaid expenses	22.8	20.7
Principal accounts in debit	36.0	25.8
Total other operating receivables	**255.6**	**246.8**
Opening impairment	**(5.2)**	**(3.8)**
Increases	(1.5)	(1.6)
Reversals	0.2	0.2
Closing impairment	**(6.5)**	**(5.2)**
Net operating receivables	249.0	241.6
Trade and other receivables	380.0	416.4
Receivables on the sale of assets	12.5	11.7
Trade and other receivables	392.5	428.2

Depreciation allowances for 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)	12/31/2014
Total gross trade receivables	**154.7**
Impairment of trade receivables	(23.7)
Total net trade receivables	130.9
Trade accounts to be invoiced	(19.5)
Receivables lagging completion	(7.3)
Trade accounts receivables due	104.2

(€ millions)	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivables due	104.2	77.1	4.7	7.9	3.4	11.0

Advances and down payments paid

Advances and down payments correspond primarily to indemnities paid by Cogedim to the vendors of land at the time of the signature of sale contracts (for those not covered by guarantees) 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 "Miscellaneous amounts payable" mainly concerns real estate development sectors. In particular, this line item relates to advances paid by the developer ("prorated accounts") in the event of joint construction site management, and which are distributed and passed on to the companies carrying out the construction. As concerns online retail, "Sundry debtors" mainly relate to credit Notes to be received from suppliers as part of its 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.

6.9. Accounts payable and other operating liabilities

(€ millions)	12/31/2014	12/31/2013
Trade payables and related accounts	335.0	339.9
Trade payables and related accounts	**335.0**	**339.9**
Advances and down payments received from clients	205.9	194.8
VAT collected	54.3	61.9
Other tax and social security payables	38.2	37.4
Prepaid income	3.6	4.0
Other payables	33.0	31.8
Principal accounts in credit	36.0	26.3
Other operating payables	**371.0**	**356.1**
Amounts payable on non-current assets	52.3	43.5
Accounts payable and other operating liabilities	**758.3**	**739.5**

Advances and down payments received from clients

This item includes advances – percentage of completion payments, which represent the excess of amounts received from clients, including taxes, over revenue recognized on a percentage-of-completion basis, including taxes for Property Development. This line item increases in line with progress in completing ongoing programs; amounts of payment requests progress more quickly 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.

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

Capital

(number of shares and in €)	Number of shares	Nominal amount	Share capital
Number of shares outstanding at January 1, 2013	**10,911,441**	**15.28**	**166,734,997**
Capital increase relating to the contribution-merger of a company[1]	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**
New share issue following exercise of the option for dividend payment in shares	922,692	15.28	14,098,734
Number of shares outstanding at December 31, 2014	**12,515,497**	**15.28**	**191,244,972**

(1) This company held a 15% stake in Bercy Village 2; the Group's stake was accordingly increased to 100%.

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%, excluding exceptional transactions. Banking covenants on corporate loans require an LTV ratio of less than 60%.

Share-based payments

A new restricted share unit plan providing for grants of shares for no consideration was set up in 2014.

The gross cost recorded on the income statement for share-based payments was €3.9 million in 2014, compared to €4.4 million in 2013.

Assumptions used to value the new free share plans

	12/31/2014
Expected dividend yield	7.98%
Expected volatility	NA
Risk-free interest rate	0.56%
Model used	Cox Ross Rubinstein binomial model

Stock option plan

No stock option plan was implemented in FY2014.

Stock option plan	Number of options awarded	Option strike price (in €)	Exercise Dates	Options outstanding at 12/31/2013	Awarded	Options exercised	Options canceled	Options outstanding at 12/31/2014
Stock option plans on Altarea shares								
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)	-
Total	**4,886**			**1,092**	**-**	**-**	**(1,092)**	**-**

Stock grant awards

During 2014,

- A single plan for 1,500 shares was implemented;
- 16,300 rights were canceled;
- 7,125 shares were delivered.

Award date	Number of rights awarded	Date of purchase	Rights in issue at 12/31/2013	Awarded	Delivery	Rights canceled[a]	Rights in issue at 12/31/2014
Stock grant plans on Altarea shares							
March 5, 2010	20,000	December 20, 2014	6,000	-	(6,000)	-	-
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	81,200	-	-	(15,300)	65,900
April 2, 2013	14,000	April 2, 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
February 26, 2014	1,500	February 26, 2016	-	1,500	-	-	1,500
Total	**132,525**		**115,325**	**1,500**	**(7,125)**	**(16,300)**	**93,400**

(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 €19.6 million at December 31, 2014 for 160,349 shares (including 157,490 shares intended for allotment to employees under stock grant or stock option plans and 2,859 shares allocated to a liquidity contract), compared with €19.0 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). 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 €0.9 million before tax at December 31, 2014 (€0.6 million after tax) compared with a loss of €2.0 million before tax at December 31, 2013 (€1.3 million after tax).

The negative impact on cash flow from purchases and disposals over the period comes to €1.5 million at December 31, 2014 compared to €7.3 million in 2013.

6.11. Financial liabilities

Current and non-current borrowings and financial liabilities

(€ millions)	Participating loans and Shareholders' advances	Bond issues	Borrowings from lending establi-shments	Finance lease debt	Treasury Notes	Bank overdrafts	Bank debt, private and bond investment	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 Shareholders' advances	Total borrowings and financial debts
At January 1, 2013	**65.0**	**250.0**	**1,997.2**	**43.1**	**-**	**85.4**	**2,375.6**	**2,440.6**	**1.8**	**6.3**	**2.8**	**2,451.5**
Increase	101.5	0.1	202.9	-	101.0	105.7	409.6	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	(83.1)	0.4	(640.7)	(2.2)	(73.0)	(42.9)	(758.4)	(841.5)	-	(1.7)	(0.9)	(844.1)
Reclassifications	0.4	(1.8)	1.7	-	-	-	(0.2)	0.3	-	-	(0.4)	(0.2)
Change in scope of consolidation	0.1	-	-	-	-	-	-	0.1	0.0	-	-	0.1
At December 31, 2013	**83.8**	**248.6**	**1,561.0**	**40.8**	**28.0**	**148.2**	**2,026.7**	**2,110.5**	**39.7**	**5.8**	**3.0**	**2,158.9**
Increase	24.5	228.1	329.0	0.7	358.0	78.5	994.4	1,018.9	-	5.1	1.9	1,025.9
o/w spreading of issue costs	*-*	*0.6*	*4.5*	*-*	*-*	*-*	*5.0*	*5.0*	*-*	*-*	*-*	*5.0*
o/w appropriation of income to current accounts	*10.4*	*-*	*-*	*-*	*-*	*-*	*-*	*10.4*	*-*	*-*	*-*	*10.4*
Decrease	(0.1)	0.5	(475.2)	(2.4)	(333.0)	(92.9)	(902.9)	(903.0)	(37.6)	(0.9)	(0.3)	(941.9)
Reclassifications	0.0	-	4.0	-	-	(4.0)	-	0.0	-	-	(0.0)	(0.0)
Change in scope of consolidation	0.4	-	-	-	-	-	-	0.4	0.0	-	-	0.4
At December 31, 2014	**108.5**	**477.2**	**1,418.9**	**39.2**	**53.0**	**129.9**	**2,118.2**	**2,226.7**	**2.1**	**9.9**	**4.6**	**2,243.4**
o/w non-current at end of December 2013	*41.8*	*248.5*	*1,298.1*	*38.4*	*-*	*95.9*	*1,680.8*	*1,722.7*	*-*	*-*	*-*	*1,722.7*
o/w non-current at end of December 2014	*50.8*	*477.2*	*1,166.7*	*35.9*	*-*	*64.5*	*1,744.3*	*1,795.1*	*-*	*-*	*-*	*1,795.1*
o/w current at end of December 2013	*41.9*	*0.1*	*263.0*	*2.5*	*28.0*	*52.4*	*345.9*	*387.8*	*39.7*	*5.8*	*3.0*	*436.2*
o/w current at end of December 2014	*57.8*	*-*	*252.2*	*3.3*	*53.0*	*65.4*	*373.9*	*431.6*	*2.1*	*9.9*	*4.6*	*448.3*

The year under review was particularly dynamic, with €805 million in corporate financing agreements signed, of which €455 million from new funding and €350 million in refinancing. This financing breaks down as follows by category:

- €230 million from a 7-year corporate bond issue;
- €375 million in corporate lines of credit from the Group's regular banking partners. At the end of the reporting period, €247 million had not been drawn, with the balance partially reallocated;
- €200 million in corporate credit for refinancing the 2007 Cogedim acquisition loan.

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 investment, excl. overdrafts	Cash and cash equivalents (assets)	Bank overdraft (cash liabilities)	Net cash	Bank debt, private and bond investment	Participating loans and Shareholders' advances	Accrued interest on Shareholders' advances	Net financial debt
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	41.8	-	1,722.7
Non-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**	**83.8**	**3.0**	**1,924.0**
Cash assets	-	-	-	-	-	-	(358.0)	-	(358.0)	(358.0)	-	-	(358.0)
Non-current financial liabilities	477.2	-	1,267.1	1,744.3	-	1,744.3	-	-	-	1,744.3	50.8	-	1,795.1
Non-current financial liabilities	-	53.0	320.9	373.9	9.9	383.8	-	2.1	2.1	386.0	57.8	4.6	448.3
At December 31, 2014	**477.2**	**53.0**	**1,588.0**	**2,118.2**	**9.9**	**2,128.2**	**(358.0)**	**2.1**	**(355.9)**	**1,772.3**	**108.5**	**4.6**	**1,885.4**

Breakdown of bank and bond debt by maturity

(€ millions)	12/31/2014	12/31/2013
< 3 months	102.1	114.0
3 to 6 months	22.7	13.7
6 to 9 months	231.7	210.8
9 to 12 months	30.1	53.1
Less than 1 year	**386.6**	**391.6**
2 years	455.0	319.0
3 years	435.4	461.2
4 years	117.1	530.2
5 years	397.6	97.8
1 to 5 years	**1,405.1**	**1,408.2**
More than 5 years	**350.9**	**284.0**
Issuance cost to be amortized	(12.3)	(11.7)
Total gross bank debt	**2,130.3**	**2,072.2**

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

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

Breakdown of bank and bond debt by guarantee

(€ millions)	12/31/2014	12/31/2013
Mortgages	1,030.9	1,131.1
Mortgage Commitments	129.9	146.9
Moneylender lien	4.2	4.6
pledging of receivables	-	-
pledging of securities	257.7	262.0
Altarea SCA security deposit	170.0	153.2
Not Guaranteed	549.9	386.1
Total	**2,142.6**	**2,083.9**
Issuance cost to be amortized	(12.3)	(11.7)
Total gross bank debt	**2,130.3**	**2,072.2**

Breakdown of bank and bond debt by interest rate

	Gross bank debt		
(€ millions)	Variable rate	Fixed rate	Total
At December 31, 2014	1,550.3	580.0	2,130.3
At December 31, 2013	1,822.2	250.0	2,072.2

Fixed-rate market value of debt

(€ millions)	Carrying amount	Market value
At December 31, 2014	580.0	596.8
At December 31, 2013	250.0	252.3

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 2.41% compared with 2.80% in 2013.

Schedule of future interest expenses

(€ millions)	12/31/2014	12/31/2013
< 3 months	9.9	11.5
3 to 6 months	10.6	11.7
6 to 9 months	9.0	12.1
9 to 12 months	9.0	11.9
Less than 1 year	**38.4**	**47.1**
2 years	57.4	58.7
3 years	48.4	53.3
4 years	37.2	32.4
5 years	29.7	14.9
1 to 5 years	**172.7**	**159.2**

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

Liabilities vis-à-vis credit institutions in finance leases

(€ millions)	Liabilities *vis-à-vis* credit institutions in finance leases	
	12/31/2014	12/31/2013
Debt at less than 1 year	3.3	2.5
Debt at between 1 and 5 years	10.7	10.0
Debt at more than 5 years	25.2	28.3
Total	**39.2**	**40.8**

Future lease payments

(€ millions)	Future lease payments	
	12/31/2014	12/31/2013
Debt at less than 1 year	3.6	2.7
Debt at between 1 and 5 years	11.7	11.2
Debt at more than 5 years	25.3	28.4
Total, Gross	**40.6**	**42.3**
Debt at less than 1 year	3.6	2.7
Debt at between 1 and 5 years	11.4	10.8
Debt at more than 5 years	22.8	24.8
Total, present value	**37.8**	**38.3**

Accounting value of assets held under finance lease

(€ millions)	Accounting value of assets held under finance lease	
	12/31/2014	12/31/2013
Other intangible assets	1.5	-
Other property, plant and equipment	0.1	-
Assets held for sale	-	-
Investment properties	69.4	67.7
Total	**71.0**	**67.7**

6.12. 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, 2013	**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)
Change in scope of consolidation	-	-	-	-	-	-	-
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**
Increases	1.0	2.9	0.7	1.4	-	5.0	6.0
Reversals used	(0.3)	(1.0)	(2.1)	(0.7)	(0.0)	(3.8)	(4.1)
Reversals of unused provisions	-	(0.2)	(1.6)	(0.5)	-	(2.4)	(2.4)
Transfers to another heading	-	-	-	(0.1)	-	(0.1)	(0.1)
Change in scope of consolidation	(0.0)	-	-	-	-	-	(0.0)
Actuarial gains and losses	0.7	-	-	-	-	-	0.7
At December 31, 2014	**9.4**	**3.4**	**1.5**	**6.2**	**0.9**	**11.9**	**21.3**
o/w non-current at end of December 2013	*7.9*	*1.7*	*4.5*	*6.1*	*0.9*	*13.2*	*21.1*
o/w current at end of December 2013	-	-	-	-	-	-	-
o/w non-current at end of December 2014	*9.4*	*3.4*	*1.5*	*6.2*	*0.9*	*11.9*	*21.3*
o/w current at end of December 2014	-	-	-	-	-	-	-

Provision for benefits payable at retirement

See Note 13.1. "Pension obligations."

Brick-and-mortar retail provisions

Provisions in the brick-and-mortar retail sector primarily cover the risk of payment of rent guarantees granted upon the sale of shopping centers, along with disputes with tenants.

Online retail provisions

Provisions for the online retail business cover disputes relating to this sector.

Residential and Office Property provisions

Provisions for this business mainly cover the risk of disputes arising from construction operations and the risk of the failure of certain partners. Estimates of residual risks involving completed programs (litigation, 10-year guarantee, 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.

6.13. Deposits and security interests received

(€ millions)	Deposits and security interests received
At January 1, 2013	**27.1**
Change	(0.3)
At December 31, 2013	**26.8**
Change	(0.6)
At December 31, 2014	**26.2**

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.

7. NOTES TO THE CONSOLIDATED COMPREHENSIVE STATEMENT OF INCOME

7.1. Net rental income

Net rental income was €156.6 million at December 31, 2014, compared with €158.0 million in 2013. This decrease reflects namely the disposal of two shopping centers in Nantes and Essonne partially offset by like-for-like gains of €3.9 million. In France, like-for-like growth of rental income was driven by major regional shopping centers (Cap 3000, Toulouse Gramont, Bercy Village, etc.).

(€ millions)	
Net rental income at 12/31/2013	**158.0**
a – Centers opened	(0.0)
b – Disposals	(3.4)
c – Redevelopments	(1.7)
d – Like-for-like change France	2.2
e – Like-for-like change International	1.6
Total – Change in net rental income	(1.4)
Net rental income at 12/31/2014	**156.6**

7.2. Net property income

Group Net property income came to €61.5 million at December 31, 2014 compared to €110.5 million the year before.

This change is mainly due to the decrease in the "Residential" operating segment. In 2013, Group Net property income was boosted in particular by the Paris Laënnec (Residential) and Montigny Le Bretonneux (Office) programs.

7.3. Retail margin

The retail margin is the margin for the Online retail operating sector derived from Rue du Commerce's proprietary retail operations.

7.4. *Galerie Marchande* commissions

Galerie Marchande commissions represent a percentage of sales carried out by online merchants partnering with the Galerie.

7.5. Net overhead expenses

Net overhead expenses relating to the Group's service providers (incl. Rue du Commerce) came to €79.6 million in 2014, compared to €109.0 million for the prior year.

These include:

- staff costs;
- other overhead costs including operating expenses and normal fees;
- allowances for the depreciation and amortization of operating assets such as software, the Rue du Commerce brand and office furniture. Services provided by Group service companies for third parties or on a proprietary basis.

Personnel expense

(€ millions)	12/31/2014	12/31/2013
Personnel compensation	(84.8)	(83.3)
Social security contributions	(37.3)	(36.4)
Share-based payments to personnel	(3.9)	(4.4)
Other personnel expenses	(3.1)	(6.2)
Benefits payable at retirement (IFRS)	(0.7)	(0.8)
Personnel expense	**(129.5)**	**(131.1)**

7.6. Other items contributing to operating profit

Other income and expense

These items consist mainly of fees, taxes and equivalent amounts and bank charges incurred by the Group's non-service companies and ancillary income and expenses outside of the the primary activity of the companies in question.

Depreciation expenses

These relate to operating assets of the Group's ancillary activities.

Transaction costs

In 2014, these concerned mainly transaction costs unrelated to ordinary business operations. In 2013, these concerned costs incurred in connection with corporate development projects.

Proceeds from disposal of investment assets

In 2014, the €1.5 million recorded under this line item originated from proceeds from the sale of non-strategic shopping centers.

Change in value of investment properties measured at fair value

The value of investment properties represented a gain of €89.2 million at December 31, 2014. This line item amounted to €123.1 million in France (see note 6.3 "Investment properties and assets held for sale"). Outside of France, change in value of investment properties represented a €33.8 million loss, which reflects economic conditions in the markets concerned.

Net impairment losses on investment properties measured at cost

Net impairment losses on investment properties measured at cost of €4.0 million in 2014 compared to €17.8 million in 2013 represented impairment of shopping center projects that have been delayed, discontinued or abandoned. These impairment losses concern mainly products located in Spain or Italy.

Net allowances to provisions

This line item showed a positive balance in 2014 of €3.2 million.

Share in income of affiliates

The share of earnings of equity-method associates accounted for income of €50.6 million at December 31, 2014, compared to €50.2 million at December 31, 2013 (see note 6.4 "Securities and investments in equity affiliates and non-consolidated interests").

7.7. Net borrowing costs

(€ millions)	12/31/2014	12/31/2013
Bond and bank interest expenses	(44.9)	(49.6)
Interest on partners' advances	(1.8)	(0.7)
Interest on rate hedging instruments	(11.0)	(13.8)
Non-use fees	(1.5)	(2.9)
Other financial expenses	(0.3)	(0.1)
Capitalized finance costs	7.3	6.9
Financial expenses	**(52.2)**	**(60.2)**
Net proceeds from the sale of marketable securities	0.5	0.5
Interest on partners' advances	2.8	1.9
Other interest income	0.6	0.3
Interest income on bank current accounts	0.0	0.1
Interest on rate hedging instruments	9.1	2.6
Financial income	**13.1**	**5.4**
NET BORROWING COSTS	**(39.1)**	**(54.8)**

Interest costs on loans from credit institutions include the effect of amortizing issuance costs in accordance with IAS 32 and IAS 39.

Capitalized finance costs relate only to companies carrying an asset under development or construction (shopping centers and Residential and Office Property operating sectors) and are deducted from interest paid to credit institutions.

The capitalization rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets is the interest rate on financing assigned specifically to asset development or, if there is no specific financing, to the average cost of debt borne by the Group and not assigned specifically to another purpose.

The Altarea Cogedim Group average financing cost including the credit spread was 2.41% at December 31, 2014 compared with 2.80% at the end of 2013. This rate is the result of financing contracted in 2013 and 2014 and hedging that was realigned with market conditions.

7.8. Other components of pre-tax profit

The change in value of financial instruments and proceeds from the disposal of these instruments resulted in a net charge of €72.8 million in 2014 compared to a net gain of €22.2 million for the prior year. This figure reflects the aggregate changes in value of interest-rate economic hedging instruments used by the Group and amounts paid to restructure several hedging instruments. Balancing cash payments in 2014 represented an outflow of €55.1 million compared to €34.9 million a year earlier. The discounting of receivables represents and expense in 2014 of €5.9 million.

7.9. Net income attributable to non-controlling interests and subsidiaries

Income attributable to non-controlling interests in subsidiaries amounted to €145.7 million in 2014, compared to €73.8 million in 2013. This amount concerns mainly the results of subsidiaries holding shopping centers and stakes acquired in their capital by institutional investors within the framework of a long-term partnership with the Group.

7.10. Tax

Analysis of tax expense

Tax expense is analyzed as follows:

(€ millions)	12/31/2014 Total	12/31/2013 Total
Tax due	(1.6)	(36.0)
Tax loss carryforwards and/or use of deferred losses	64.4	16.1
Valuation differences	0.8	3.2
Fair value of investment properties	4.6	38.0
Fair value of hedging instruments	(4.4)	(5.5)
Net property income on a percentage-of-completion basis	21.2	(10.3)
Other temporary differences	(0.1)	15.0
Deferred tax	**86.5**	**56.5**
Total tax income (expense)	**84.8**	**20.4**

The net deferred tax income recognized on the losses primarily related to loss carryforwards used in the Altareit tax consolidation group.

Effective tax rate

(€ millions)	12/31/2014	12/31/2013
Pre-tax profit of companies included in the consolidated financial statements	**124.5**	**149.4**
Group tax savings (expense)	**84.8**	**20.4**
Effective tax rate	**N/A**	**(13.67)%**
Tax rate in France	34.43%	34.43%
Theoretical tax charge	**(42.9)**	**(51.4)**
Difference between theoretical and effective tax charge	**127.7**	**71.8**
Differences related to entities' SIIC status	*68.8*	*88.2*
Differences related to treatment of losses	*67.5*	*(13.3)*
Other permanent differences and rate differences	*(8.5)*	*(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 the 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 01/1/2013	**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)	(0.0)	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**
Expense (income) recognized in the income statement	64.4	0.8	4.6	(4.4)	21.2	(0.1)	86.5
Deferred taxes recognized in equity	-	-	-	-	-	(0.8)	(0.8)
Other changes	0.0	(0.6)	0.0	(0.0)	26.0	(26.0)	(0.6)
Change in scope of consolidation	-	-	-	-	(1.2)	1.1	(0.1)
At 12/31/2014	**179.6**	**(38.6)**	**(14.2)**	**0.2**	**(9.5)**	**(8.3)**	**109.2**

(€ millions)	Deferred tax assets	Deferred tax liabilities	Net deferred tax
At 12/31/2013	36.2	11.9	24.3
At 12/31/2014	116.4	7.2	109.2

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 gains and losses).

Deferred tax relating to valuation differences corresponds mainly to the brand 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.

Tax investigation: definitive settlement of the 2011 dispute

In their proposed adjustments dated December 31, 2011, tax authorities mainly called into question the appraised market value of Cogedim, used in connection with 2008 restructuring operations. On that basis, additional income tax in the base amount of €133.9 million had been assessed.

On the advice of its tax counsel, the Group contested this adjustment in its entirety.

The Group companies thus concerned thereupon appealed to the regional and national tax review boards (*Commission Départementale et Nationale des Impôts Directs et des Taxes sur le Chiffre d'Affaires*) with jurisdiction who rendered opinions in their favor. Pursuant to these two opinions, an overall settlement was accepted, resulting in full relief concerning the tax claim and a partial reduction of tax deficits generated in 2008. In consequence, the dispute was definitively settled with no outflow of financial resources. The Company took full account of the accounting consequences of this definitive settlement in its financial statements for the period ended December 31, 2014, which are described above.

7.11. 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 in issue 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 the 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.

	12/31/2014	12/31/2013
Numerator		
Total net income attributable to Altarea SCA shareholders	114.3	146.2
Denominator		
Weighted average number of shares before dilution	11,943,751	11,110,742
Effect of dilution		
Stock options	*0*	*389*
Rights to stock grant awards	*111,246*	*120,616*
Total potential dilutive effect	111,246	121,005
Weighted fully-diluted average number of shares	12,054,997	11,231,747
Basic earnings per share (in €)	9.57	13.16
Diluted earnings per share (in €)	9.48	13.02

8. NOTES TO THE CASH FLOW STATEMENT

Net cash and cash equivalents

(€ millions)	Cash and cash equivalents	Marketable securities	Total cash assets	Bank overdraft (cash liabilities)	Cash and cash equivalents
At January 1, 2013	**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)
Impacts of other changes in scope	0.0	-	0.0	(0.0)	0.0
At December 31, 2013	**83.4**	**151.5**	**234.9**	**(39.7)**	**195.2**
Change during the period	94.3	29.3	123.6	37.6	161.2
Change in fair value	-	-	-	-	-
Cash of acquired companies	0.0	-	0.0	(0.0)	(0.0)
Cash of companies sold	(0.0)	-	(0.0)	0.0	(0.0)
Impacts of other changes in scope	(0.6)	0.0	(0.5)	-	(0.5)
At December 31, 2014	**177.2**	**180.8**	**358.0**	**(2.1)**	**355.9**
Net change at end of December 2013	6.6	(64.7)	(58.1)	(37.9)	(96.0)
Net change at end of December 2014	93.8	29.4	123.1	37.6	160.7

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.

Breakdown of elimination of fair value adjustments

(€ millions)	12/31/2014	12/31/2013
Elimination of value adjustments on:		
Change in fair value of financial instruments (excluding marketable securities)	71.4	(23.6)
Change in value of investment properties	(89.2)	(57.6)
Change in value of assets held for sale	0.0	(0.0)
Impairment losses on investment properties	4.0	16.2
Present value adjustment	0.2	0.2
Total	**(13.6)**	**(64.8)**

Net acquisitions of assets and capitalized expenditures

(€ millions)	12/31/2014	12/31/2013
Type of non-current assets acquired:		
Intangible assets	(13.6)	(7.6)
Property, plant and equipment	(1.9)	(4.5)
Investment properties	(119.0)	(108.5)
Non-current assets held for sale	-	-
Total	**(134.4)**	**(120.6)**

In 2014, investments in investment properties mainly concerned:

- shopping centers under development (primarily the Toulon la Valette center);
- shopping centers undergoing redevelopment or improvements (mainly Cap 3000 in Saint Laurent du Var, and shopping centers in Aix-en-Provence, Aubergenville and Massy).

Acquisitions of intangible assets related mainly to the online retail business.

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

(€ millions)	Intangible assets	Property, plant and equipment	Investment properties	Total acquisition of non-current assets
Investments during the period	(12.9)	(1.9)	(128.7)	(143.5)
Change in debt relating to non-current assets	(0.7)	-	9.7	9.0
Acquisition of net non-current assets	**(13.6)**	**(1.9)**	**(119.0)**	**(134.4)**

In 2013, investments in investment properties mainly concern:

- 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).

Net acquisitions of consolidated companies, net of cash acquired

(€ millions)	12/31/2014	12/31/2013
Investments in consolidated securities	0.1	(11.6)
Debt on acquisition of consolidated participating interests	(0.7)	(2.1)
Cash of acquired companies	(0.0)	6.9
Impact of changes in consolidation method	-	-
Total	**(0.6)**	**(6.8)**

In 2013, investments 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 a stock option termination fee. Cash of acquired companies corresponds to Pierre et Patrimoine.

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)	12/31/2014	12/31/2013
Income from disposal of investment assets in net income (net of transfer duties and allowances to and reversals of provisions)	**83.1**	**142.8**
Disposal proceeds recognized in other income statement aggregates	1.7	0.8
Neutralization of items reclassified in proceeds from disposals (including rent guarantees granted to purchasers)	0.0	(1.2)
Repayments of advances and down payments	-	0.5
Gross proceeds from disposals and repayments of advances and down payments	**84.8**	**142.8**
Receivables on sale of assets	(0.8)	0.4
Sale and repayments of advances and down payments	**84.0**	**143.2**

In 2014, the Group sold the assets located in Nantes and in the Essonne.

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

Net change in investments and derivative financial instruments

The net change in investments and derivative financial instruments corresponds to balancing cash payments.

Dividends received

Dividends received for a total of €11.5 million in 2014 (versus €8.3 million in 2013) correspond to cash dividends paid by companies consolidated under the equity method for the Group's share.

9. 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, 2014

(€ 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	405.3	235.5	169.4	-	0.4	-	-	-	0.4
Securities and investments in equity affiliates and non-consolidated interests	362.0	235.5	126.1	-	0.4	-	-	-	0.4
Loans and receivables (non-current)	43.3	-	43.3	-	-	-	-	-	-
CURRENT ASSETS	781.6	-	584.8	-	-	196.8	181.0	15.9	-
Trade and other receivables	392.5	-	392.5	-	-	-	-	-	-
Loans and receivables (current)	15.2	-	15.2	-	-	-	-	-	-
Derivative financial instruments	15.9	-	-	-	-	15.9	-	15.9	-
Cash and cash equivalents	358.0	-	177.0	-	-	181.0	181.0	-	-
NON-CURRENT LIABILITIES	1,821.3	-	-	1,821.3	-	-	-	-	-
Borrowings and financial liabilities	1,795.1	-	-	1,795.1	-	-	-	-	-
Deposits and security interests received	26.2	-	-	26.2	-	-	-	-	-
CURRENT LIABILITIES	1,309.2	-	-	1,206.6	-	102.7	-	102.7	-
Borrowings and financial liabilities	448.3	-	-	448.3	-	-	-	-	-
Derivative financial instruments	102.7	-	-	-	-	102.7	-	102.7	-
Accounts payable and other operating liabilities	758.3	-	-	758.3	-	-	-	-	-
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.
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

At December 31, 2013

(€ millions)			Financial assets and liabilities carried at amortized			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	**285.3**	**192.3**	**92.7**	**-**	**0.3**	**-**	**-**	**-**	**0.3**
Securities and investments in equity affiliates and non-consolidated interests	278.6	192.3	86.1	-	0.3	-	-	-	0.3
Loans and receivables (non-current)	6.6	-	6.6	-	-	-	-	-	-
CURRENT ASSETS	**681.9**	**-**	**529.6**	**-**	**-**	**152.3**	**151.5**	**0.8**	**-**
Trade and other receivables	428.2	-	428.2	-	-	-	-	-	-
Loans and financial receivables	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.
Cash and cash equivalents break down between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

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

Derivatives are carried at fair value.

In compliance with IFRS 13, these instruments are measured by taking into account the credit valuation adjustment (CVA) when positive, and the debit valuation adjustment (DVA) when negative. This adjustment measures, by application on each cash flow date of the valuation a probability of default, 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 €4.2 million on net income for the period.

Position in derivative financial instruments

(€ millions)	12/31/2014	12/31/2013
Interest-rate swaps	(84.4)	(67.7)
Interest-rate collars	(3.4)	(3.9)
Interest-rate caps	0.0	0.1
Accrued interest not yet due	1.0	(1.4)
Premiums and balancing cash payments	-	-
Total	(86.8)	(72.9)

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at December 31, 2014.

Maturity schedule of derivative financial instruments (notional amounts)

At December 31, 2014

	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019
Altarea – pay fixed – swap	1,335.6	1,260.4	1,252.8	922.0	840.5	550.0
Altarea – pay fixed – collar	50.0	50.0	-	-	-	-
Altarea – pay fixed – cap	167.3	63.9	26.3	-	-	-
Total	1,552.9	1,374.3	1,279.1	922.0	840.5	550.0
Average hedge ratio	1.00%	1.29%	3.00%	2.77%	2.62%	2.43%

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%

Management position

At December 31, 2014

	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019
Fixed-rate bond and bank loans	(585.0)	(585.0)	(585.0)	(385.0)	(385.0)	(235.0)
Floating-rate bank loans	(1,545.3)	(1,158.8)	(703.9)	(468.5)	(351.4)	(103.8)
Cash and cash equivalents (assets)	358.0	-	-	-	-	-
Net position before hedging	**(1,772.3)**	**(1,743.8)**	**(1,288.9)**	**(853.5)**	**(736.4)**	**(338.8)**
Swap	1,335.6	1,260.4	1,252.8	922.0	840.5	550.0
Collar	50.0	50.0	-	-	-	-
Cap	167.3	63.9	26.3	-	-	-
Total derivative financial instruments	**1,552.9**	**1,374.3**	**1,279.1**	**922.0**	**840.5**	**550.0**
Net position after hedging	(219.4)	(369.6)	(9.7)	68.5	104.1	211.2

At December 31, 2013

	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
Fixed-rate bond 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

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 pre-tax profit	Impact on the value of the portfolio of financial instruments
12/31/2014	+50 bps	-€1.3 million	+€27.7 million
	-50 bps	+€1.2 million	-€28.7 million
12/31/2013	+50 bps	-€1.5 million	+€32.2 million
	-50 bps	+€1.8 million	-€33.7 million

Liquidity risk

Cash

The Group had a positive cash position of €358.0 million at December 31, 2014, compared to €234.9 million at December 31, 2013. This represents the main tool for management of liquidity risk. (see the statement of cash flows and note 8, "Notes to the cash flow statement").

Part of this cash is classified as restricted for the Group, but is available for those subsidiaries that carry it. At December 31, 2014, the amount of this restricted cash was €128.5 million.

In addition, at December 31, 2014, the Group had €307.3 million of confirmed credit lines that had not been utilized and were not assigned to specific development projects.

Bank covenants

The main financial covenants to be satisfied relate to the credit facilities subscribed by Atarea SCA, Foncière Altarea, Altareit 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 €792.9 million (including €277.3 million undrawn) are as follows:

Principal covenants covering the Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (37.7% at December 31, 2014);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.9 at December 31, 2014).

- Specific covenants for corporate loans held by Foncière Altarea for amounts totaling €150 million are as follows:

Principal covenants covering the Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (37.7% at December 31, 2014);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.9 at December 31, 2014).

Principal covenants covering Foncière Altarea

- Ratio of Group net debt to net asset value (Consolidated Foncière Altarea LTV ratio) ≤ 50% (22.9% at December 31, 2014);
- Operating Result (FFO column)/Cost of net debt (FFO column) of Foncière Altarea ≥ 1.8 (Interest Cover Ratio or Altarea Consolidated ICR) (13.8 at December 31, 2014).

- Specific covenants for a €100 million corporate loan held by Altareit SCA (with €30 million undrawn) are as follows:

Principal covenants covering the Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (37.7% at December 31, 2014);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.9 at December 31, 2014).

- The covenants specific to the €200 million acquisition loan for Cogedim are as follows:

Principal covenants covering the Altarea Group:

- (Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (37.7% at December 31, 2014);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.9 at December 31, 2014).

Principal covenants covering Cogedim

- Leverage: Ratio of net debt to EBITDA for Cogedim and its subsidiaries ≤ 5 (2.3 at December 31, 2014);
- Gearing: Ratio of net debt to equity ≤ 3 (0.4 at December 31, 2014);
- ICR: EBITDA/Net finance costs for Cogedim and its subsidiaries ≥ 2 (7.3 at December 31, 2014).

- 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 on certain loans);
- LTV ratio in operation = Loan To Value ratio = Net debt of the company/Net asset value of the company ≤ normally 65% (or 80% on certain loans). If there is invested equity, the required LTV may be lower.

At December 31, 2014, the company met all its covenants. In the highly likely event that certain mortgage debt might be required to be partially repaid at a subsequent date, the amount of these repayments is recognized under current liabilities until the maturity 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.

10. DIVIDENDS PROPOSED AND PAID

In 2014, payment of a cash dividend of €10 per share, representing a total of €123.6 million, will be put to a vote at the forthcoming shareholders' meeting on June 5, 2015, called to approve the financial statements for the financial year ended, December 31, 2014. It will be accompanied by a proportional payment to the sole General Partner, Altafi 2, of €1.9 million, representing 1.5% of the amount paid to limited partners. The above amounts were calculated on the basis of 12,357,499 shares with dividend rights for financial year 2014, 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.

For the 2013 financial year, the dividend payment was made by an issue of 922,692 new shares plus a cash payment on June 11, 2014 in the amount of €14.5 million (including the balance paid to shareholders having selected this option). A dividend of €1.7 million was paid to the General Partner on the same day.

11. RELATED PARTIES

Ownership structure of Altarea SCA

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

(percentage)	12/31/2014 % share capital	12/31/2014 % voting rights	12/31/2013 % share capital	12/31/2013 % voting rights
Founding shareholders and the expanded concert party[a]	47.70	48.32	46.99	47.63
Crédit Agricole Group	27.32	27.68	27.00	27.37
ABP	8.27	8.37	8.17	8.28
Opus Investment BV[b]	1.25	1.27	0.86	0.88
Treasury shares	1.28	-	1.35	-
Public + employee investment mutual fund	14.18	14.36	15.62	15.84
Total	**100.0**	**100.0**	**100.0**	**100.0**

(a) Alain Taravella and Jacques Nicolet, the founding shareholders in their own name (or the name of relatives) or via legal entities that they control, and Gilles Boissonnet and Stéphane Theuriau acting in concert.
(b) And related party (at December 31, 2014).

Related party transactions

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

- AltaGroupe, AltaPatrimoine and Altager, represented by Mr Alain Taravella;
- JN Holding, represented by Mr Jacques Nicolet.

Company Management consists of Alain Taravella and Altafi 2, of which Alain Taravella is Chairman and Atlas, of which Alain Taravella is Chairman and Gilles Boissonnet and Stéphane Theuriau are Chief Executive Officers.

Transactions with these related parties mainly relate to 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

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

	Altafi 2 SAS	
(€ millions)	12/31/2014	12/31/2013
Fixed executive compensation	2.5	2.5
- o/w amount recognized in other overhead costs	*2.5*	*2.5*
Variable executive compensation [a]	1.4	1.0
TOTAL	3.9	3.5

(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)	12/31/2014	12/31/2013
Trade and other receivables	0.1	0.1
TOTAL ASSETS	0.1	0.1
Account payable and other operating liabilities [a]	1.6	2.0
TOTAL LIABILITIES	1.6	2.0

(a) Mainly corresponds to 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 stake in Altarea.

Mr Jacques Nicolet and Christian de Gournay, in their capacity as Chairman of Altarea SCA's Supervisory Board for the periods up to June 2, 2014 and commencing on respectively, received gross compensation directly from Altarea SCA, which is included in the compensation paid to the Group's main Managers stated below.

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)	12/31/2014	12/31/2013
Gross salaries [a]	4.4	4.4
Social security contributions	2.0	2.0
Share-based payments [b]	2.1	1.8
Number of shares delivered during the period	*6,000*	*3,413*
Post-employment benefits [c]	0.0	0.1
Other short- or long-term benefits and compensation [d]	0.0	0.0
Termination indemnities [e]	-	-
30% employer contribution for stock grants	-	1.7
Loans	0.1	0.1
Post-employment benefit liability	0.6	0.9

(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	12/31/2014	12/31/2013
Rights to Altarea SCA's stock grant awards	46,500	56,000
Altarea share subscription warrants	-	-
Stock options on Altarea shares	-	-

"Senior executives" include members of the company's Executive Committee or members of Altarea's Supervisory Board who receive compensation[3] from Altarea or its subsidiaries.

Compensation paid to senior executives excludes dividends.

(3) Jacques Nicolet until June 2, 2014 and Christian de Gournay as from this same date.

12. GROUP COMMITMENTS

12.1. 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 6.11 "Financial liabilities," under "Breakdown of bank and bond liabilities 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)	12/31/2013	12/31/2014	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	**59.4**	**103.7**	**38.4**	**62.0**	**3.3**
Commitments received relating to operating activities	**72.7**	**87.5**	**65.1**	**6.3**	**16.1**
Security deposits received from FNAIM (Hoguet Law)	50.0	50.0	50.0	-	-
Security deposits received from tenants	20.5	17.7	0.3	3.0	14.3
Payment guarantees received from customers	1.5	17.2	14.6	1.1	1.5
Unilateral land sale undertakings received and other commitments	0.5	0.4	0.1	-	0.3
Other commitments received relating to operating activities	0.2	2.3	0.2	2.1	-
Total	132.1	191.3	103.6	68.3	19.5
Commitments given					
Commitments given elating to financing (excl. borrowings)	**49.0**	**26.7**	**11.0**	**15.7**	**-**
Commitments given relating to company acquisitions	**137.8**	**142.1**	**55.0**	**0.4**	**86.7**
Commitments given relating to operating activities	**245.0**	**678.0**	**225.4**	**420.5**	**32.1**
Construction work completion guarantees (given)	157.9	453.3	167.4	282.0	3.9
Guarantees given on forward payments for assets	8.2	136.5	20.3	116.1	-
Guarantees for loss of use	21.9	35.4	18.1	16.7	0.6
Other sureties and guarantees granted	57.0	52.9	19.6	5.7	27.6
Total	431.8	846.8	291.4	436.6	118.9
Bilateral property purchase and other undertakings relating to operating activities	**29.8**	**89.2**	**66.3**	**22.9**	**-**
o/w Altarea as seller	*15.7*	*22.6*	*22.6*	*-*	*-*
o/w Altarea as purchaser	*14.0*	*66.6*	*43.7*	*22.9*	*-*
Total	29.8	89.2	66.3	22.9	-

Commitments received

Commitments received relating to acquisitions/disposals

The Group is covered by representations and warranties in connection with acquisitions of subsidiaries and equity interests, and in particular for the acquisition of Altareit. Relating to the latter, 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.

The Group also received:

- a guarantee provided to the Group by Allianz, given in conjunction with its acquisition of a stake in selected shopping centers guaranteed, whereby it would contribute up to €35 million to the budget expenditures for a Property Development project. At December 31, 2014, this commitment amounted to €21.3 million;
- an undertaking by the partners of Altablue, to take up, within the limits of their respective shares, two capital increases for €100.3 million each. These amounts must be paid no later than June 30, 2015 and June 30, 2016 to finance the extension of the Cap 3000 shopping center near Nice.

Altarea and Mahjip hold reciprocal put and call options for the balance of Histoire et Patrimoine' shares still held by Mahjip. These options are exercisable for 45 day periods starting from the date the financial statements are approved for the years ended December 31, 2017 and 2018. Altarea has also been given representations and warranties in connection with this acquisition.

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 receive consist mainly of commitments received from property sellers.

• Other commitments received

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 – non-costed commitment).

Commitments given

Commitments given relating to financing activities

Altarea provided guarantees €15.7 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 that it is probable that there will be a cash outlay under the terms of these guarantees, it sets aside allowances to provisions and their amount is re-assessed at each closing date.

The main commitments consist in an undertaking to subscribe for the capital of companies comprising the AltaFund investment fund (Office property investments) for the portion held by the Group of 16.66% in the amount of €86.7 million (including a firm commitment for €56.7 million and €30 million unused) and representations and warranties given after the partner Allianz acquired a stake in certain shopping centers for €55 million.

The shares of Altablue, Aldeta, Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est as well as assets held by these companies, are for a limited period subject to conditions for sale contingent on the agreement of each of the partners of these companies.

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 guarantors mainly cover purchases of land or buildings for the Property Development business (including AltaFund, the office Property Investment fund).

• 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 concern mainly AltaFund, the office Property Investment fund, as well as the Property Investment business in Italy for guarantees granted by companies to the Italian government regarding their VAT position.

Bilateral property purchase and other undertakings relating to operating activities

These commitments mainly include bilateral undertakings (secured by bank guarantees) 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, in the conduct of its Residential property development, the Group signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether the customers meet the contingencies, particularly with respect to their ability to secure financing.

Lastly, as part of its Property Development business, the Group has a Property Portfolio consisting mainly of unilateral purchase agreements.

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 revenues to be received under non-cancellable rental agreements over the period amounted to:

(€ millions)	12/31/2014	12/31/2013
Less than 1 year	144.4	154.3
Between 1 and 5 years	247.6	283.7
More than 5 years	69.2	79.5
Guaranteed minimum rent	**461.2**	**517.5**

Rents receivable relate only shopping centers owned by the Group.

Minimum future rents to be paid

The total of minimum future revenues payable under non-cancellable rental agreements over the period amounted to:

(€ millions)	12/31/2014	12/31/2013
Less than 1 year	13.0	12.8
Between 1 and 5 years	24.7	41.2
More than 5 years	0.5	17.8
Minimum future rents to be paid	**38.1**	**71.8**

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.

12.2. Litigation and claims

No new significant litigation or claim arose in 2014 other than those for which a provision has been recognized see note 6.12 "Provisions") and those that have been effectively challenged or are being challenged by the Company (see note 7.10 "Corporate income tax" or 6.12 "Provisions").

13. COMMITMENTS TO EMPLOYEES

13.1. Pension commitments

At December 31, 2014, like one year earlier, the Group engaged an outside actuary to calculate the post-employment benefits in the form of a retirement severance payment to employees.

(These benefits fall under the category of a defined benefit plan. Upon retirement, Altarea Group pays a lump sum benefit 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, the salary escalation rate and the discount rate. A deviation from of these assumptions represents the principal risk to the benefit scheme.

Weighted-average assumptions used to calculate pension obligations

	2014	2013
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	1.70%	3.12%
Expected return on investments	3.12%	2.80%
Average rate of salary increase	2.50%	2.50%
Corporate and Property Development employee turnover in France	4.43%	3.72%
Property Development employee turnover in Italy	4.00%	4.00%
Rue du Commerce turnover	10.17%	14.80%
Cogedim employee turnover	4.51%	5.68%
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 3.12%, represents the discount rate at 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)	12/31/2014	12/31/2013
Gross liability at beginning of the year	8.4	9.1
Rights vested during the year	0.8	0.8
Interest expense	0.2	0.2
Service cost	(0.8)	(0.8)
Transfer	-	-
Actuarial differences observed	(0.8)	(0.5)
Actuarial differences assumed	1.6	(0.5)
Actuarial gains/losses	0.8	(1.0)
Gross liability at end of the year	9.4	8.4
Plan assets at beginning of the year	0.5	1.0
Withdrawal of funds for payment purposes	(0.5)	(0.5)
Return on plan assets	0.0	0.0
Actuarial gains and losses	-	-
Plan assets at end of the year	0.1	0.5
Net provisions at beginning of the year	7.9	8.1
Net provisions at end of the year	9.4	7.9
(Expense)/income for the period	(0.7)	0.8

The existing fund covers pension commitments for Cogedim employees up to €0.1 million. This brings the total commitment to €6.7 million and a net commitment for Cogedim of €6.6 million. Moreover, no contributions to the insurance policy are expected to be made during the year.

Sensitivity of results to assumptions used

The sensitivity of post-employment benefit measurements An increase or decrease of 25% was applied to assumptions on the discount rate, salary escalation rate and turnover and of 10% to turnover tables.

(€ millions)	12/31/2014
Value of the commitment at December 31, 2014	9.4
Discount rate of -0.25%	0.3
Discount rate of +0.25%	(0.3)
Rate of wage increase of -0.25%	(0.3)
Rate of wage increase of +0.25%	0.3
Turnover rate of -10%	0.1
Turnover rate of +10%	(0.1)

History of the provision

(€ millions)	2014	2013	2012	2011	2010
Commitment	9.4	8.4	9.1	7.3	6.3
Financial assets	(0.1)	(0.5)	(1.0)	(1.0)	(0.9)
Financial cover	9.4	7.9	8.1	6.3	5.4
Actuarial (losses) and gains recognized in profit and loss on obligation	-	-	-	-	0.6
Actuarial (losses) and gains recognized in profit and loss on assets	-	-	-	-	-
Actuarial (losses) and gains recognized in equity on obligation	0.8	(1.0)	1.0	0.1	-
Actuarial (losses) and gains recognized in equity on assets	(0.0)	-	-	-	-

Maturity of the bond

(€ millions)	12/31/2014
Length of commitment	10
Payment scheduled for 2015	0.6
Payment scheduled for 2016	0.7
Payment scheduled for 2017	0.4
Payment scheduled for 2018	0.7
Payment scheduled for 2019	1.0
Payment scheduled for between 2020 and 2024	2.9

Detail of invested assets

(€ millions)	2014	2013
Shares	0.0	0.1
Government bonds	0.0	0.2
Corporate bonds	0.0	0.2
Property	0.0	-
Detail of invested assets	**0.1**	**0.5**

Plan assets do not include financial securities issued by Altarea or real estate assets occupied by the Group.

14. POST-CLOSING EVENTS

There are no significant events to report having occurred between the closing date and the date the financial statements were adopted.

3.8. AUDITORS' FEES

(€ millions)	ERNST & YOUNG				A.A.C.E.				Other receivables				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Statutory audit, certification, examination of individual and consolidated financial statements																
Altarea SCA	0.3	0.4	23%	34%	0.3	0.4	35%	44%	-	-	0%	0%	0.6	0.9	28%	37%
Fully consolidated subsidiaries	0.9	0.8	72%	57%	0.5	0.5	64%	56%	0.0	0.1	100%	100%	1.4	1.3	68%	57%
Other work and services related directly to the statutory audit assignment																
Altarea SCA	0.1	0.1	5%	7%	0.0	-	0%	0%	-	-	0%	0%	0.1	0.1	3%	4%
Fully consolidated subsidiaries	0.0	-	0%	0%	0.0	-	0%	0%	-	-	0%	0%	0.0	0.0	1%	1%
Other services rendered by networks to fully consolidated subsidiaries																
Legal, tax, social, other	-	0,0	0%	2%	-	-	0%	0%	-	-	0%	0%	-	0,0	0%	1%
Total	**1.2**	**1.3**	**100%**	**100%**	**0.8**	**0.9**	**100%**	**100%**	**0.0**	**0.1**	**100%**	**100%**	**2.1**	**2.3**	**100%**	**100%**

3.9. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(financial year ended December 31, 2014)

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, 2014 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.

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 9, "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 acknowledged the assumptions used by Management and determined whether the estimates based on these assumtions were reasonable.
- 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 5, "Impairment of assets under IAS 36," 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, if applicable, and verify that the Notes to the consolidated financial statements provide appropriate information on the assumptions used.

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 17, 2015

The Statutory Auditors

A.A.C.E. Ile-de-France French member of Grant Thornton International	**ERNST & YOUNG et Autres**
Michel RIGUELLE	**Jean-Roch VARON**

PARENT COMPANY FINANCIAL STATEMENTS

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4.1. INCOME STATEMENT

INCOME STATEMENT (multi-step)

(€ thousands)	2014	2013
Sale of goods		
Sold production (goods and services)	25,462.3	41,034.1
NET REVENUE	**25,462.3**	**41,034.1**
Production held in inventory		
Capitalized production	7,424.7	5,121.5
Operating grants	-	-
Reversals of provisions (and depreciation/amortization), expense reclassifications	457.0	2,931.5
Other income	2,112.2	15.7
OPERATING INCOME	**35,456.1**	**49,102.7**
Purchase of goods	-	-
Change in inventory (goods)	-	-
Purchase of raw materials and other supplies	-	1.1
Change in inventory (raw material and supplies)	-	-
Other purchases and external charges	23,676.5	28,000.2
Taxes other than on income and related payments	700.2	4,095.0
Salaries and wages	1,833.8	1,845.5
Social security contributions	1,384.8	1,270.6
OPERATING ALLOWANCES		
Non-current assets: allowances for depreciation and amortization	4,150.5	9,089.1
Non-current assets: allowances for impairment	-	-
Current assets: allowances for impairment	208.0	244.0
Contingencies and expenses: allowances for provisions	885.8	903.6
Other expenses	292.2	577.0
OPERATING EXPENSES	**33,131.8**	**46,026.1**
OPERATING INCOME	**2,324.3**	**3,076.6**
JOINT OPERATIONS		
Profits or transferred losses	-	-
Losses or transferred profits	-	-
FINANCIAL INCOME		
Financial income from participating interests	65,534.2	14,544.2
Income from other marketable securities and receivables on non-current assets	3,633.4	2,943.5
Other interest and similar income	2,714.3	13,976.8
Reversals of provisions, impairment and expense reclassifications	40.2	25.4
Foreign exchange gains	-	-
Net gain on the disposal of marketable securities	-	-
FINANCIAL INCOME	**71,922.2**	**31,489.8**
Allowances for amortization, impairment and provisions	35,001.7	67,694.0
Interest and similar expenses	35,777.9	25,264.0
Foreign exchange losses	-	-
Net losses from the disposal of marketable securities	-	0.9
FINANCIAL EXPENSES	**70,779.5**	**92,959.0**
NET FINANCIAL INCOME/(EXPENSE)	**1,142.7**	**(61,469.1)**
INCOME FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAX	**3,467.0**	**(58,392.5)**

INCOME STATEMENT (continued)

(€ thousands)	2014	2013
Exceptional income from non-capital transactions	-	-
Exceptional income from capital transactions	753.6	310,441.5
Reversals of provisions, impairment and expense reclassifications	-	-
EXCEPTIONAL INCOME	753.6	310,441.5
Exceptional expenses on non-capital transactions	3.0	1.5
Exceptional expenses on capital transactions	145.7	135,217.2
Allowances for amortization, impairment and provisions	-	-
EXCEPTIONAL EXPENSE	148.7	135,218.7
NET EXCEPTIONAL ITEMS	604.9	175,222.8
Employee profit-sharing	-	-
Income tax	338.3	(88.3)
TOTAL INCOME	108,131.8	391,034.0
TOTAL EXPENSES	104,398.3	274,115.4
NET INCOME/(LOSS) FOR THE PERIOD	3,733.6	116,918.6

4.2. BALANCE SHEET

ASSETS

(€ thousands)	Gross	Depr., amortiz. & provisions	12/31/2014	12/31/2013
Uncalled subscribed capital	-	-	-	-
INTANGIBLE ASSETS				
Start-up costs	-	-	-	-
Research and development expenditures	-	-	-	-
Concessions, patents, licenses, brands, procedures, software, rights and similar items	747,7	715.3	32.4	286.7
Purchased goodwill	9,417.0	-	9,417.0	9,417.0
Intangible assets in progress	1,078.3	-	1,078.3	391.3
Advances and down payments	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT				
Land	22,376.6	63.9	22,312.7	22,326.1
Buildings	91,305.4	31,122.1	60,183.3	63,990.0
Plant, industrial machinery and equipment	-	-	-	-
Other receivables	140.5	80.1	60.4	86.7
Property, plant and equipment in progress	12,027.0	-	12,027.0	5,289.3
Advances and down payments	-	-	-	-
NON-CURRENT FINANCIAL ASSETS				
Investments	1,219,117.8	14,745.8	1,204,372.0	1,142,425.7
Investment-related receivables	191,518.2	-	191,518.2	93,117.7
Other long-term securities	-	-	-	-
Loans	225,044.2	113,497.0	111,547.2	90,676.7
Other non-current financial assets	4,366.4	-	4,366.4	118.8
NON-CURRENT ASSETS	**1,777,139.2**	**160,224.2**	**1,616,915.0**	**1,428,126.0**
INVENTORIES AND WORK IN PROGRESS				
Raw materials and other supplies	-	-	-	-
Production work in progress (goods and services)	-	-	-	-
Intermediate and finished products	-	-	-	-
Merchandise	-	-	-	-
Advances and installments paid on orders	50.0	-	50.0	271.7
RECEIVABLES				
Trade receivables and related accounts	10,396.6	913.5	9,483.1	16,218.4
Other receivables	7,170.9	-	7,170.9	16,537.4
Called, unpaid subscribed capital	-	-	-	-
MARKETABLE SECURITIES				
Securities including Treasury Shares	19,613.5	1.7	19,611.9	19,037.5
Cash at bank and in hand	1,579.5	-	1,579.5	389.3
Prepaid expenses	510.7	-	510.7	123.3
CURRENT ASSETS	**39,321.2**	**915.1**	**38,406.1**	**52,577.6**
Deferred charges	-	-	-	-
Redemption premiums	-	-	-	-
Translation differences – assets	-	-	-	-
TOTAL	**1,816,460.4**	**161,139.4**	**1,655,321.0**	**1,480,703.5**

LIABILITIES

(€ thousands)	2014	2013
Share capital (o/w paid-in)	191,245.0	177,146.2
Additional paid-in capital	518,664.3	436,957.3
Revaluation difference	-	-
Legal reserve	17,714.6	12,800.0
Statutory and contractual reserves	0.0	-
Regulated reserves	-	-
Other	-	-
Retained earnings	(0.0)	-
NET INCOME/(LOSS) FOR THE YEAR	**3,733.6**	**116,918.6**
Investment grants		
Legal provisions		
EQUITY	**731,357.5**	**743,822.2**
Provisions for contingencies	2,262.7	1,376.9
Provisions for expenses	-	-
PROVISIONS	**2,262.7**	**1,376.9**
Proceeds from issue of equity securities	195,078.3	109,000.0
Conditional advances	-	-
OTHER EQUITY	**195,078.3**	**109,000.0**
BORROWINGS AND FINANCIAL LIABILITIES		
Convertible bonds	-	-
Other bonds	334,259.6	100,081.1
Bank borrowings	186,197.7	278,645.8
Other borrowings and financial liabilities	195,616.4	226,535.6
Advances and down payments on orders in progress	14.0	7.6
OPERATING PAYABLES		
Trade payables and related accounts	3,275.7	10,545.9
Tax and social security payables	3,799.1	5,191.0
OTHER PAYABLES		
Amounts due on non-current assets and related accounts	2,280.3	4,444.5
Other payables	396.3	1,001.7
ACCRUALS AND DEFERRED INCOME		
Prepaid income	783.5	51.3
TOTAL LIABILITIES	**726,622.5**	**626,504.4**
Translation differences – liabilities	-	-
TOTAL EQUITY AND LIABILITIES	**1,655,321.0**	**1,480,703.5**

4.3. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Articles L. 123-13 to L. 123-21 and R. 123-195 to R. 123-198 of the French Commercial Code, Decree No. 83-1020 of November 29, 1983 and ANC Regulation ANC 2014-03 approved by the decree of September 8, 2014.

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 located at 8 Avenue Delcassé in Paris, 8th *arrondissement*.

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. These annual financial statements were drawn up by Management and reviewed by the Supervisory Board at its March 4, 2015 meeting.

4.3.1. MAJOR EVENTS DURING THE FINANCIAL YEAR

No major event took place during FY 2014.

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 2014 accounting plan adopted by the CRC (*Comité de Réglementation Comptable*) on June 5, 2014 (regulation 2014-03) and approved by ministerial decree on September 08, 2014.

Accounting principles and methods are identical to those used to prepare the annual financial statements for the year ended December 31, 2013. 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 representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

RETIREMENT 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

LRental 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)	12/31/2013	Increase	Decrease	12/31/2014
Software	697.7	50.0	-	747.7
Total	**697.7**	**50.0**	**-**	**747.7**

Depreciation (€ thousands)	12/31/2013	Increases	Decreases	12/31/2014
Software	411.0	304.3	-	715.3
Total	**411.0**	**304.3**	**-**	**715.3**

Other intangible fixed assets

Other intangible assets (€ thousands)	12/31/2013	Increase	Decrease	12/31/2014
Merger loss	9,417.0	-	-	9,417.0
Intangible assets in progress	391.3	687.0	-	1,078.3
Total	**9,808.3**	**687.0**	**-**	**10,495.3**

4.3.3.1.2. Property, plant and equipment

Gross property, plant and equipment

Property, plant and equipment (€ thousands)	12/31/2013	Acquisition/ Contribution	Derecognition/ Sale	12/31/2014
LAND	22,376.8	-	-	22,376.6
BUILDINGS	91,305.4	-	-	91,305.4
Structural work (structures, road and utilities works)	36,492.0	-	-	36,492.0
Facades, weatherproofing	9,123.0	-	-	9,123.0
Technical equipment	27,369.1	-	-	27,369.0
Fixtures and fittings	18,321.3	-	-	18,321.3
OTHER TANGIBLE FIXED ASSETS	158.9	-	18.4	140.5
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Vehicles	132.9	-	18.4	114.5
Office and computer equipment, furniture	26.0	-	-	26.0
Recoverable packaging and related items	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	5,289.3	6,737.8	-	12,027.0
Land	183.1	80.5	-	263.6
Buildings	4,183.6	5,830.1	-	10,013.7
Other receivables	922.6	827.2	-	1,749.8
Total	119,130.3	6,737.8	18.4	140.5

Amortization of property, plant and equipment

Depreciation (€ thousands)	12/31/2013	Increases	Decreases	12/31/2014
LAND	50.6	13.3	-	63.9
BUILDINGS	27,316.2	3,806.7		31,122.8
Structural work (structures, road and utilities works)	5,430.8	743.2	-	6,174.0
Façades	2,696.1	373.0	-	3,069.2
Technical equipment	10,125.6	1,410.0	-	11,535.6
Fixtures and fittings	9,062.9	1,280.4	-	10,343.3
OTHER TANGIBLE FIXED ASSETS	72.3	26.2	18.4	80.1
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Vehicles	54.5	21.4	18.4	57.5
Office and computer equipment, furniture	17.8	4.8		22.6
Recoverable packaging and related items	-	-	-	-
Total	27,439.0	3,846.2	18.4	31,266.8

No impairment was recognized on property, plant and equipment.

4.3.3.1.3. Non-current financial assets

Gross non-current financial assets

Non-current financial assets (€ thousands)	12/31/2013	Increase	Decrease	12/31/2014
PARTICIPATING INTERESTS	1,157,211.7	61,946.4	40.3	1,219,117.8
RECEIVABLES	262,410.2	829,410.5	670,891.9	420,928.8
Investment-related receivables	93,117.7	766,877.3	668,476.8	191,518.2
Loans and other financial assets	169,292.5	62,533.2	2,415.1	229,410.6
Total	1,419,622.0	891,356.9	670,932.2	1,640,046.6

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 increase in Alta Blue participating shares following the subscription to the capital increase of that company.

The change in financial receivables is mainly due to the increase in loans and advances granted to direct and indirect subsidiaries of Altarea SCA.

Provisions for non-current financial assets

Provisions for impairment (€ thousands)	12/31/2013	Increases during the year	Decreases during the year		12/31/2014
		Allowance	Reversal of unused provisions	Provisions used in the period	
Impairment of participating interests	14,786.0	-	-	40.2	14,745.8
Impairment of other non-current financial assets	78,497.0	35,000.0	-	-	113,497.0
Total	**93,283.0**	**35,000.0**	**-**	**40.2**	**128,242.8**

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 through provisions when there is evidence that the Company will not be able to collect all amounts due.

Receivables

Receivables (€ thousands)	Gross 2014	Provisions	Net 2014	Net 2013
TRADE RECEIVABLES AND RELATED ACCOUNTS	10,396.6	913.5	9.483.1	16,218.4
OTHER RECEIVABLES	7,170.9	-	7,170.9	16,537.1
Employee and related receivables	605.5	-	605.5	320.7
Advances and down payments	-	-	-	-
VAT receivables	1,908.2	-	1,908.2	2,911.9
Misc. government agency receivables	111.3	-	111.3	111.3
Group shareholders and partners	1,032.1	-	1,032.1	12,067.1
Sundry debtors	3,513.7	-	3,513.7	1,126.1
Total	**17,567.5**	**913.5**	**16,654.0**	**32,755.5**

Aged trial balance for receivables

Receivables (€ thousands)	Gross 2014	Up to 1 year	1 to 5 years	> 5
Trade receivables and related accounts	10,396.6	10,396.6	-	-
Employee and related receivables	605.5	605.5	-	-
Advances and down payments	-	-	-	-
VAT receivables	1,908.2	1,908.2	-	-
Misc. government agency receivables	111.3	111.3	-	-
Group shareholders and partners	1,032.1	1,032.1	-	-
Sundry debtors	3,513.7	3,513.7	-	-
Total	**17,567.5**	**17,567.5**	**-**	**-**

Provisions for impairment

Accrued income on balance sheet items (€ thousands)	12/31/2014	12/31/2013
Loans	4,247.6	2,176.9
Government agency related accruals	111.3	111.3
Trade receivables	3,370.3	4,641.8
Other sundry debtors	153.6	196.0
Total	**7,882.8**	**7,126.0**

4.3.3.1.5. Marketable securities

Marketable securities consist entirely of treasury shares for an amount of €19.6 million.

(€ thousands)	12/31/2013	Increase	Decrease	Provision	12/31/2014
Treasury shares	19,037.5	3,281.1	2,705.0	-	19,613.6
Total	**19,037.5**	**3,281.1**	**2,705.0**	**-**	**19,613.6**
Number of shares	156,047	24,969	20,667	-	160,349

At December 31, 2014, 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)	12/31/2013	Increases during the year	Decreases during the year		12/31/2014
		Allowance	Reversal of unused provisions	Provisions used in the period	
Impairment of participating interests	14,786.0	-	-	40.2	14,745.8
Impairment of other non-current financial assets	78,497.0	35,000.0	-	-	113,497.0
Impairment of inventories and work in progress	-	-	-	-	-
Impairment of trade receivables	753.8	208.0	48.3	-	913.5
Other impairment	-	1.7	-	-	1.7
Total	**94,036.8**	**35,209.6**	**48.3**	**40.2**	**129,157.9**

4.3.3.2. Notes to the balance sheet – liabilities -

4.3.3.2.1. Shareholders' equity and equity equivalents

Changes in equity

Equity (€ thousands)	12/31/2013	Appropriation	Capital reduction, issue costs	Capital increase & contributions	Change in 2014	12/31/2014
Share capital	177,146.2	-	-	14,098.7	-	191,245.0
Additional paid-in capital/ Revaluation differences	436,957.3	-	-	81,707.0	-	518,664.3
Legal reserve	12,800.0	4,914.6	-	-	-	17,714.6
General reserve	-	-	-	-	-	0.0
Retained earnings	-	-	-	-	-	(0.0)
Net income for the year	116,918.6	(116,918.6)	-	-	3,733.6	3,733.6
Investment grants	-	-	-	-	-	-
Tax-driven provisions	-	-	-	-	-	-
Total	**743,822.2**	**(112,004.0)**	**-**	**95,805.7**	**3,733.6**	**731,357.5**

After appropriating 5% of net income for the year (€4.914 million) to the legal reserve, the Combined Ordinary and Extraordinary General Meeting of May 07, 2014 decided to pay a dividend of €10 per share for the financial year ended December 31, 2013, or a total of €110.3 million to the limited partners, and a preferential dividend of €1.7 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 €14.1 million recorded under share capital and €81.7 million under additional paid-in capital.

At December 31, 2014, share capital stood at €191.2 million divided into 12,515,497 shares with a par value of €15.28 each and 10 General Partner shares with a par value of €100 each.

EQUITY EQUIVALENTS

A rider to the December 11, 2012 issuance contract for perpetual subordinated Notes was signed between Altarea SCA et APG on December 29, 2014.

Following this rider, the amount of the perpetual subordinated Notes was increased to €195,078,390 at December 31, 2014, of which €37 million may be called until December 29, 2016. This receivable was recognized under financial receivables.

4.3.3.2.2. Provisions

Changes in provisions

Provisions for contingencies and expenses (€ thousands)	12/31/2013	Increases during the year	Decreases during the year		12/31/2014
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for litigation	-	282.6	-	-	282.6
Other provisions for contingencies and expenses	1,376.9	1,853.2	-	1,249.9	1,980.2
Total	**1,376.9**	**2,135.7**	**-**	**1,249.9**	**2,262.7**

Provisions for contingencies and expenses mainly concern employees' rights to bonus share grants.

4.3.3.2.3. Borrowings and other financial liabilities

Borrowings and other financial liabilities by maturity

Borrowings and other financial liabilities (€ thousands)	12/31/2014	Up to 1 year	1 to 5 years	> 5	12/31/2013
BORROWINGS AND FINANCIAL LIABILITIES	**716,087.7**	**199,439.1**	**283,664.0**	**230,966.0**	**605,270.2**
Other bonds	334,259.6	4,259.6	100,000.0	230,000.0	100,081.1
Bank borrowings	213,163.7	28,533.7	183,664.0	966.0	278,645.8
Deposits and security interests received	2,018.6	-	-	2,018.6	1,955.4
Group shareholders and partners	166,631.8	166,631.8	-	-	224,580.2
Other payables	14.0	14.0	-	-	7.6
OTHER FINANCIAL LIABILITIES AND PAYABLES	**10,534.8**	**10,534.8**	**-**	**-**	**21,234.2**
Trade payables and related accounts	3,275.7	3,275.7	-	-	10,545.9
Employee-related and social security payables	722.2	722.2	-	-	862.5
Tax payables	3,077.0	3,077.0	-	-	4,328.9
Amounts due on non-current assets and related accounts	2,280.3	2,280.3	-	-	4,444.5
Other payables	396.3	396.3	-	-	1,001.2
Prepaid income	783.5	783.5	-	-	51.3
Total	**726,622.5**	**209,973.9**	**283,664.0**	**232,984.6**	**626,504.4**

During the financial year, Altarea SCA negotiated €275 million in lines of credit with its usual banks, and issued €230 million in bonds through private placements.

At December 31, 2014, bank borrowings excluding accrued interest amounted to €185.5 million.

Accrued expenses

Accrued expenses on balance sheet items (€ thousands)	12/31/2014	12/31/2013
Borrowings and financial liabilities	4,781.6	426.9
Trade payables and related accounts	870.9	2,519.0
Amounts due on non-current assets and related accounts	1,838.0	4,064.3
Taxes other than on income and related payments	103.5	615.9
Group shareholders and partners	1,537.5	1,632.4
Other	110.0	315.3
Total	9,241.5	9,573.8

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)	12/31/2014	12/31/2013
Rental income and service charges	11,815.5	29,100.4
Initial lease payments	123.0	210.0
Services	12,338.5	11,408.3
Other receivables	1,185.3	315.4
Total	25,462.3	41,034.1

4.3.3.3.2. Other operating income

Operating income (€ thousands)	12/31/2014	12/31/2013
Capitalized production	7,424.7	5,121.5
Reversals of provisions and depreciation	48.3	2,931.5
Intra-group chargebacks and expense transfers	408.7	-
Other receivables	2,112.2	15.7
Total	9,993.8	8,068.6

Other operating income essentially comprised reversal of provisions.

4.3.3.3.3. Operating expenses

Operating expenses reflect expenses incurred by Altarea in respect to its property business (service charges, property taxes, allowances for depreciation and amortization) and to its holding company activity.

Operating expenses (€ thousands)	12/31/2014	12/31/2013
Service and co-ownership costs [a]	1,757.4	4,839.9
Maintenance and repairs	481.7	626.3
Insurance premiums	161.2	174.9
Sales commission and professional fees [b]	8,668.9	14,466.7
Advertising and public relations	174.9	998.1
Banking services and related accounts	3,636.6	817.8
Taxes	700.2	4,094.9
Personnel expense	3,218.6	3,116.1
Allowances for depreciation and impairment	5,244.3	10,236.9
Capitalized purchases [c]	7,344.2	5,121.5
Lessee termination and early termination fees	100.0	150.0
Other expenses	1,643.8	1,383.0
Total	33,131.8	46,026.0

(a) Nearly all of these taxes are passed on to tenants.
(b) Fees include shopping center management and marketing fees, Statutory Auditors' fees, expenses relating to certain projects and service fees, as well as compensation paid to Management.
(c) In 2014, capitalized purchases related to work carried out on portfolio assets and were recognized under assets with an offsetting entry in other operating income.

4.3.3.3.4. Financial income (expense)

(€ thousands)	12/31/2014	12/31/2013
Financial income		
- Dividends	*63,093.7*	*12,288.7*
- Interest on loans	*3,633.4*	*2,943.5*
- Income from current accounts	*1,897.3*	*1,861.3*
- Other financial income/Swaps	*9.0*	
- Commissions on guarantees	*2,601.8*	*2,329.4*
- Paid by subsidiaries	*543.3*	*12,008.8*
- Reversals from provisions for non-current financial assets	*40.2*	
- Reversals from provisions for impairment of marketable securities		*25.4*
- Other financial income	*86.4*	*30.7*
- Net gains from the disposal of marketable securities	*17.0*	*2.0*
Total	**71,922.2**	**31,489.8**
Financial expenses		
- Allowances for amortization, impairment and provisions	*35,000.0*	*67,694.0*
- Allowances for impairment of marketable securities	*1.7*	
- Interest on external borrowings	*12,499.7*	*10,267.1*
- Expenses on current account balances	*2,384.7*	*2,417.2*
- Expenses on financial instruments (swaps, caps)	*13,348.4*	*6,893.9*
- Bank interest	*6,426.7*	*5,658.3*
- Paid by subsidiaries	*1,081.8*	*27.5*
- Other financial expenses	*36.6*	
Total	**70,779.5**	**92,959.0**
Financial income	**1,142.7**	**(61,469.1)**

Dividends essentially comprise distributions by Alta Blue and Foncière Altarea.

Amortization, impairment and charges to provisions for financial items concern selected assets held outside of France, especially in Italy.

Accrued expenses on financial instruments include interest paid by Altarea during the year and balancing cash payments incurred in 2014.

4.3.3.3.5. Exceptional items

(€ thousands)	12/31/2014	12/31/2013
Exceptional income		
- Exceptional income from capital transactions	*753.6*	*310,441.5*
- o/w proceeds from disposal of assets	*391.1*	*308,834.3*
- o/w re-invoicing of delivery of free shares to employees	*362.5*	*1,607.2*
- Reversals of provisions and expense reclassifications	-	-
- o/w reversal of provisions for rental guarantees		
Total	**753.6**	**310,441.5**
Exceptional expenses		
- Exceptional expenses on non-capital transactions	*3.0*	*1.5*
- incl. tenants works		
- incl. provisions for rental guarantees		
- Exceptional expenses on capital transactions	*145.7*	*135,217.2*
- Exceptional increases for depreciation, amortization and impairment	-	-
- o/w provisions for rental guarantees		
Total	**148.7**	**135,218.7**
Net exceptional items	**604.9**	**175,222.8**

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	Taxable (non-SIIC)	Exempt (SIIC)	Taxable (non-SIIC)	Total
Operating profit (loss)	630.4	1,811.5	2,441.9	-	630.4	1,811.5	2,441.9
Financial income (expense)	29,314.5	(38,728.1)	(9,413.6)	-	29,314.5	(38,728.1)	(9,413.6)
Net exceptional items	368.6	4,668.1	5,036.7	-	368.6	4,668.1	5,036.7
Total	**30,313.5**	**(32,248.5)**	**(1,935.0)**	**-**	**30,313.5**	**(32,248.5)**	**(1,935.0)**

Changes in deferred tax liabilities

(€ thousands)	12/31/2013	Change		12/31/2014
Tax reduction		+	-	
- Organic	*(55.9)*	*55.9*	*(51.6)*	*(51.6)*
- Fiscal deficit	*(351,385.9)*	*(32,248.5)*	*-*	*(383,634.3)*
Total base	(351,441.8)	(32,192.6)	(51.6)	(383,685.9)
Tax or tax savings (33.33%)	**(117,147.3)**	**(10,730.9)**	**(17.2)**	**(127,895.3)**

PROPOSED TAX ADJUSTMENTS

Altarea underwent a tax audit regarding the financial years ended December 31, 2007 and December 31, 2008. This audit was definitively settled in June of 2014, giving rise to a €16.2 million reduction in tax loss carryforwards. There was thus no outflow of resources.

TAX AUDIT

Altarea is currently undergoing a tax audit regarding the financial years ended December 31, 2011, 2012 and 2013. The Company received a non-significant adjustment notice regarding FY 2011. In accordance with the recommendations of its counsel, Altarea SCA is challenging part of this adjustment.

4.3.3.4. OTHER INFORMATION

4.3.3.4.1. Related company transactions (€ thousands)

Balance sheet line item (€ thousands)	**Amount**	**Of which related parties**
Assets		
Shareholdings and other securities	1,219,117.8	1,219,117.7
Investment-related receivables	191,518.2	191,518.2
Loans	225,044.2	224,934.1
Trade receivables and related accounts	10,396.6	7,532.0
Other receivables	7,170.9	-
Cash and prepaid expenses	21,703.7	-
Depreciation, amortization and provisions	161,139.4	128,326.6
Equity and liabilities		
Provisions	2,262.7	-
Borrowings and financial liabilities	716,073.7	-
Trade payables	5,555.9	2,014.0
Tax and social security payables	3,799.1	-
Other payables and prepaid income	1,179.7	11.4

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	-	-
Sold production (goods and services)	25,462.3	13,504.0
Reversals and expense classifications	457.0	-
Other income	2,112.2	-
Operating expenses		
Purchases and external charges	23,676.5	5,168.9
Allowances for amortization, depreciation, provisions and impairment	5,244.3	-
Other expenses	292.2	-
Financial income		
Financial income from investments	65,534.2	65,534.2
Other interest and financial income	2,714.3	2,639.3
Reversals and expense classifications	40.2	-
Financial expenses		
Share of losses from subsidiaries	-	-
Allowances for amortization, depreciation, provisions and impairment	35,001.7	35,000.0
Interest and similar expenses	35,777.9	3,503.3
Exceptional income		
Exceptional income from non-capital transactions	-	-
Exceptional income from capital transactions	753.6	362.5
Reversals and expense reclassifications	-	-
Exceptional expenses		
Exceptional expenses on non-capital transactions	3.0	-
Exceptional expenses on capital transactions	145.7	-
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)	2014	2013
Swaps/Total (Nominal)	515,500.0	515,500.0
Caps/Total (Nominal)	-	188,356.5
Total	**515,500.0**	**703,856.5**

The fair value of the hedging instruments represented a negative amount of €66 million at December 31, 2014.

IMPACT ON THE INCOME STATEMENT

Impact on the income statement (€ thousands)	2014	2013
Interest income	-	-
Interest expense	418.3	1,084.1
Other impacts related to financial instruments	12,930.1	5,809.8
Total	**13,348.4**	**6,893.9**

Swap and cap maturities at December 31

Swap and cap maturities at December 31 (€ thousands)	2014	2015	2016	2017	2018
Swap	515,500.0	590,500.0	690,500.0	690,500.0	690,500.0
Cap	-	-	-	-	-
Altarea – fixed rate payer (Total)	**515,500.0**	**590,500.0**	**690,500.0**	**690,500.0**	**690,500.0**

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, 2014, the estimated value of employee retirement allowances amounted to €74,000.

COMMITMENTS GIVEN

A loan from Natixis is guaranteed by unregistered mortgages on assets held by Altarea SCA, as well as the allocation 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 €678 million These commitments mainly comprise guarantees granted by Altarea SCA to its subsidiaries.

Specific covenants for corporate loans held by Altarea SCA for maximum authorized amounts of €450 million are as follows:

- Counterparty: Natixis/BECM/LCL/Société Générale/AMUNDI (fixed-rate debt)/HSBC.
- Principal covenants covering Altarea Group:
  - Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) < 60% (37.7% at December 31, 2014),
  - Operating Profit (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.9 at December 31, 2014).

Altarea SCA provided rent guarantees as part of asset disposals, primarily concerning a real estate complex located on Avenue de Wagram in Paris. These guarantees, in the net amount of €10 million, run until May 2016.

Stock option plans

Stock option plan	Number of options awarded	Option strike price (in €)	Exercise dates	Options outstanding at 12/31/2013	Awarded	Options exercised	Options canceled	Options outstanding at 12/31/2014
Stock option plans on Altarea shares at 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)	-
Total	**4,886**			**1,092**	**-**	**-**	**(1,092)**	

Bonus share plans

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2013	Awarded	Delivery	Rights canceled[a]	Rights in issue at 12/31/2014
Stock grant plans on Altarea shares							
March 5, 2010	20,000	December 20, 2014	6,000	-	(6,000)	-	-
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	81,200	-	-	(15,300)	65,900
April 2, 2013	14,000	April 2, 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
February 26, 2014	1,500	February 26, 2016	-	1,500	-	-	1,500
Total	**132,525**		**115,325**	**1,500**	**(7,125)**	**(16,300)**	**93,400**

COMMITMENTS RECEIVED

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's average headcount was 5.25 employees at December 31, 2014.

4.3.3.4.5. Post-closing events

No major events occurred subsequent to the closing date and prior to the preparation of the financial statements.

4.3.3.4.6. Disclosures on business combinations

No business combination was carried out in FY 2014.

4.3.3.5. SUBSIDIARIES AND AFFILIATES

Company	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 financial year	Dividends received by the company	Revenues before tax
SUBSIDIARIES (+50%)											
SAS Fonciere Altarea - 353 900 699	7,783.7	585,047.2	99.99%	779,239.8	779,239.8	25,613.6	25,613.6	-	35,673.5	49,134.4	1,094.4
Altareit SCA - 553,091,050	2,626.7	216,487.4	99.63%	91,635.0	91,635.0	66,781.1	66,781.1	-	13,068.6	-	661.1
SNC Altarea Management - 509 105 537	10.0	(590.0)	99.99%	10.0	10.0	-	-	-	(590.0)	-	6,363.0
SAS Alta Developpement Italie - 444 561 476	12,638.2	(92,077.7)	99.80%	14,745.8	-	52,776.7	52,776.7	-	(1,100.4)	-	-
SAS Alta Blue - 522 193 796	105,552.4	335,183.3	61.77%	313,816.1	313,816.1	-	-	-	52.1	13,959.3	-
SARL Socobac - 352 781 389	8.0	153.9	100.00%	0.0	0.0	-	-	-	0.6	-	-
SARL Altalux Spain	1,100.0	(69.1)	100.00%	1,100.0	1,100.0	7,985.6	7,985.6	-	1.4	-	-
ASSOCIATES (10 to 50%)											
Bercy Village 2 SCI - 419 669 064	1,633.6	3,601.8	15.00%	18,560.0	18,560.0	-	-	-	3,601.8	-	-
SCI Issy Pont - 804 865 996	40.0	(2,000.0)	25.00%	10.0	10.0	1,361.2	1,361.2	-	(2,000.0)	-	-
SCI AF Investco 4 - 798 601 936	1.0	(861.8)	50.00%	0.0	0.0	5,287.4	5,287.4	-	(860.6)	-	-
TOTAL ASSOCIATES > 10%	-	-	-	**1,219,117**	**1,204,371**	**159,806**	**159,806**	-	-	-	-

Head office of subsidiaries and affiliates: 8 Avenue Delcassé - 75008 Paris.

4.4. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(For the financial year ended December 31, 2014)

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, 2014 on:

- our audit of the accompanying financial statements of Altarea, as attached to this report;
- 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.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall 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.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the following items:

- As 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 particularly consisted of examining the assessment methodology used by the experts, r eading their evaluations and evaluating the data and assumptions used by Management to determine apprécier les données et hypothèses retenues par la direction pour déterminer la present value of properties. 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 loans. 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.

III. 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 24, 2014

The Statutory Auditors

A.A.C.E. Ile-de-France French member of Grant Thornton International	**ERNST & YOUNG et Autres**
Michel RIGUELLE	**Jean-Roch VARON**

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, 2014)

To the Shareholders,

As the Statutory Auditors of your Company, we hereby present you with our report on related-party agreements and commitments.

Our responsibility is to report to you, based on the information provided to us, the main terms and conditions of the agreements and commitments brought to our attention or of which we may have become aware in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the Company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by Article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements approved by the Annual General Meeting in prior years and that remained in effect during the past year.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit. These measures consisted of verifying that the information provided to us is consistent with the documents from which it was taken.

1. Agreements and commitments submitted to the General Meeting for approval:

Agreements and commitments authorized during the past financial year

In accordance with Article L. 226-10 of the French Commercial Code, we have been advised of the following agreements and commitments, which were previously authorized by your Supervisory Board:

a) With APG Strategic Real Estate Pool

Person affected
APG, Member of the Supervisory Board of Altarea.

Type and purpose
On December 29, 2014, your Supervisory Board authorized an increase in the face value of Subordinated perpetual Notes (*Titres Subordonnés à Durée Indéterminée* – TSDI), which was raised to €130 per note, i.e. a total amount of €195.1 million. The rider to the December 11, 2012 issuance contract was signed with APG Strategic Real Estate Pool on December 29, 2014.

Conditions
In this respect, your Company recorded an addition to the subscription price in the amount of €86.1 million, s d'euros, recognized in the balance sheet as an increase in "Equity Equivalents."

2. Agreements and commitments previously approved by the General Meeting

Agreements and commitments approved in past years and 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.

a) With APG Strategic Real Estate Pool

Person affected
APG, Member of the Supervisory Board of Altarea

Type and purpose
On December 11, 2012, your Supervisory Board authorized the issuance 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.

Conditions
In this respect, your Company incurred a financial expense in the amount of €6,425,933 for the financial year.

b) With SAS Cogedim

Persons affected
Mr Alain Taravella, Chairman of the Supervisory Board of Cogedim and Co-Manager of Altarea.
Mr Stéphane Theuriau, Chairman of the Management Board of Cogedim and Managing Director of Atlas, Co-Manager of Altarea.

Type and purpose
Votre Société est caution auprès d'IXIS Corporate & Investment Bank en faveur de la société SAS Cogedim au titre du crédit d'un montant en principal de 300 millions d'Euros accordé par IXIS C.I.B. pour assurer le financement partiel de l'acquisition de l'ancienne société Cogedim (opération autorisée en date du 31 mai 2007). By virtue of a decision on March 4, 2015, your Supervisory Board declassified this agreement.

Conditions
The Company charged a commission of €759,097 for this guarantee in 2014.

Paris and Paris-La Défense, March 24, 2014

The Statutory Auditors

A.A.C.E. Ile-de-France French member of Grant Thornton International	ERNST & YOUNG et Autres
Michel RIGUELLE	**Jean-Roch VARON**

CORPORATE SOCIAL RESPONSIBILITY

5

EDITORIAL ALAIN TARAVELLA,

Chairman and Founder of Altarea Cogedim

How important is sustainable development at Altarea Cogedim?

Corporate Social Responsibility (CSR) is a daily part of our strategy. It is indissociable from the way we do business. Thanks to our Altagreen cross-cutting approach, we know how to seize the opportunities and rise to the challenges embodied in sustainable development issues for a Group like ours. Mindful of social, societal and environmental realities, this year Altarea Cogedim once again strengthened the role of CSR issues in its business, combining non-financial performance with a positive contribution to the cities and regions where we work.

What were this year's sustainable development highlights at Altarea Cogedim?

I would especially like to point out three advances we made in 2014:

- support for a large number of indirect jobs as a direct result of our purchases, investments and, more generally, our level of business in the country;
- the highly favorable development of our main environmental indicators, which testify to the excellent operational application of our action plans. In particular, I would like to mention the Group's considerable effort to reduce its energy footprint and achieve BREEAM-In-Use certification for our portfolio assets;
- finally, our comprehensive CSR reporting, covering nearly 100% of each of our businesses, as well as the excellent scores our Group earned in non-financial rankings. I would especially like to mention the GRESB (Global Real Estate Sustainability Benchmark) survey, which ranked us first among European property companies for the initiatives we have taken with regard to our current portfolio.

What are your priorities for 2015?

In 2013 and 2014, the Group took a new step forward in its pursuit of progress by focusing on its most significant challenges. In 2015, we plan to intensify this momentum on societal issues, as well as innovation. We continue to work to enhance client and user satisfaction, offer Altarea Cogedim employees the best guidance and training, and create jobs in France by further developing our activities.

For Property Development, we are accompanying the changing lifestyles and ways of working of our clients, individuals and companies alike. Our priority is a constant search for new and more efficient concepts, while maintaining our standards of quality and ensuring that our developments fit into their urban environment.

For our activity as a real estate investor, our primary focuses concern constant improvement of our operating processes around BREEAM® In-Use certification and ever greater control over our environmental footprint.

This action plan unites all Altarea Cogedim employees in their determination to step up the incorporation of sustainable development issues in our business and improve the Group's CSR performance.

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

5.1.1.2.1. Grenelle Environment Round Table

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:

Improve 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 performance 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.

Improve 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. 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.

Strengthen 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 5.8.1.

5.1.1.2.2. Law on energy transition

The law on energy transition for green growth is set to be adopted in 2015. This legislation will help France more effectively contribute to the fight against climate change and strengthen energy independence by better balancing its various sources of supply. The Law will set ambitious energy goals for the building industry and, in particular, for existing buildings. The requirements it sets out will be detailed at a later date, in ten-year periods, with final targets to be defined by 2050.

Meanwhile, the Daddue Law and decree of December 4, 2013 require certain companies to carry out energy audits on their operations. Altarea Cogedim will meet this obligation as of 2015.

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 best practices by applying stringent criteria to the choice of sites and locations with regard to services and public transportation, as well as to support of indirect local jobs during construction;
- 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 fewer greenhouse gas emissions.

Altarea Cogedim provides its stakeholders with clear 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, 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 2015-2018

In 2015, Altarea Cogedim will continue to report on, control and improve its environmental and societal footprint, as well as its commitment to employees.

The regulatory impact of the Grenelle Environment Round Table (new thermal regulations, environmental improvement of commercial buildings and non-financial corporate transparency), as well as the requirements of the Law on energy transition, are integrated into the CSR reporting standards, construction and operations management systems, and the Group's action plans.

Following the creation of Altarea Cogedim's first CSR materiality matrix in 2013, the Group will continue its action with regard to material, strategic and sector-specific issues for the 2015-2018 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 cross-cutting 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.

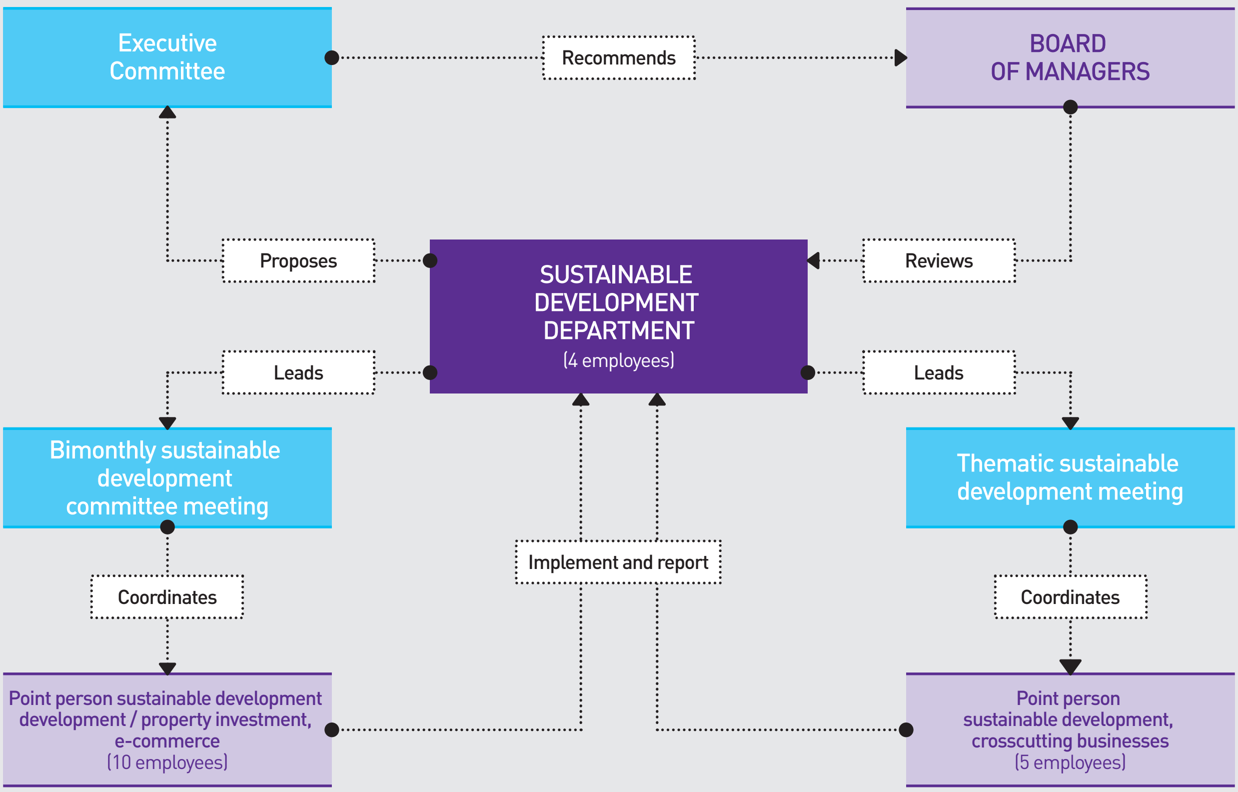
The Sustainable Development Department now has four staff members:

- Maxime Lanquetuit, Sustainable Development Manager 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 operational 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 Management Council 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 representatives from each of the Group's businesses who participate in the bi-monthly Sustainable Development Committee meeting. A number of focus meetings are also held with representatives on more specific and operational topics.

The Sustainable Development Department also benefits from a network of regular advisors representing cross-cutting activities: human resources, communication, finance, 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 non-financial 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	**RETAIL** EMS Altagreen® Portfolio
NF NF HQE®	BREEAM® NF HQE® U.S. Green Building Council	BREEAM®

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 the 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 "EMS Altagreen® Commercial projects." 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 (shops, offices and hotels). This guide is regularly updated to include new requirements of certification standards.

5.1.2.2.3. Environmental Management System (EMS) for Operations

In 2014, the Group completed development of the "EMS Altagreen® Portfolio" to further enhance the reliability of environmental data reporting and the monitoring of environmental action plans. Implementation of this guide helps Altarea Cogedim implement BREEAM® In-Use environmental certification for all of its assets by improving its operational practices.

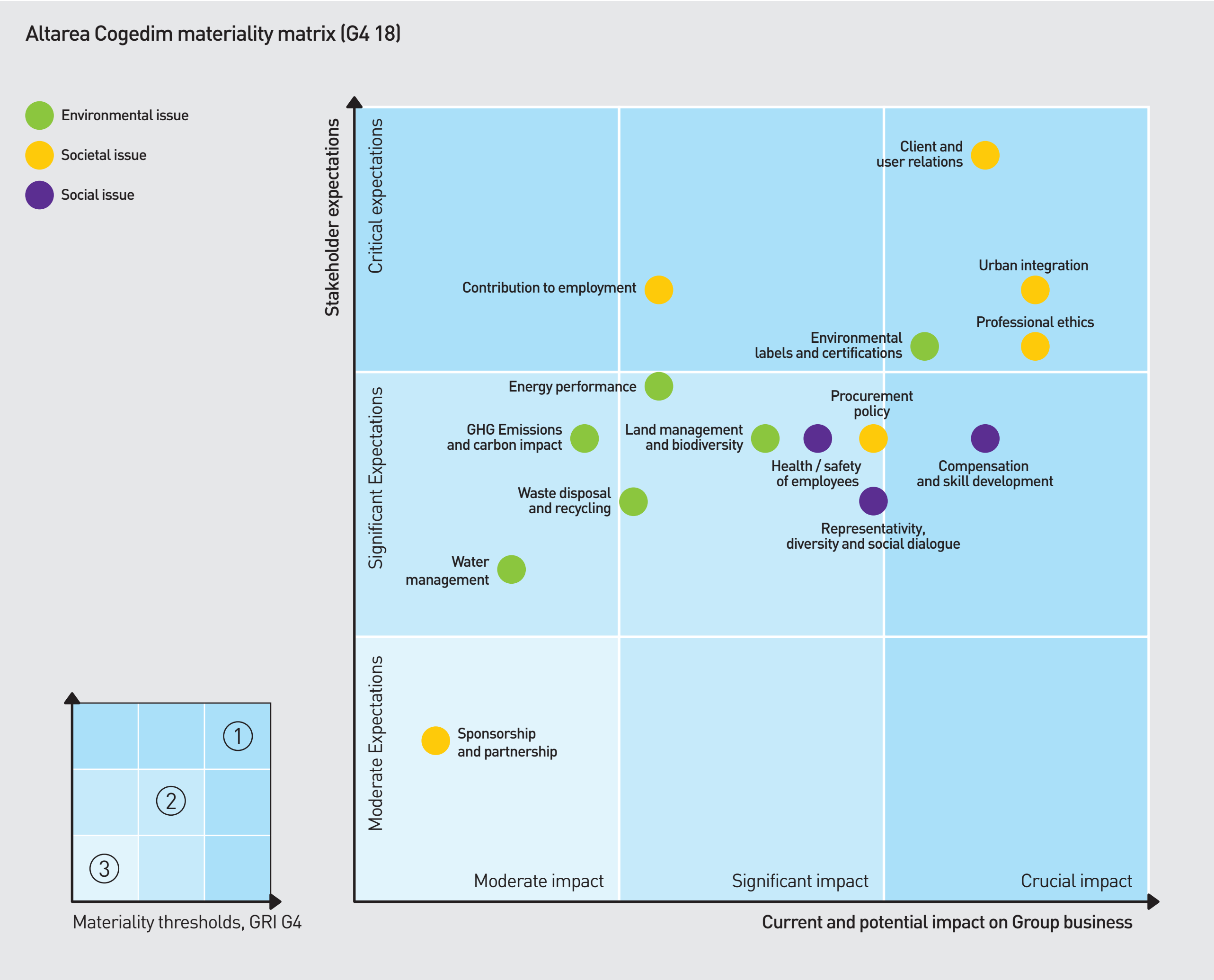
5.1.3. CSR STRATEGY

Thanks to its size, its growing staff and the expectations of its stakeholders, Altarea Cogedim Group has responded to the call of Executive Management and the Management Council to launch an initiative to identify and prioritize key CSR topics around two 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, corporate and individual clients, associations, suppliers, etc.).

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



To prioritize material issues and pursuant to the GRI G4 recommendations, Altarea Cogedim chose to concentrate its management and transparency efforts on the following topics in 2014. These areas were identified as priorities (G4 19, G4 20, G4 21):

Priority issues for Altarea Cogedim	Corresponding aspects of the GRI G4	Scope of impact	Reference
Urban integration	Transportation, local communities	External	5.3.2
Professional ethics	Fight against corruption, public policy, anticompetitive behaviors, compliance (company)	Internal	5.3.3
Customer and user relations	Consumer health and safety, product conformity, customer privacy	Internal + External	5.3.1
Environmental labels and certifications	Labeling of products and services	External	5.5.1
Compensation and skill development	Training and education, employment, equal pay for men and women	Internal	5.4.2
Contribution to employment	Indirect economic impact, local communities, economic performance	External	5.3.4

Other issues present in the matrix remain important to Altarea Cogedim but were deemed less material.

5.1.3.2. Design Methodology (G4 18)

This CRS materiality approach, led by the Group's Sustainable Development Department, was conducted in four phases. The method for rating stakeholder expectations and impacts 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 step involved defining the way work would be carried out and identifying the stakeholders to guarantee a cross-cutting approach shared by the General Management and Sustainable Development Department.

The second phase involved defining the Group's primary CRS issues, and characterizing their impacts, risks and opportunities for each of Altarea Codegim's three businesses (development, investment and e-commerce).

A third phase of interviews led us to submit the selected CRS issues and their impacts to members of General Management. To ensure a cross-cutting 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 Management Council).

Lastly, the materiality matrix summarizing the ideas of top Managers, the Sustainable Development Department and sustainable development advisors was presented to the Management Council. Members of the Management Council discussed the definitive CSR materiality table individually and collectively to make the final selection.

Today, the materiality matrix is used to steer and manage priority issues. For example, the tracking table has been established based on priority issues for the Group. In 2014, the materiality threshold was redefined according to priority issues for the Group and its stakeholders.

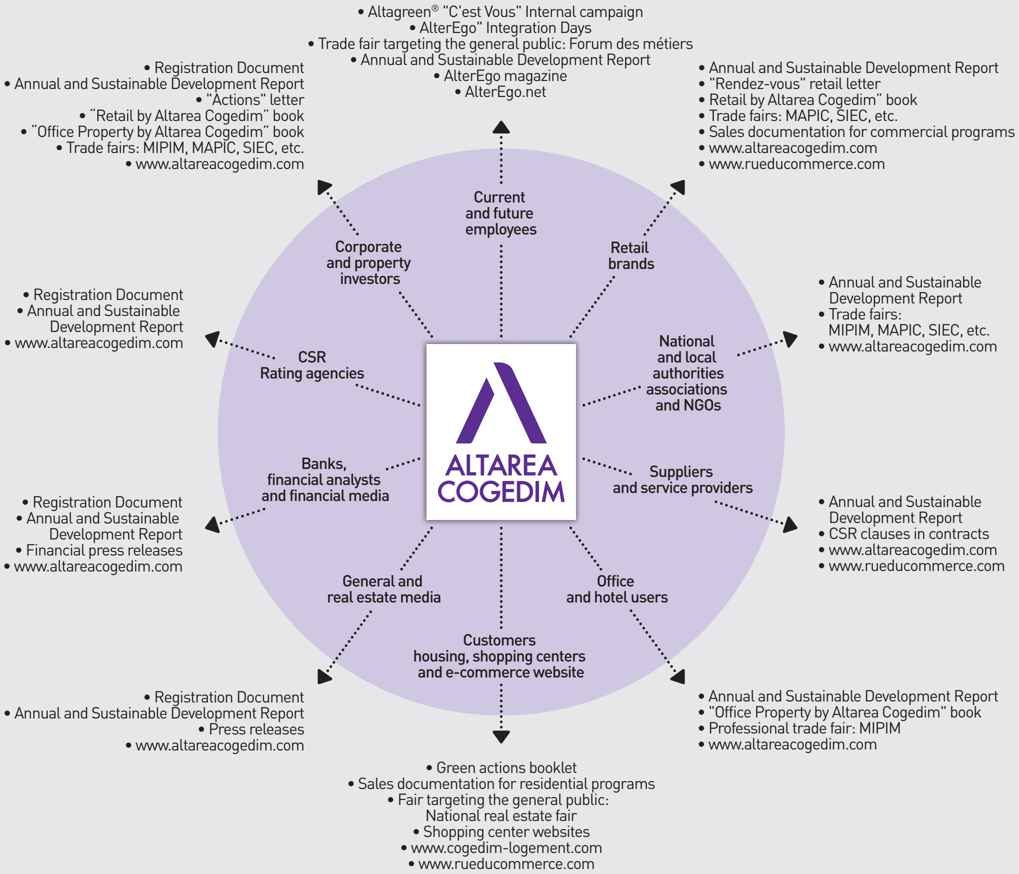
5.1.3.3. Relations with stakeholders

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 non-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 various means of communicating its actions. Communication is adapted to each internal and external stakeholder to foster dialogue and follow-up over time.

The stakeholders presented above were identified and selected according to their relevance and importance to Altarea Cogedim's activities (G4 25). The types of exchanges with the Group and their frequency are described in the following table:

Altarea Cogedim stakeholder mapping (G4 24)



Frequency and types of exchanges between major Altarea Cogedim and Group stakeholders (G4 26, G4 27)

Stakeholders	Key topics and concerns	Type of dialogue and frequency
Current and future employees	• Employee skills and knowledge • Recruitment and career development • Sustainable development awareness initiatives • Social dialogue • Well-being at work • Prevention of discrimination, disabilities	• AlterEgo integration days (biannual) • AlterEgo magazine (quarterly) • AlterEgo.net (monthly) • Annual and Sustainable Development Report • Altagreen® internal campaign (annually)
Retailers	• Sharing the Group's CSR strategy • Environmental performance of shopping centers • Environmental impact of tenant premises	• Lessee guide (at lease signing) • Environmental information meeting (annual) • Annual and Sustainable Development Report
National and local governments, associations and NGOs	• Economic development • Project integration • Transparency and trust	• Working meetings (continuous) • Annual and Sustainable Development Report • Social networks (daily tweet)
Suppliers and service providers	• Social and environmental clauses in contracts • Evaluation of services	• Annual and Sustainable Development Report • Calls for tender (continuous) • Internal evaluation tool (end of services provided)
Office and hotel users	• Environmental performance of projects • Comfort, health, well-being	• Working meetings (continuous) • Annual and Sustainable Development Report
Residential, shopping center and e-commerce customers	• Customer satisfaction • Environmental performance of projects • Comfort, health, well-being • Safety	• Green action booklet for residential buyers (at delivery) • Sales documentation for residential programs • Shopping center websites • www.cogedim-logement.com • www.rueducommerce.com
General and real estate media	• Group news	• Registration document (annual) • Annual and Sustainable Development Report • Press releases (occasional) • Social networks (daily tweet) • www.altareacogedim.com
Banks, financial analysts and financial media	• Transparency and ethics • Financial performance • Strength and growth	• Registration document (annual) • Annual and Sustainable Development Report • Financial press releases (quarterly) • www.altareacogedim.com
CSR rating agencies	• Transparency and ethics • Group non-financial performance	• Registration document (annual) • Annual and Sustainable Development Report • Non-financial rating questionnaire (annual)
Corporate and property investors	• Transparency and ethics • Financial performance • Strength and growth	• Registration document (annual) • Annual and Sustainable Development Report • www.altareacogedim.com

In 2013, engineering students were asked to give their opinion on the Altarea Cogedim CSR report. The Sustainable Development Department has studied this feedback in order to take it into account, where appropriate, in subsequent versions of the report. In 2015, the Group is considering calling upon a body of stakeholders to update the materiality matrix (G4 26).

5.1.3.4. CSR Awards

5.1.3.4.1. Novethic Survey

Since 2009, Altarea Cogedim has participated in the NOVETHIC rankings of property developers and investors. In 2014, the Group ranked among the most committed companies. For the last four years, Altarea Cogedim has consistently ranked in the top three in Novethic's rankings.

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, a worldwide reference in non-financial classifications for evaluating the CSR strategies of groups and real estate funds. Altarea Cogedim has progressed significantly in these rankings. In 2014, it obtained:

- a score of 82% for its existing assets, ranking 9th worldwide out of 637 groups and Property Investment funds (168th out of 543 in 2013). This makes it the leading European company out of 62 listed groups (19th out of 47 in 2013);
- a score of 90% for new retail developments, ranking 4th worldwide out of 273 groups and Property Investment funds (9th out of 273 in 2013) for new retail developments.

5.1.3.4.3. Carbon Disclosure Project (CDP)

In 2014, Altarea Cogedim also voluntarily participated in the CDP (Carbon Disclosure Project), the benchmark international ranking of the carbon strategies of major corporations. Participating in the ranking for a second time, the Group progressed from 2013, earning a score of 99% in transparency and a B in performance. This places the Group first among French property companies and developers taking part in the study.

5.1.3.4.4. France Green Building Council (FRGBC)

In 2014, the Group was recognized in the second annual Trophées de France GBC with the award for certifications.

5.1.3.5. Participation in sector-specific organizations (G4 16)

Altarea Cogedim participates in outside committees and working groups, particularly 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 company 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.

In 2013, 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. The 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.

5.1.3.6. Charters and principles to which Altarea Cogedim subscribes or endorses (G4 15)

The Group has implemented the French Diversity Charter since 2013.

5.2. SCORECARD AND SCOPE

5.2.1. SCORECARD

For greater relevance, some key indicators changed in 2014:

- the indicators relating to "Water management" and "Waste disposal and recycling" in the development business;
- the indicators relating to "Procurement policy," which have been grouped together to illustrate the overall approach at the Group level;
- moreover, "Customer and user relations" has been enhanced with customer satisfaction indicators, a priority for Altarea Cogedim. (G4 22).

SOCIETAL		Reference data	2014	Change	2014 verification by EY	2014 business coverage	GRI G4 CRESS
Customer and user relations							
Group	Customer satisfaction indicator						
	Satisfaction of property development customers	Qualitative indicator			✓	NA	PR1 SO9
	Property investment retail customer satisfaction index (scale of 1 to 10, current scope)	ND	7,5	ND	✓	69.3%	PR5
	e-commerce customer recommendation rate	84.5% (2013)	85.2%	+ 0.8%	✓	9.5%	
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% (2010)	59.7%	+ 765%	✓	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	100% (2013)	100%	+ 0.0%	✓	100%	EN 30
	Offices and Hotels	100% (2013)	94%	- 6.0%	✓	100%	EN 30
	Residential	99% (2013)	99%	+ 0.0%	✓	100%	EN 30
Property investment	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)	77%	+ 11%	✓	92%	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
Contribution to employment							
Group	Group employment footprint over the year						
	Number of indirect and related jobs supported	NA	9,715	NA	✓	100%	EC 8
Procurement policy							
Group	Responsible procurement initiative						
	Purchases of goods and services: development, property investment, e-commerce	Qualitative indicator			✓	NA	EN 32 EN 33 LA 14 LA 15 SO 9 SO 10 HR 10 HR 11
Sponsorship and partnership							
Group	Amount allocated (€)						
	Cumulated amount allocated	2,140,000 (2013)	2,520,000	+ 18%		100%	EC 1

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Residential: Audit the customer purchasing process and the various documents provided to commercial buyers: Commercial buildings: maintain commissioning services on new commercial operations to ensure optimal commissioning of buildings	2015 Continuous	😐	Residential: This audit allows us to analyze the highlights of the buying process: reservation, choice of options, visits, delivery, etc. Commercial: Commissioning is systematically used for new office operations		Critical
Make customer surveys standard to identify levers for improvement for each center Continue to improve and enrich the customer experience to increase satisfaction	Continuous	😐	New consolidated indicator that measures the change in satisfaction of customers in Altarea Cogedim shopping centers		
The goal is to obtain at least at 86% rate of recommendation in the program of continually improved customer relations	Continuous	😊	This indicator best reflects the customer experience, as it measures the customer's propensity to recommend the site to friends or family. The 2014 coverage rate is based on a representative sample of 114,574 responses to the satisfaction questionnaire out of a total of 1,207,716 surveys sent		
Achieve a coverage rate for green leases greater than 65% for the portfolio as a whole	2015	😊	Objective on track to be achieved thanks to standardization of green leases for new leases or renewals as of the first m² since 2010. Collection of tenants' environmental data on 55% of sites owned and managed by the Group at December 31, 2014		Critical
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 of the target for selection of new plots of land		Critical
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		Critical
Train employees concerned by the various concepts of corruption, illegal acquisition of interest, delegations of power and potential related criminal liability risks	Continuous	😊	Senior executives have been made aware of violations concerning lack of integrity, mainly in dealings with public authorities, through three training sessions conducted in 2014 by a specialized law firm		Critical
Establish a code of conduct specific to the e-commerce business	2015	😐	In progress		Critical
Annual calculation of the enlarged employment footprint for all Group activities Strengthening of methodology to bolster the different scopes	Continuous	😐	Methodology strengthened with the help of a consulting firm to quantify the different strata of jobs supported in France (2012: 11,729 indirect jobs supported, different scope and methodology)		Critical
Implement a "Responsible Purchasing" charter Structure and systematize a scheme for assessing service providers	2016	😐	Property development: Incorporation of labor and environmental clauses in construction contracts. Assessment of construction companies' skills and experience in the field of sustainable development. National framework agreements established in 2014 for Environment works management missions and H&S initiatives doe the Residential business. Property investment: General application of the environmental charter and appendices for 100% of contracts signed with service providers on sites included in the scope of reporting e-commerce: Strengthening of labor and environmental clauses in contracts.		Significant
Commit to a sponsorship program in line with the Group's businesses and beliefs.	Continuous	😊	Two residences delivered in 2014: Grace intergenerational residence and Château-Gagneur residence in Gex		Moderate

SOCIAL

		Reference data	2014	Change	2014 verification by EY	2014 business coverage	GRI G4 CRESS
Representativity, diversity, social dialogue							
Group	Employees						
	Total workforce	1,286 (2013)	1,298	+ 0.9%	✓	100%	G4-10
	Gender equality						
	Number of women in management bodies	24 (2013)	41	+ 71%	✓	100%	LA 12
	Disabilities						
	Number of employees with a recognized disability	1 (2010)	3	NR		100%	LA 12
Compensation and skill development							
Group	Training (hours/employee)						
	Number of hours of training for the workforce on average	8.5 (2013)	8.5	+ 0.0%	✓	100%	LA 9
Employee health and safety							
Group	Absenteeism						
	Total absenteeism rate	3.3% (2013)	3.4%	+ 3.0%	✓	100%	LA 6

ENVIRONMENT

		Reference data	2014	Change	2014 verification by EY	2014 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	100% (2013)	100%	+ 0.0%	✓	100%	CRE 8
	Offices and Hotels	97% (2013)	97%	+ 0.0%	✓	100%	CRE 8
	Residential	68% (2013)	53%	- 22.1%	✓	100%	CRE 8
Property investment	Percentage of surface areas with BREEAM® In-Use certification						
	Retail assets at December 31 of the current year	30% (2013)	84%	+ 180%	✓	93%	CRE 8
Energy performance							
Property development	Percentage of the surface area or number of homes exceeding energy requirements under thermal regulations applicable to each program (RT 2005 / RT 2012)						
	Retail	96% (2013)	98%	+ 2.1%	✓	100%	CRE 8 CRE 1
	Offices and Hotels	91% (2013)	92%	+ 1.1%	✓	100%	CRE 8 CRE 1
	Residential	89% (2013)	61%	- 31.5%	✓	100%	CRE 8 CRE 1
Property investment	Primary energy consumption (kWhpe/m²)						
	Retail assets in the scope of reporting and constant climate	227.7 (2010)	158	- 30.5%	✓	84%	CRE 1
Land management and biodiversity							
Property development	Percentage of surface area having undergone an ecological assessment						
	Retail	86% (2013)	100%	+ 16.3%	✓	100%	EN 12
Property investment	Score BREEAM® In-Use thematic « Land Use & Ecology »						
	Retail assets certified BREEAM® In-Use at December 31 of the current year	17% (2013)	23%	+ 35.3%	✓	93%	EN 12

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Guide Group growth	Continuous	☺	Secured and lasting growth in 2014, with 95% of employees under open-ended contracts, as in 2013		Significant
Increase the proportion of women in management bodies	Continuous	☹	Increase in the number of women in the Management Committee (28% in 2014, 24% in 2013)		Significant
Double the number of employees with disabilities in the company	2017	😐	Implementation of a three-part action plan: subcontracting, job preservation and hiring of people with disabilities		Significant
Increase the proportion of "Business line" courses	Continuous	😐	Very high optimization of training investments with 38% more people trained between 2013 and 2014		Critical
Implementation of an awareness-raising program for psychosocial risks	2016	☺	Management meetings to raise awareness of psychosocial risks and strengthening of absenteeism monitoring indicators using reliable reporting tools		Significant

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Minimum of BREEAM® "Very Good" certification for 100% of new Retail projects	Continuous	☺	All new operations aim for at least BREEAM "Very Good" certification. Two operations aim to obtain "Excellent" certification		Critical
Minimum* of NF Bâtiment tertiaire - Démarche HQE® "Very Good" and BREEAM® "Very Good" certification for 100% of new Office projects Minimum* of NF Bâtiment tertiaire - Démarche HQE® or BREEAM® "Very Good" certification for 100% of new Hotel projects	Continuous	☺	Excellent certification level for new Office and Hotel projects		Critical
To obtain "NF Logement" certification for 100% of new projects in France's regions and to obtain both "NF Logement" and "Démarche HQE" (High Environmlental Quality) certification for new projects in the Paris Region	Continuous	☹	Decline in the proportion of programs certified in French regions outside of Paris, leading to a decline on a nationwide scale. A high level of certification nonetheless		Critical
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	☺	18 assets certified BREEAM® In-Use in 2014. At December 31, 2014, 20 assets were certified, 22% at the "Very Good" level for the "Asset" portion, and 65% at the "Very Good" or "Excellent" level for the "Management" portion. The remainder was in line with the objective, with certification at the "Good" level		Critical
Systematically carry out dynamic thermal simulations and achieve at least 50% improvement on 2012 Thermal Regulation consumption items	2015	☺	Excellent performance level for lessor and lessee scope energy items (green lease technical requirements)		Significant
Minimum level of HPE 2012 (RT 2012 - 10%) energy performance for all Office developments	2015	☺	Very good energy performance level for new programs in the scope of reporting Operations subject to RT2012 thermal regulations are all at least HPE First BEPOS operation, initiated in 2014		Significant
Pilot programs with a HPE 2012, THPE 2012 and Effinergie + energy performance level	2015	😐	Mechanical decline in programs exceeding regulatory requirements due to the standardization of RT2012 for new programs. Development of HPE 2012, THPE 2012 and Effinergie + programs		Significant
22% reduction like-for-like in primary energy consumption for portfolio assets compared to 2010	2015	☺	Objective achieved this year, one year in advance, thanks to specific energy audits conducted on each site, the introduction of an Environmental Management System and proper implementation of energy consumption optimization measures		Significant
Standardize ecological studies upstream of new projects to better incorporate biodiversity into every project.	Continuous	😐	Good level of application for programs undergoing the BREEAM® certification process		Significant
Establish a biodiversity action plan to improve protection of flora and fauna and increase the BREEAM® In-Use score on this issue for 100% of assets in the scope of reporting.	2015	☹	Four assets featured a biodiversity action plan in 2014. Continued pursuit of the initiative in 2015 with the introduction of a tool to allow each site to put in place its own action plan		Significant

Waste disposal and recycling							
Property development	Average goal for energy and/or material waste recovery from project construction site waste (excl. demolition waste)						
	Retail	ND	58%	NA	✓	100%	EN 23
Property investment	Sorting of recyclable waste						
	Retail assets (current scope)	30% (2010)	48%	+ 57.5%	✓	92%	EN 23
	Rate of waste recovery						
	Retail assets (current scope)	82% (2013)	91%	+ 11.0%	✓	92%	EN 23
Greenhouse gas emissions and carbon impact							
Group	Bilan Carbone® assessment, scopes 1,2,3 (tCO_2e/employee)						
	Development, Property investment, e-commerce, Corporate	555 (2012)	539	- 2.9%		100%	EN 18
Property investment	Emissions associated with energy consumption ($kgCO_2e/m^2$)						
	Retail assets in the scope of reporting and constant climate	9.5 (2010)	5.6	- 41.1%	✓	84%	CRE 3
	Average emission factor of visitors' modes of transportation to shopping centers (gCO_2e/visitor.km)						
	Retail assets (current scope)	108 (2011)	91	- 15.7%	✓	85%	EN 17
Water management							
Property development	Estimated water consumption of projects (L /person.day)						
	Retail	9.06 (2013)	8.69	- 4.1%	✓	100%	CRE 2
Property investment	Water consumption in common areas (L/visitor)						
	Retail assets (current scope)	0.74 (2010)	0.96	+ 28.5%	✓	92%	CRE 2

* Unless technically impossible or not approved by the investor

Systematize a waste recovery goal (energy and/or material) of 70% of construction site waste for new projects	Continuous	😐	Good recovery rate for construction site waste. Only one operation had a recovery target of under 50%. Actual recovery rates, calculated at the end of construction, generally exceed the objective set out in the construction site charter		Significant
Achieve a rate of recyclable waste greater than 50% for the current scope	2015	☺	Gradual increase of sorting in sites and implementation of new categories of recyclable waste (plastics, biodegradable waste, etc)		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		Significant
Carry out Bilan Carbone® assessments, scopes 1,2,3 for all Group businesses Systematic use of Bilan Carbone® construction assessments (scope 1,2,3) for all new programs with surface area greater than 107,500 ft^2 (10,000 m^2) 5 Bilan Carbone® construction assessments (scope 1,2,3) carried out, corresponding to the 5 new residential development ranges	Continuous	☺	2014 progress level consolidated, establishment of targeted action plans (Bilan Carbone® construction assessment, reduction of the transportation impact of portfolio assets and projects, reduction of CO_2 emissions associated with energy consumption at portfolio assets, etc.)		Significant
24% reduction like-for-like in greenhouse gas emissions associated with energy consumption in portfolio assets compared to 2010	2015	☺	Objective exceeded this year, one year in advance, thanks to specific energy audits conducted on each site, the introduction of an Environmental Management System and proper implementation of energy consumption optimization measures		Significant
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		Significant
Increase the proportion of programs featuring rainwater recovery systems	Continuous	😐	New indicator taking account of projected water consumption rates for projects, calculated on the basis of standard use of washroom facilities and possible re-use of water on the site		Significant
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 Positive performance in spite of the inclusion in the scope of a high-consumption asset in 2014		Significant

5.2.2. SCOPE OF REPORTING AND GUIDELINES

With the aim of comprehensively measuring the societal, social and environmental impact of its business within the broadest possible scope, Altarea Cogedim defines and specifies all of its scopes and reporting periods, thus making it easier to fully understand its reporting. For greater transparency, the Group bases its reporting on the main national and international indicators and guidelines (GRI G4 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
REFERENCE	GRI CRESS	Internal definition (Methodology and table of indicators section)			GRI CRESS EPRA recommendations	GRI CRESS
PERIOD	September 1 of the previous year August 31 of the current year	January 1 of the current year December 31 of the current year			January 1 of the current year December 31 of the current year	January 1 of the current year December 31 of the current year
SCOPE	HEAD OFFICE 106,667 ft² (9,631 m²) useful	RESIDENTIAL 240 operations 19,988 Housing	OFFICES & HOTELS 23 operations 4,250,334 ft² (394,869 m²) Floor area or net floor area	RETAIL 8 operations 3,690,428 ft² (342,852 m²) Floor area or net floor area	RETAIL 6,442,081 ft² (598,489 m² GLA)	GROUP (Development, Property investment, e-commerce) 1,298 Employees
REPORTING COVERAGE	100%	100%	100%	100%	86.7% (in surface area) 92.2% (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 G4 CRESS (Construction & Real Estate Sector Supplement).

In 2014, a consulting firm specializing in non-financial reporting assessed the degree to which the CSR section of Altarea Cogedim's registration document complied with the criteria set out in Global Reporting Initiative GRI G4. It was found that Altarea Cogedim meets the essential level of conformity with the Global Reporting Initiative. This assessment was based on the most material issues for Altarea Cogedim (see the cross-reference table for section 5.8.2 and section 5.1.3.1, "Materiality Matrix")

5.2.2.1.2. Reporting period

To ensure consistency with financial reporting, the Group chose, whenever possible, to base its non-financial reporting on the same period. However, for societal data related to Group purchases of goods and services and measurement of environmental data for buildings used by Altarea Cogedim, the constancy of the data and length of the calculation process required the Group to use a different period to meet the deadlines for establishing regulatory documents.

5.2.2.2. Description of social reporting scopes

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.

5.2.2.3. Description of environmental reporting scopes

5.2.2.3.1. 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.

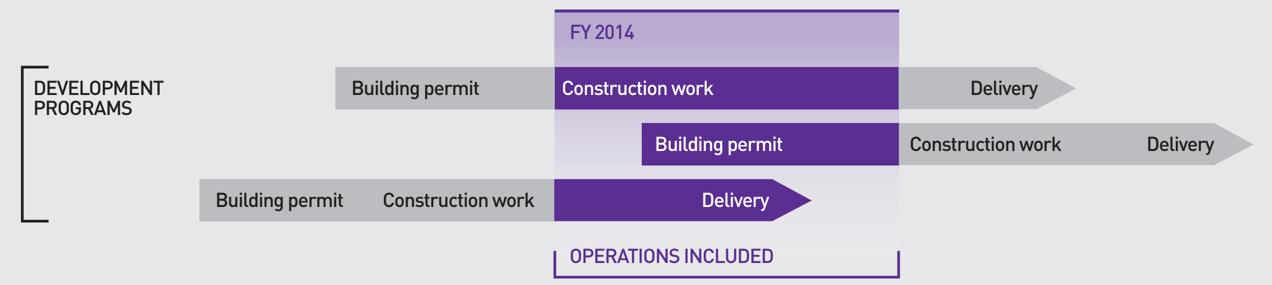
5.2.2.3.2. Scope of reporting for development activities (new developments)

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.

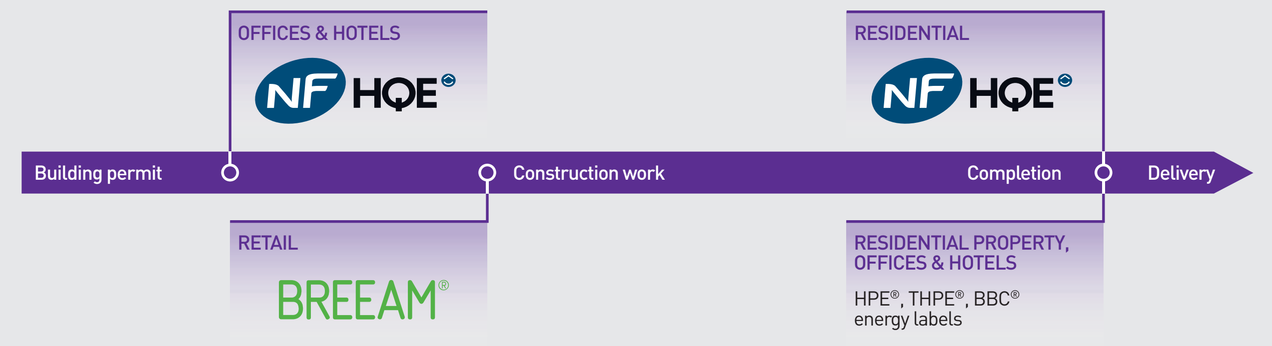
Method for accounting for new developments in the scope of reporting



The Residential property indicators are consolidated in terms of number, while office, retail and hotel property indicators are consolidated in terms of leasable surface area for building permits subject to 2000/2005 Thermal Regulations or floor area for building permits subject to 2012 Thermal Regulations.

For better understanding of indicators concerning 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. Scope of reporting 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 being created exceeds 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 like-for-like 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., 60 months for the 2010-2014 period. All disposals and acquisitions carried out during the assessment period are excluded from the like-for-like 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 like-for-like 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.

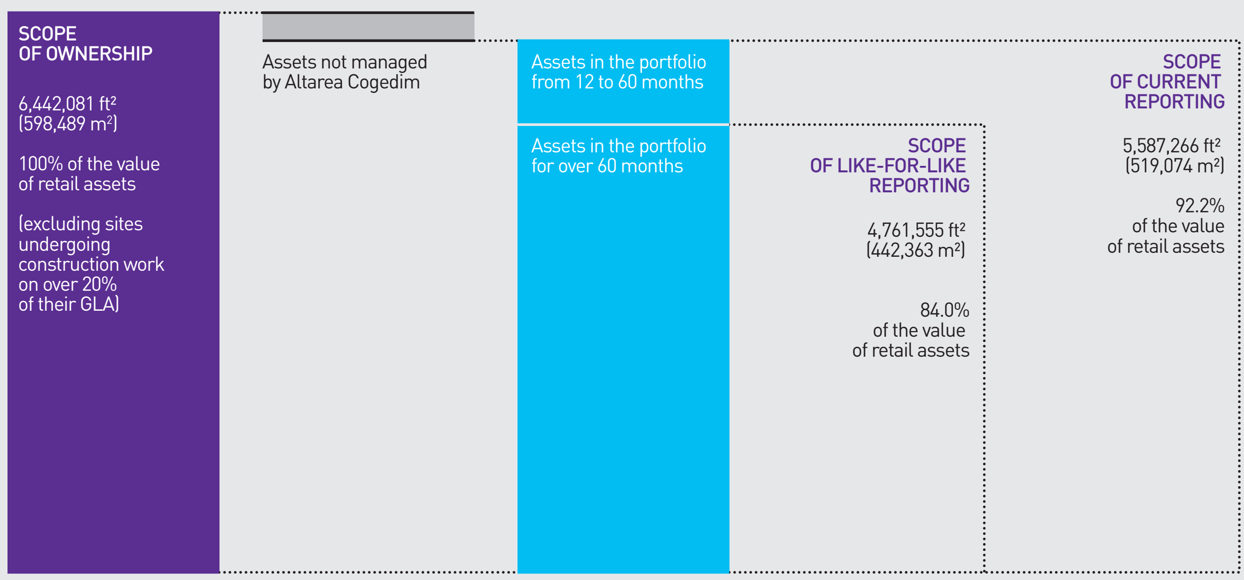
For indicators covering all assets (shopping centers, lifestyle centers, Family Villages and Retail Parks), we will specify the proportion of the current or the like-for-like scope covered by the indicator, compared with the Group's scope of ownership for the reference year. This proportion is expressed as a percentage of the value of the assets in Altarea Cogedim's scope of ownership.

Scope of reporting at December 31

The scope of reporting at December 31 of the current year includes all assets present in the portfolio at that date, excluding sites that are not directly managed by the Group, as defined for the current scope of reporting.

Assets that entered the portfolio during the current year are therefore included.

Reporting scopes for the Property Investment business



We include only consumption managed or paid directly by Altarea Cogedim within the current and overall scopes. As a result, environmental data that are directly managed by tenants are excluded, except for centers for which a specific collection process for merchant consumption has been implemented this year. This approach is described in paragraph 5.5.2.3.2.

5.3. SOCIETAL PERFORMANCE

5.3.1. CUSTOMER AND USER RELATIONS

Definition of the issue	Respect and exceed health and safety regulations for new developments, existing shopping centers, and products sold by Rue du Commerce Respect and listen to the customer, provide complete easily-accessible sales information and quality after-sales service
Materiality level	Share capital
Scopes concerned	Development, Property investment, e-commerce

5.3.1.1. Customer satisfaction

5.3.1.1.1. Customer satisfaction in the residential development business

In 2010, the standards that prevailed for upscale product lines were standardized for midscale and entry-level products. 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 throughout 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 the 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 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.

5.3.1.1.2. Customer satisfaction in the Property Investment business

In 2014, the Group decided to set up a consolidated indicator measuring the overall level of satisfaction of visitors to its shopping centers. As such, quantitative and qualitative studies are conducted with customers and non-customers in order to understand their behaviors and expectations, measure the level of satisfaction with and the attractiveness and reputation of the center, determine levers to recruit customers and gain loyalty, etc. For new sites, studies are conducted every year for the first three years. For established centers, a study is generally conducted once every three years.

Before beginning the study, the key challenges facing the center are identified and shared by all teams (operation, leasing, marketing and asset management) to prepare a questionnaire that can provide operational and actionable results. Following the results of the study, the teams together develop an operational action plan, which they then share with General Management.

Customer satisfaction at Altarea Cogedim shopping centers:

"Please rate your overall satisfaction with the shopping center on a scale of 1 to 10." → 7.5/10

Indicator calculated based on on-site customer surveys conducted in 9 shopping centers, i.e. 69.3% of the scope of current reporting.

5.3.1.1.3. Customer satisfaction in the e-commerce business

As part of its commitment to continuous improvement, Rue du Commerce uses customer opinions to analyze satisfaction with the shopping experience.

The e-mail survey sent to all Rue du Commerce customers can therefore:

- measure malfunctions encountered during the purchasing process;
- verify the effectiveness of improvements made;

via a weekly and monthly analysis of key performance indicators.

The recommendation rate is the indicator that best reflects the customer's experience; it can be used to measure the customer's attachment to the brand by qualifying his or her readiness to recommend the site to friends and family. The recommendation rate is an overall indicator that speaks to the customer's satisfaction throughout his experience with Rue du Commerce. The target is 86% positive responses; in 2014, 85.2% of responses were positive.

To meet the goal set for this indicator, an action plan to improve customer satisfaction was implemented in the customer and operations department on topics such as tracking orders/delivery, claim processing, and returns.

In addition, customer advisers are available to answer questions 6 days a week from 8:00 am to 8:00 pm, ensuring customer support from the placement of the order up to the return of a product. These teams can be reached by telephone, email, chat, social networks or directly from the customer's account. Training plans and knowledge management tools ensure a quality response.

Under its "satisfaction or money back" guarantee, Rue du Commerce offers a 2-week withdrawal period, twice the legal requirement of 7 days. The return rate is approximately 3% of all shipped products. All products are electronically tracked, and any defective products are returned to suppliers for repair or replacement under the legal warranty.

5.3.1.2. Comfort of use and health features in real estate development

For all of its new projects, Altarea Cogedim complies with health and safety regulations in force. For its projects undergoing environmental certification, i.e. over 98% of its commercial programs (shops, offices and hotels) and 53% of its residential programs, Altarea Cogedim surpasses regulatory requirements for visual, acoustic, olfactory and thermal comfort and for the air quality of living areas.

5.3.1.2.1. Indoor air quality and olfactory comfort

For new residential developments, Altarea Cogedim addresses the issue of air quality in a comprehensive manner, imposing health criteria for materials used and equipment commissioned, as well as by supporting buyers in a healthy and responsible approach to building use.

The Group's approach to improving the indoor air quality of residential properties

Materials	X	Ventilation	X	Awareness	=	Air quality
Progressively standardize materials labeled A or A + for surfaces in contact with indoor air		Thorough and systematic verification of ventilation systems (DIAGVENT 2)		Gradual availability of an indoor air quality guide for residential properties		Improvement of interior air quality for future occupants

In 2015, the Group will launch a series of pilot operations to compare the advantages offered by innovative solutions (materials, ventilation systems) to those of traditional solutions in terms of air quality.

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, which has been certified BREEAM® "Excellent" and NF Démarche HQE® "Excellent" and was delivered in 2014, 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 m^3/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.

Furthermore, the commissioning process initiated for all of its new office properties in 2014 ensures that technical equipment, in particular heating, cooling and ventilation systems, will be installed properly to guarantee optimal comfort for occupants.

For its new retail operations, Altarea Cogedim involves tenants in its goal of improving the air quality of its shopping centers. In 2014, 78% of projects under development in terms of surface area -2,884,426 ft^2 (267,972 m^2) – used green leases to require retailers to meet health quality standards for furnishings.

5.3.1.2.2. Hygrothermal comfort

The Group performs Dynamic Thermal Simulations during the design phase in projects to build offices, shops and hotels. 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 indicates 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.

88% of retail projects under development in terms of surface area – 3,247,880 ft^2 (301,738 m^2) – underwent Dynamic Thermal Simulations, which revealed favorable levels of comfort under the BREEAM® certification criteria.

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 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 Altarea Cogedim renovation project on Boulevard Raspail in Paris. It is obtaining NF Démarche HQE® "Excellent" and BREEAM® "Excellent" certification. To prevent overheating in the summer, the southwest-facing facades in the courtyard have been fitted with an opaque covering. However, the northwest-facing street facades are largely covered in glass to promote the capture of solar heat and offset heating needs. All facades 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 GHG-emitting equipment to operate on two settings (occupied/unoccupied).

5.3.1.2.3. 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.

For example, 87% of retail projects under development in terms of surface area -3,198,011 ft² (297,105 m²) – were subject to internal acoustic studies to assess the level of ambient noise and sound insulation between spaces.

5.3.1.2.4. Health Quality

Two major concerns affect the health 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.

5.3.1.3. Deployment of green leases

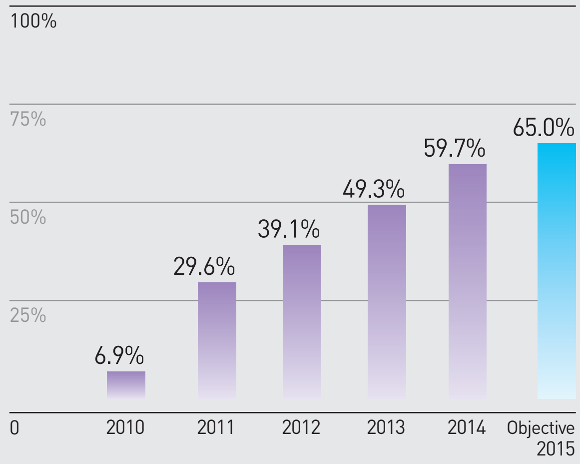
Altarea Cogedim intends to work more closely with all tenants in developing environmentally friendly practices. The ultimate goal is to extend environmental reporting to tenants' environmental data and to improve sites' overall environmental performance.

As a result, the Group standardized the application of green leases in 2010, where possible as from the very first square meter (excluding lease renewal under leasehold assignment, building leases and exempted leases).

Furthermore, as of July 14, 2013, the Grenelle II Law has made an environmental appendix mandatory for all existing leases over 21,000 ft² (2,000 m²). As part of this new requirement, the Group has systematically sent environmental appendices to all retailers concerned: among the 71 leases involved, 44 are in the final stages of regularization, representing 3.3% of total leases.

At December 31, 2014, 795, or 59.7% of the Group's 1,332 leases, were green leases.

Coverage rate of green leases
(percentage)



From 2010 to 2014 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.

As indicated in paragraph 5.5.2.3.2, in 2014 Altarea Cogedim began collecting energy data from lessees in four of its shopping centers, representing 55% in value terms of the sites owned and operated by the Group at December 31, 2014, (2,046,305 ft² or 190,108 m² GLA). This study focused specifically on the centers' green leases, as they provide legal grounds for collecting this information: 327 green leases were used.

This allowed us to better understand lessee energy consumption from a representative sample of the Group's assets.

The initiative will continue in the coming years, with the goal of working to reduce sites' overall energy consumption.

In addition, were established in 2014 and will be finalized in 2015:

- a guide for lessees describing the Group's sustainable development approach and how they can make a concrete contribution to reducing sites' environmental footprint;
- an "ID card" specific to each center containing key indicators for environmental tracking, to be updated each year.

These documents aim to improve interactions between lessor and lessee on environmental questions. They could also be used as support materials during meetings with tenants.

5.3.2. URBAN INTEGRATION

Definition of the issue	Proximity and connectivity to public and alternative means of transportation Integration of projects in the local urban context
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.

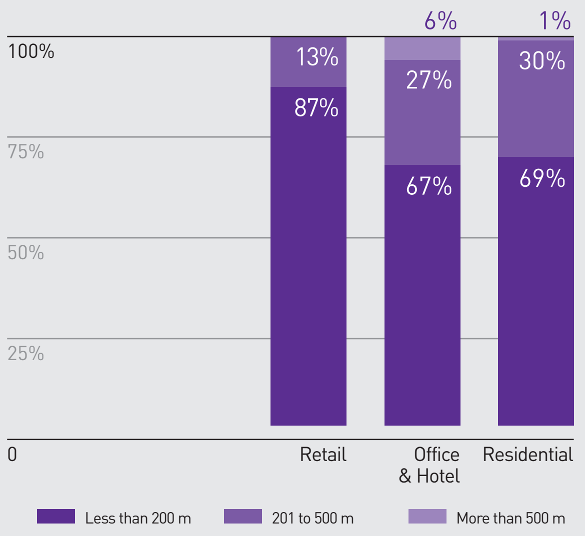
5.3.2.1. Urban integration – Development business

5.3.2.1.1. Transportation accessibility – Development business

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.

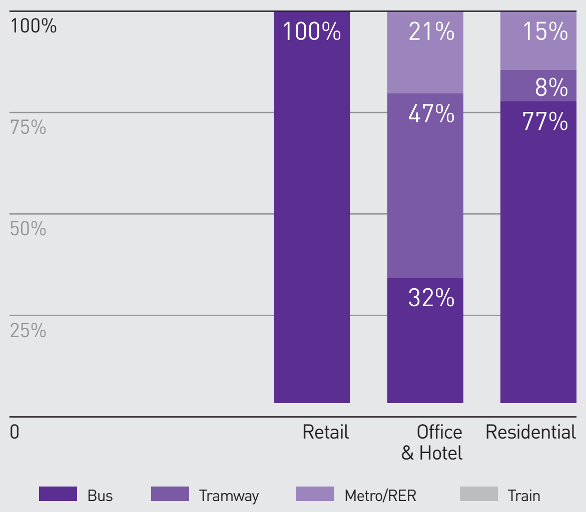
Level of proximity of public transportation to new developments

(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)



In addition, retail projects obtained an excellent evaluation in the "Transportation" section of the BREEAM® certification. The average score weighed by surface area for Group projects (3,690,428 ft² or 342,852 m², i.e. 100% of retail surface areas) came to 71%. This high score reflects the quality of new Group developments in terms of:

- proximity to and frequency of public transportation networks;
- real-time information on the passing of public transportation lines and traffic conditions;
- distance to basic services (schools, pharmacy, ATM, post office, etc.);
- alternative modes of transportation (car-pooling, pedestrian and cycling infrastructure, charging stations for electric vehicles, etc.).

5.3.2.1.2. Relationship of new projects to their environment

Altarea Cogedim strives to promote projects that respect sites' neighbors and environment.

For all new Group developments, an impact analysis is carried out prior to studies. This analysis includes the following subjects: visual, olfactory, acoustic and electromagnetic disturbances; access to the sun and light, construction site pollution, road and parking lot congestion around the plot, etc.

During the construction phase, construction site charters are applied to all new Group projects to provide for effective communication with local residents. Through mailings or poster campaigns, this charter describes the project and its architecture, specifies the construction work to be undertaken, puts forth a provisional schedule and provides a way to contact the Group directly. Information meetings may also be held with local residents at the start of construction.

To monitor the impact of construction sites, the contractor follows up on and is obligated to respond to all complaints.

5.3.2.2. Transportation accessibility – Property Investment business

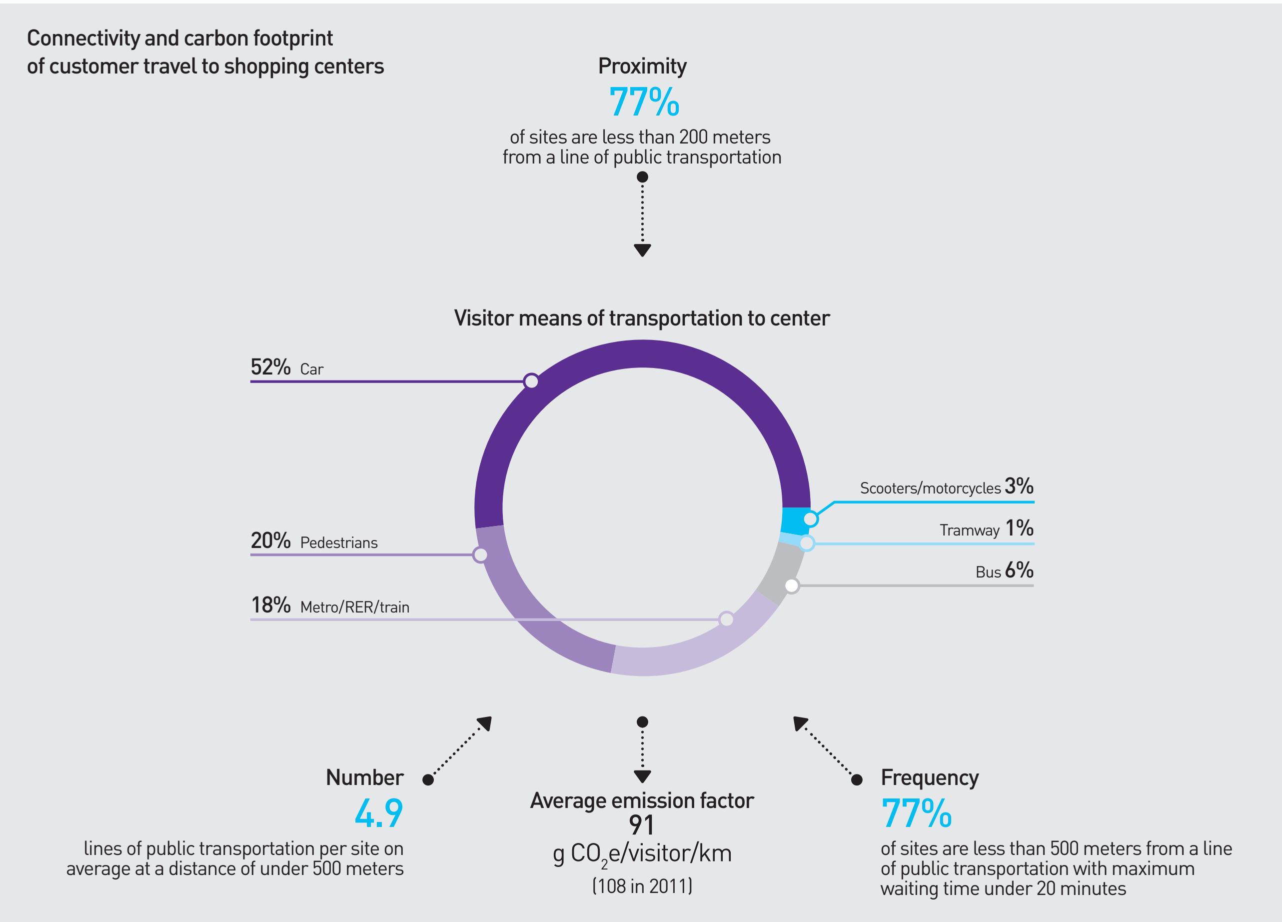
Since 2012 Altarea Cogedim's reporting on the connectivity of the shopping centers in its portfolio and customers' modes of transportation has made it possible to calculate three indicators representing the connectivity of the Group's portfolio:

- distance to public transportation: percentage of sites having at least one line less than 200 meters away. As 100% of sites have at least one line less than 500 meters away, the distance considered for this indicator was reduced to 200 meters as of 2013;
- 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 gCO_2e/(visitor.km), dropped 16% between 2011 and 2014.

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 5.2.2.3.3. The distribution of visitors' transportation modes is based on customer surveys carried out onsite on 84.5% (in value terms) of the scope of the current report.

5.3.3. PROFESSIONAL CODE OF CONDUCT

Definition of the issue	Professional ethics, fight against corruption and establish means to prevent and control practices that do not respect the Group's integrity and ethics
Materiality level	Capital
Scope concerned	Group

5.3.3.1. 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.

To this end, Management has appointed an ethics director. 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, which has a specific business activity, is currently under review and should be implemented in this scope of activity in 2015.

IT security and protection of customer data are described in section 8.3.3.

5.3.3.2. 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.

5.3.3.3. 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 expert. 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, 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 this process of guaranteeing professional ethics and monitoring of practices inconsistent with the integrity and ethics of the Group is properly implemented, awareness campaigns were conducted with employees in 2014. With the help of a Law firm, information on different ideas of corruption, unlawful taking of interest, trafficking influence, favoritism and the criminal repercussions associated therewith, particularly in relations with the public sector, were provided in 2014 to employees identified as being most at risk. Over 90% of the target population – made up of senior Group executives – attended the trainings.

5.3.4. CONTRIBUTION TO EMPLOYMENT

Definition of the issue	Contribute to creating direct and indirect jobs and establish dialogue with local and regional stakeholders
Materiality level	Capital
Scope 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 annually measure its wider employment footprint in France as an owner and Manager of shopping centers that host retailers, as well as through its purchases of goods and services.

Altarea Cogedim's employment footprint

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.

Through an initiative begun in 2013 and expanded in 2014, Altarea Cogedim quantifies its wider employment footprint in France.

Indirect jobs

Jobs created indirectly by Altarea Cogedim are those directly supported by purchases of goods and services by different Group entities.

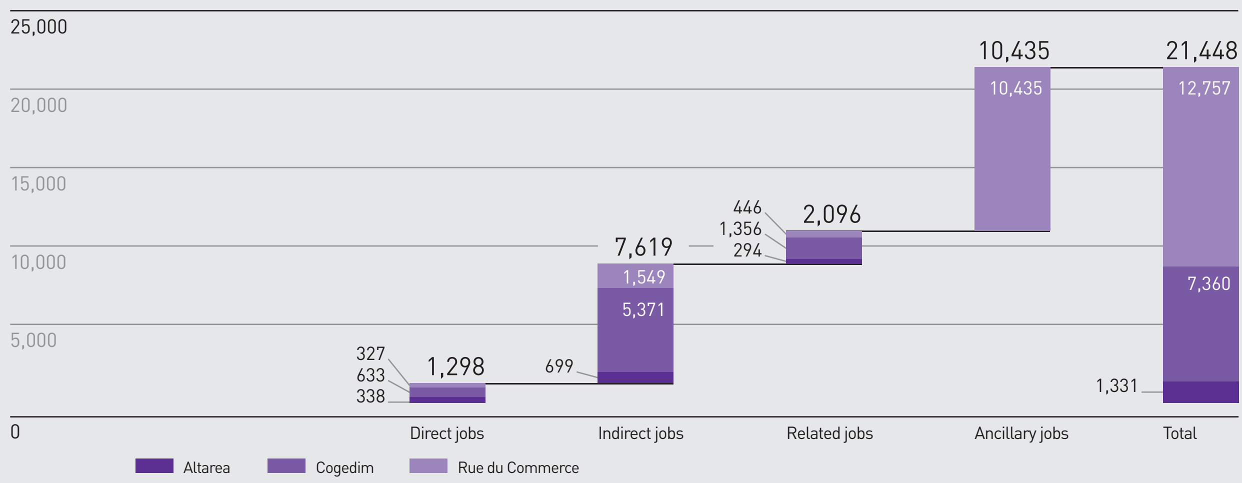
Related jobs

Related jobs are those created by the consumption of direct and indirect employees in France.

Ancillary jobs

Ancillary jobs are those hosted (tenants) in the shopping centers owned and managed by Altarea Cogedim.

The Altarea Cogedim Group's employment footprint



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 (93), 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.

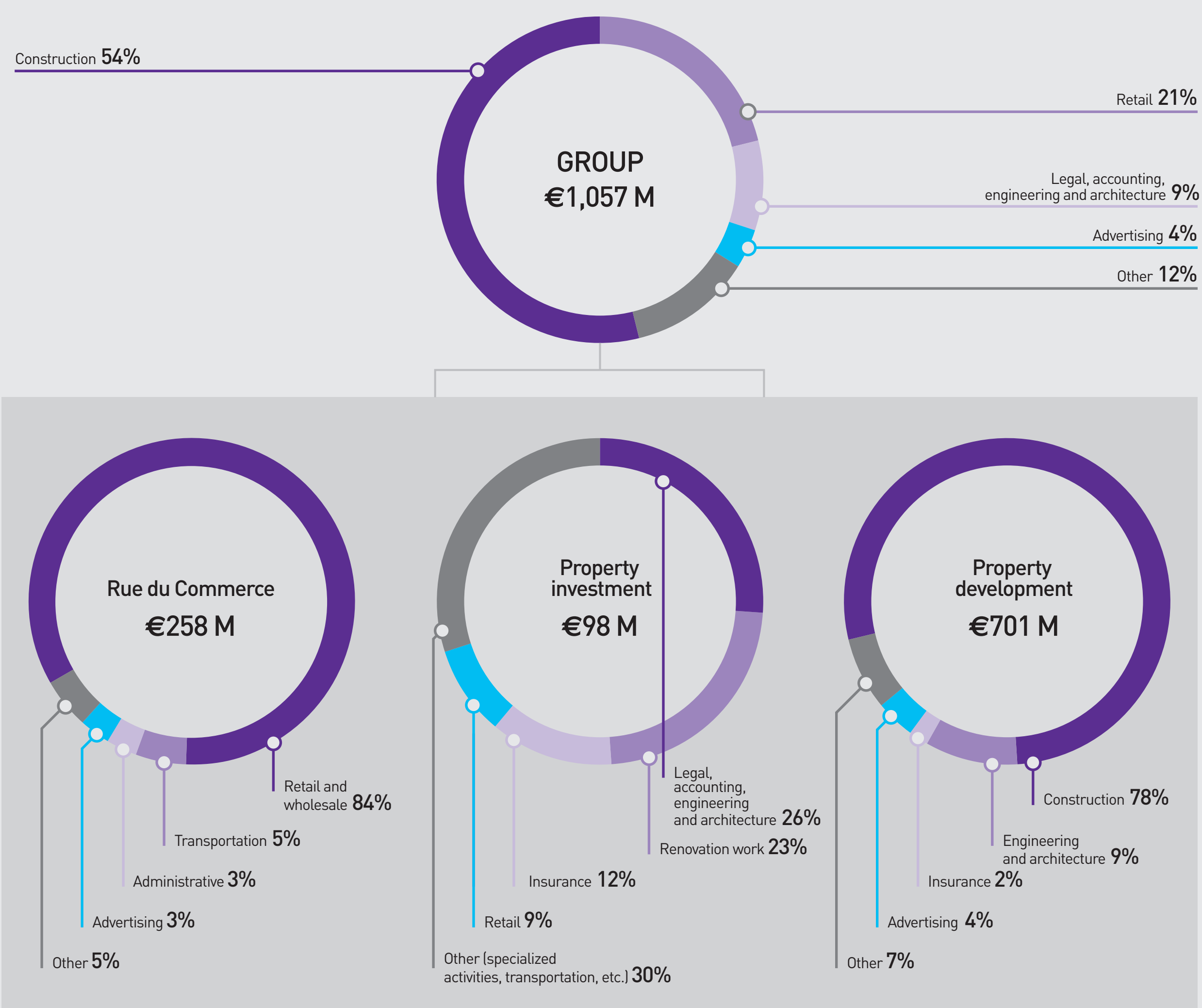
5.3.5. PROCUREMENT POLICY

Definition of the issue	Apply sustainable development criteria and clauses in choosing suppliers
Materiality level	Significant
Scopes concerned	Development, Property investment, e-commerce

5.3.5.1. Procurement policy and suppliers – Group

Goods and services purchased by the Group rose to €1.057 billion. This amount breaks down as follows, between e-commerce, Property Investment and development.

Mapping of Group actions and activities included in the scope of employment calculation



Group procurement has a large societal impact, both in terms of amounts purchased and the relation to a large number of economic sectors. The Group intends to use its ability as a large purchaser of goods and services to encourage best practices among its trade partners.

To this end, Altarea Cogedim established the detailed mapping above in 2014, and is leading overall discussions to develop support materials for improving its purchasing policy with suppliers.

Group purchasing policy

GROUP: KEY SUBJECTS FOR EVALUATING SUPPLIERS	• Economic situation • Certifications (ISO 14 001, ISO 9 001, etc.) • Use of healthy and eco-responsible materials • Protection of the environment (energy, waste, water, carbon, etc.) • CSR management (EMS, etc.) • Respect of international and national labor standards (Global Compact, human rights, illegal labor, discrimination, etc.) • Employee health and safety • Fight against corruption		
BUSINESS	Property development	Property investment	e-commerce
ITEMS IN PLACE	• Model contracts for contractors • Reference and evaluation sheet for companies • Construction site charter • National framework contract for safety and health protection	• Environmental charter and appendices for construction, cleaning and maintenance companies	• Uniform agreement for the distribution of goods and services • Specific declaration of activity • General terms and conditions of the merchant partner
GROUP ACTION PLAN 2015-2016	• Roll out a responsible purchasing charter for key suppliers • Structure and standardize an evaluation process for key suppliers		

In each activity, current documents require the Group and its suppliers to continuously improve. These documents are described in more detail in the sections below.

To take this process a step further, Altarea Cogedim will roll out a sustainable purchasing charter in 2015 and 2016, and will develop a method for selecting of its main suppliers and evaluating their CSR commitment.

5.3.5.2. Procurement policy and suppliers – Development business

Altarea Cogedim paid 701 million euros for works contracts and engineering and architectural services, the Group's leading procurement expense. Altarea Cogedim would like to rally its entire value chain around a labor and environmental progress approach by incorporating sustainable development criteria in its trade relations with suppliers.

5.3.5.2.1. Architecture and engineering

All of the Group's Property Development activities (retail, office, hotel, residential) have project management contracts: architects, engineering offices, operational project Managers. These contracts and their appendices are applicable for 100% of new operations initiated and aim to:

- incorporate recent changes in regulations (labor code: fight against illegal work, etc., urban development code: floor area, impact study, etc.);
- include objectives and challenges related to environmental certification as part of the terms of the contract;
- provide technical, program and development teams a common framework for consulting our contractors and implementing their contract quickly once they are selected.

5.3.5.2.2. Construction companies

As part of its sustainable procurement policy, Altarea Cogedim leverages its scope of responsibility to:

• Require that companies respect labor and environmental clauses in construction contracts.

In particular, environmental or qualitative professional certifications are systematically asked of construction companies. The latter must also commit to fighting against illegal work and to respecting employee health and safety. A local labor clause is also included in construction contracts for the retail business. At the same time, a low nuisance construction site charter is appended to all works contracts.

• Evaluate the skills and experience of construction companies in the area of sustainable development.

A reference and evaluation sheet is also appended to all construction contracts to ensure that companies are able to fulfill the environmental ambitions of the projects, and to manage and minimize the impact of the construction site in terms of noise and visual pollution and waste management.

• Ensure proper application of labor and environmental clauses.

Various actors, such as the "clean construction site" point person and the health and safety protection (H&S) coordinator, are called upon to ensure that labor and environmental requirements are effectively fulfilled at the site. In particular, five national framework agreements have been signed with technical monitoring companies specializing in H&S and Environment works management to harmonize monitoring tasks in all residential operations and to ensure safety and proper application of the low nuisance construction site charter.

In addition, to effectively fight against undeclared work and fulfill its obligations as project Manager, Altarea Cogedim uses an external service provider to collect, store and manage all regulatory certifications provided from these companies and necessary for the signing of the contract and authorization of the various subcontractors. This measure will be implemented for 100% of new residential and office operations in mid-2015.

At the end of the operation, contractors are evaluated according to qualitative and/or environmental criteria to assess whether environmental clauses have been fully applied.

5.3.5.3. Procurement policy and suppliers – Property Investment business

This year, Altarea Cogedim required 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;
- an environmental appendix to maintenance and cleaning contracts.

The environmental charter addresses the following three topics:

- construction site impact: limiting noise, accidental pollution;
- waste treatment: reporting quantities of waste produced by type and by disposal method;
- choice of materials: use of CE-labeled materials, preference for labeled materials and those with a low VOC content.

The environmental appendix for maintenance and cleaning contracts addresses the following topics:

- management: training plan for those performing the services, sustainable development plan of the provider;
- energy: energy monitoring, continuous maintenance plan for equipment;
- ecology: incorporation of a biodiversity action plan;
- pollution: hazardous waste management, monitoring of oil separators and discharge permits;
- materials: limiting pollution and risks for workers;
- waste: maximizing waste sorting and recovery, monitoring of hazardous waste;
- water: monitoring of water consumption, use of hydro-efficient equipment when replacement is needed;
- comfort and health: management of bacteriological risks, use of low VOC or labeled paints.

In 2014, standardizing the use of these contractual documents on sites included in the scope of reporting and sites managed on behalf of third parties (unless otherwise specified by the third parties) satisfies the requirements of BREEAM® In-Use certification.

In addition, the Group aims to instate environmental appendices in contracts for green areas for 100% of sites included within the scope of reporting. This would promote a more respectful use of biodiversity.

5.3.5.4. Procurement policy and suppliers – e-commerce

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 working condition obligations for staff (undeclared work, blackmail, etc.);
- comply with environmental standards (waste collection, 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 to existing clauses, appendices added to the agreement, etc.) on the following themes: respect for the social, fiscal, environmental and human rights legislation and the rules governing safety, health and the fight against undeclared work.

5.3.6. SPONSORSHIP AND PARTNERSHIP

Definition of the issue	Forge partnerships to promote social ties in connection with Altarea Cogedim's businesses
Materiality level	Moderate
Scope concerned	Group

Altarea Cogedim has been committed for more than seven 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 three 3-year agreements, implemented and orchestrated entirely by a bipartite Oversight Committee. At December 31, 2014 this commitment represented a total financial investment of €2.52 million over the past six years, primarily apportioned as follows:

- participation in the financing of eight social or intergenerational residences (of which four are currently operating, three are under construction and one is in development);
- financing of three Habitat et Humanisme Manager positions in the Paris Region for the past six 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;
- the inclusion within the company savings plan of a housing support fund including Habitat et Humanisme collecting a portion of amounts invested to finance its initiatives.

The 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.

In 2014, the Grasse intergenerational residence and the Château-Gagneur residence in Gex were delivered. Altarea Cogedim's financial support was instrumental in the creation of these two residences.

5.3.7. OTHER SOCIETAL ISSUES

5.3.7.1. 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 asbestos materials present are found to be in a proper state of conservation and able to be maintained in the properties, regular visual inspections are performed on these materials.

Specially authorized contractors perform the removal of all such materials. Their elimination is also carried out according to specifically authorized and certified channels.

5.3.7.2. 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, Altarea Cogedim performs regular monthly controls 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).

Four shopping centers, or 24% of the occupied space included in the scope of surface reporting, are equipped with cooling towers.

5.3.7.3. 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.

Prefectoral decrees on termites have been issued in municipalities at risk for wood-boring insects. In those municipalities, 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 36% of the occupied space included in the scope of surface reporting, are situated in areas at risk for termites.

5.3.7.4. Radon

In light of the commercial nature of the assets of Altarea Cogedim's portfolio, shopping centers are not concerned by the order of July 22, 2004 on the management of radon-related risks.

5.3.7.5. 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.

Six sites, or 41% of the space included in the scope of surface reporting, are ICPE sites subject to declaration or authorization. All have declaration receipts or authorization decrees.

5.3.7.6. 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.

5.3.7.7. 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.

Periodic regulatory 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.).

5.3.7.8. 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 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 1,000ppm.

Currently, 35% 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 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, the 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.

5.3.7.9. Water sanitation

Water management at its shopping centers poses several challenges for Altarea Cogedim, including health-related issues.

To ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis.

5.3.7.10. Refrigerants

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.

5.3.7.11. Natural and seismic risks

According to Article L125-5 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 six months.

Such reports are drafted each time an asset is sold, purchased or leased.

Furthermore, nine centers, or 47% of 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)

5.4. SOCIAL PERFORMANCE

5.4.1. REPRESENTATION, DIVERSITY, SOCIAL DIALOGUE

Definition of the issue	Anticipate changes in the workforce in connection with the changing age structure, with productive social dialogue Fight against all kinds of discrimination, disabilities, and compliance with the principles of human rights
Materiality level	Significant
Scope concerned	Group

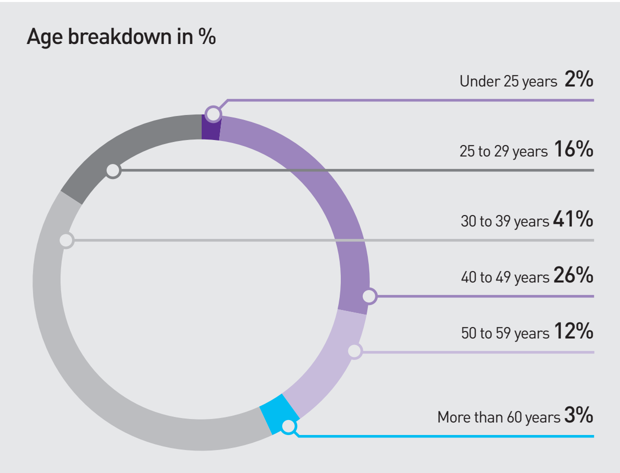
5.4.1.1. Total workforce and break down by gender, age and geographical region

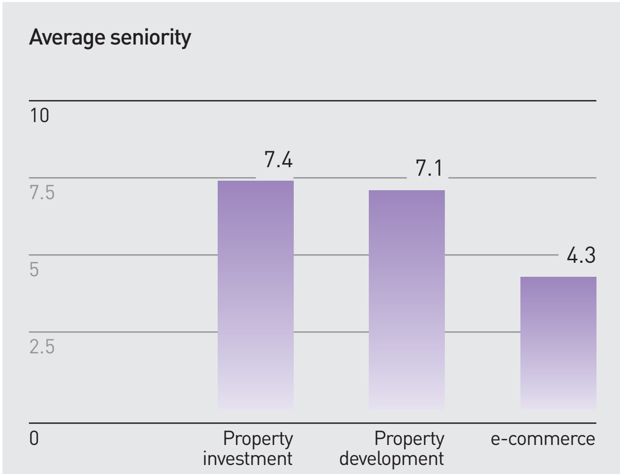
5.4.1.1.1. Headcount

2014 was characterized by controlled growth. Total headcount at December 31, 2014 rose to 1,298, a 1% increase from December 31, 2013. Of this total, 1,232 employees were on open-ended contracts and 66 on fixed-term contracts.

This year, despite a difficult macroeconomic climate, the Group once again confirmed its commitment to hiring on open-ended contracts in its three businesses, with 174 recruits in 2014. Open-ended contracts are predominant in the Group, as 95% of employees work under these agreements. Constantly seeking to promote sustainable long-term employment, the Group transformed 10% of fixed-term contracts into open-ended contracts.

	Open-ended contract	Fixed-term contract	Group Total	Average age	Average seniority
Women	670	41	711	39.2	7.1
Men	562	25	587	37.8	5.8
Total	**1,232**	**66**	**1,298**	**38.6**	**6.5**





Headcount by gender and geographical area

	France	Italy	Spain	Luxembourg	Total
Women	688	18	5	-	711
Men	574	10	2	1	587
Total	**1,262**	**28**	**7**	**1**	**1,298**

5.4.1.1.2. Recruitment policy

Altarea Cogedim Group considers identifying and recruiting talent a key to its short- and long-term success.

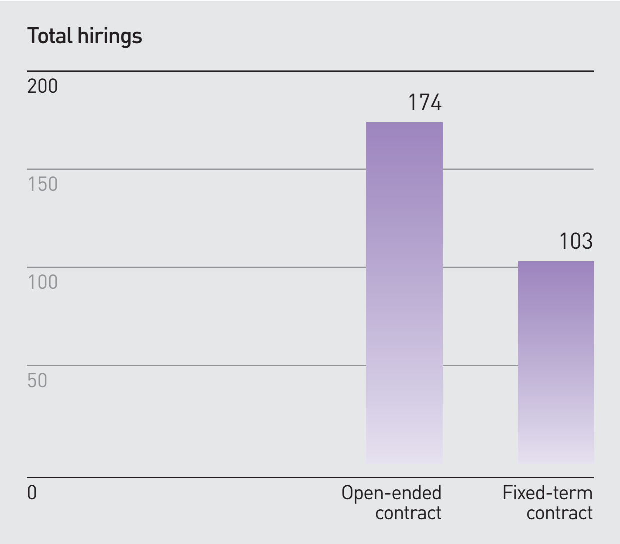
The Group's recruitment policy is part of an HR strategy that reflects the values of audacity, creativity and entrepreneurial spirit unique to Altarea Cogedim.

In 2014, the Group strengthened its appeal to young graduates and more experienced profiles alike. It created a company presentation page on online professional networking platforms (Linkedin and Viadeo) to promote Altarea Cogedim and its values to a large public.

This appeal continues to grow year after year; at the end of 2014, Altarea Cogedim received over 4,600 unsolicited applications on its corporate website and recruitment pages.

For the fourth straight year, the Group participated in the real estate industry forum organized by the Palladio Foundation and Business Immo.

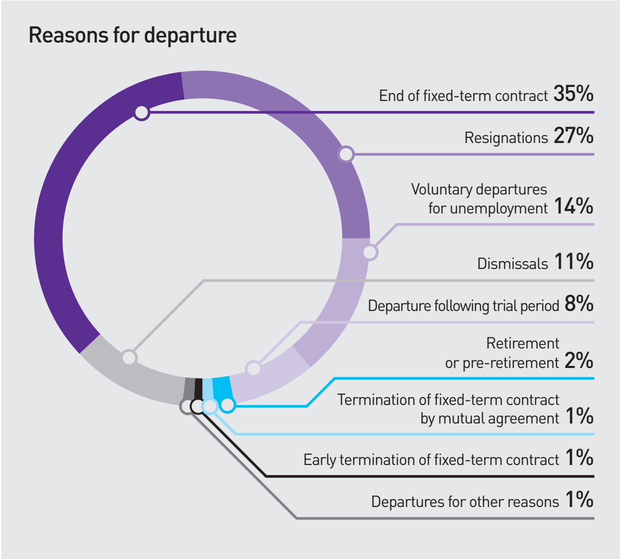
This year, much of the Group's hiring took place in the property division, which saw a 27% increase in new hires on open-ended contracts from 2013. The residential teams were strengthened to continue the development of several regional subsidiaries, but also to support changes in the strategy towards more general-purpose buildings. In the Property Investment business, a team was built to pilot the new Qwartz shopping center in Villeneuve-la-Garenne. The net headcount for those on open-ended contracts thus rose by 6.5%.



In addition to hiring, 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.

The attrition rate (excluding Rue du Commerce) was 15.31% at 2014 year-end (number of departures/average headcount), up slightly from 2013 (+1.33%). As the use of fixed-term contracts grew in Q4 2013, the expiry of these contracts affected the departure rate in 2014. Including departures for Rue du Commerce, this rate was 20.53%. 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 2013, the expiry of fixed-rate contracts (35%) and resignations (27%) constituted the major reasons for departure. 29 dismissals were recorded, accounting for 11% of total departures. Most dismissals took place in the e-commerce division in 2014. 16% of employees who resigned had worked less than three years in the company.



5.4.1.1.3. Organization of working hours

Two Economic and Social Units (ESU) bring together Group personnel working in 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% of the Group's total workforce is made up of part-time employees and 61% of part-time employees work at at least 80% of a full-time position.

5.4.1.1.4. 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;
- inclusion of those with disabilities.

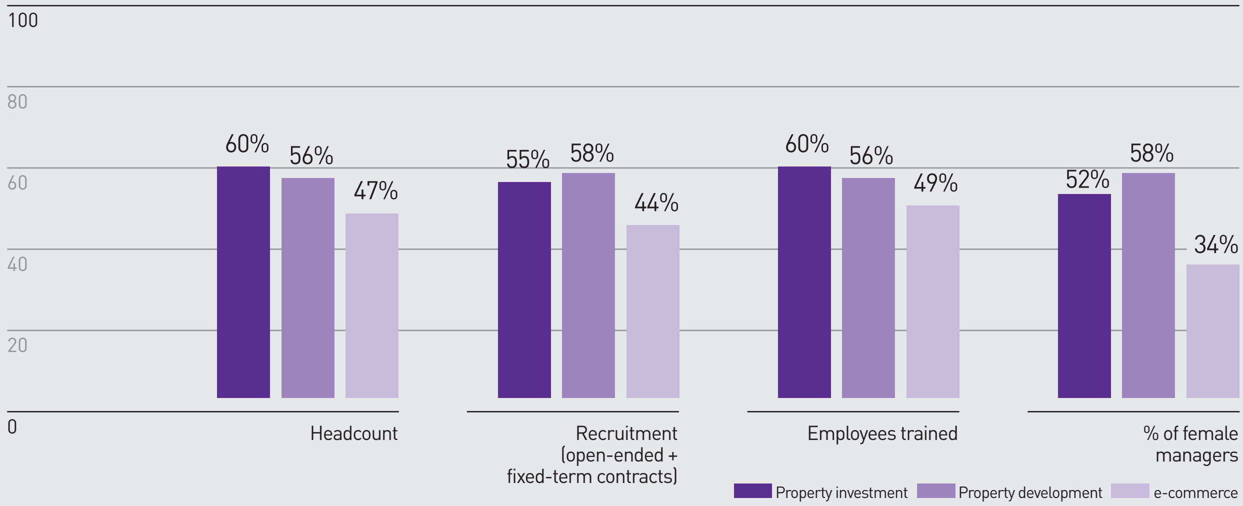
The Group has thus used the French Diversity Charter since 2013.

At December 31, 2014, the workforce was comprised of employees representing 28 different nationalities.

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.

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.

Representation of women in the group



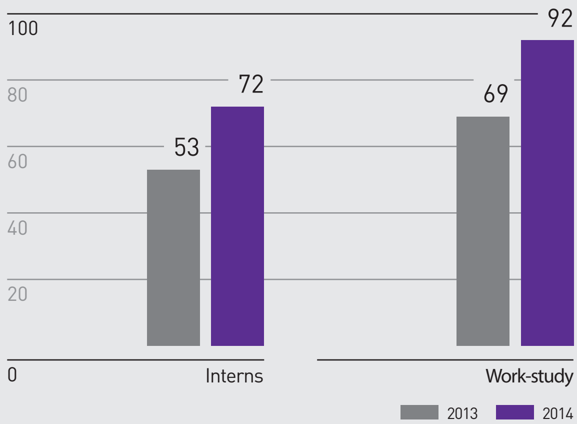
The Committee of Managers welcomed 47 new members, with women representing 36% of entrants. Women now represent 28% of the committee, as opposed to 24% in 2013.

Offering young people and seniors access to employment is also a priority for the Group.

The intergenerational contract in place since 2013 and valid for three years in each Group entity in France aims to sustainably integrate young people under 27 through open-ended contracts, to promote hiring and continued employment of those 55 and over, and to ensure the transmission of knowledge and skills.

To guarantee that skills are passed down through generations of employees, the mentoring initiative was continued in 2014; eight mentors shared their skills with interns, apprentices and new hires. The number of young people in the Company increased markedly in 2014, with 72 paid interns (53 in 2013) and 92 on work-study contracts (69 in 2013). These young people came from a variety of undergraduate and masters programs to carry out support and operational roles.

Change in number of interns and work-study contracts
(number)



At December 31, 2014, 184 Group employees (excluding Rue du Commerce) were over 50 years old. This population represents 19% of Altarea Cogedim employees.

In 2014, 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 an ESAT.

In addition, at the Group level, on July 31, 2014, an external firm performed an expert diagnosis identifying actions to be taken to gradually increase the number of people with disabilities within the Company, to be implemented from 2015 to 2017. The action plan adopted contained three focuses: use of outsourcing, retention in employment, and recruitment of persons with disabilities.

During Disability Week, Rue du Commerce led awareness initiatives for employees with disabilities, organizing a handi-rugby competition.

At December 31, 2014, there were three employees with a recognized disability, i.e. 0.23% of the total workforce.

5.4.1.1.5. 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 50 representatives in total.

12 Health, Safety and Working Conditions Committee (CHSCT) meetings were held in 2014 to address occupational health and safety issues. Changes in the internal organization and redesigning of rules of procedure required five additional meetings for Rue du Commerce.

Four collective bargaining agreements were signed within the Group in 2014:

- the profit-sharing agreement within the Altarea ESU;
- the profit-sharing agreement within the Cogedim ESU;
- the agreement on gender equality within Rue du Commerce;
- the agreement on procedures for implementing Article 30 (standard bonus within Rue du Commerce).

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.

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'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.

The Group has not undertaken any complementary action in favor of human rights.

Rue du Commerce and the Cogedim entities have no business or site abroad.

5.4.2. COMPENSATION AND SKILL DEVELOPMENT

Definition of the issue	Develop skills and worker employability Establish practices that facilitate mobility, promotions, career management and evolution of employee compensation
Materiality level	Capital
Scope concerned	Group

5.4.2.1. Training policy

In 2014, Altarea Cogedim Group continued to invest in training to support its growth through a large offering of personal and professional development activities.

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.

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 specific offerings designed case-by-case according to needs, such as BREEAM In-Use certification training for center directors in the Property Investment line, organized by a research firm and the Sustainable Development Department, or an initiative on purchasing fundamentals for 20 Rue du Commerce Managers.

To increase training effectiveness, the Group focused on diversifying learning methods: individual/collective and face-to-face/remote training, as evidenced by the deployment in November 2013 of the office skills e-learning platform available to all.

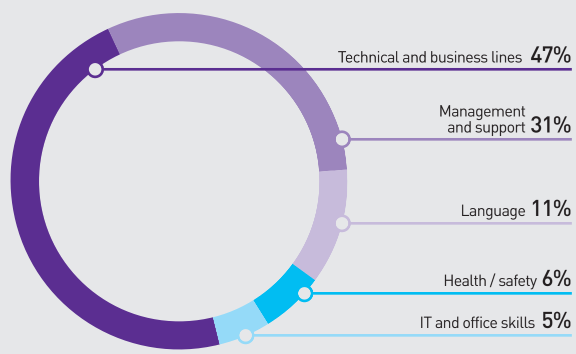
This first year got off to a positive start, with over 350 hours of connection recorded, which represented 58% of hours devoted to office skills.

5.4.2.1.1. Total training hours

11,011 hours of training were provided within the Group to over 880 employees at the end of 2014, a 38% increase in number of employees trained (including interns and work-study participants).

	2013	2014	% change
Hours of training	10,678	11,011	3%
Number of training initiatives	884	1,363	54%
Employees trained	637	881	38%
Average cost (€)	2,312	1,438	-38%
Average number of training hours per employee	8.44	8.50	1%

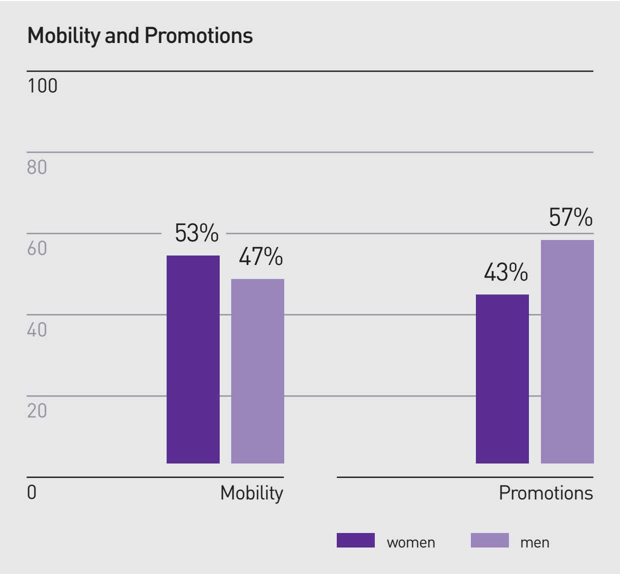
Breakdown of training hours in %



As is the case every year, business line training represented the largest development action used. Language learning was strengthened (11% of training hours in 2014 as opposed to 5% in 2013), as speaking English has become indispensable for a number of functional and operational employees.

In 2014, investment in training initiatives represented 1.54% of payroll, i.e. nearly €1.27 million in spending. The training budget was highly optimized, with average spending on training per employee declining, thanks to renegotiation of partnerships, priority to collective actions and use of France's statutory individual training credit scheme (DIF), which represented over 38% of training hours in France.

5.4.2.1.2. Promotions and mobility



In addition to training, Altarea Cogedim Group has made internal mobility a pillar of its human resources strategy. Diverse businesses in a variety of areas and the dynamics of real estate projects facilitate employee mobility. Employees' goals and aspirations are discussed at annual appraisals; summaries offer Managers a better idea of how their employees wish to grow within the Company.

173 Group employees were promoted or moved within the Company, i.e. 14% of the workforce on open-ended contracts at December 31, 2014.

To encourage mobility within the Company, business line conferences are organized throughout the year. Called "Alterego Thursdays," these meetings brought together 226 employees wishing to learn more about the Company and its many opportunities.

In 2014, 912 annual employee appraisals were conducted, analyzed and processed. Covering more than 82% of the workforce, these initiatives were up from 2013.

5.4.2.1.3. Sharing success with employees

Annual employee appraisals conducted at the end of each year make it possible to analyze positions by category, which can lead to adjustments to eliminate wage disparities.

The average gross salary in the period (excluding variable compensation) amounted to €52,364. The variable portion represented 11% of total compensation (13% in 2013), as bonuses were more modest.

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 December 2014.

5.4.3. EMPLOYEE HEALTH AND SAFETY

Definition of the issue	Prevent accidents at work with measures that promote a safe working environment, ensure employee health and wellbeing, limit absenteeism
Materiality level	Significant
Scope 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 was 3.36% this year, against 3.27% in 2013. This rate is obtained by comparing the number of days of absence due to occupational illness, non-occupational illness, commuting accidents, workplace accidents and unexcused absences with the theoretical number of days worked x 100.

Non-occupational illness is still the main source of absenteeism, representing 94% of absences. Absenteeism due to accidents at work and commuting accidents is very low both in number and length of absence. In 2014, they represented 0.4% of absences, as opposed to 4.9% in 2013.

Short-term absenteeism, which corresponds to the average number of days of absence under one month for the workforce on average, was stable compared to 2013 at 3.5 days.

5.4.3.1.1. Ensuring employee health and safety

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 2014. There were no occupational illnesses reported within the Group.

	Workplace accidents		Commuting accidents		Occupational illnesses	
	2014	2013	2014	2013	2014	2013
Number of incidents	1	12	6	7	0	0
Number of days	22	260	16	188	0	0

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 2014, the Group offered 678 hours of training in health and safety at work.

Employees and their beneficiaries enjoy complete and quality complementary healthcare and disability coverage.

The Group cares about the health of its employees, and promotes healthy eating habits and physical activity; wellbeing courses are offered to employees at the head office every 15 days, and basket of fresh fruit is available every week.

Rue du Commerce also initiated a quality of life at work and performance approach following negotiations on this subject at the branch level. This resulted in the establishment of expression groups and work on professionalizing management.

5.5. ENVIRONMENTAL PERFORMANCE

5.5.1. ENVIRONMENTAL LABELS AND CERTIFICATIONS

Definition of the issue	Development, operation and marketing of labeled and/or certified products that meet the needs of stakeholders
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 new developments and existing assets.

They are selected based on two predominant criteria:

- the relevance of applicable standards and assessment method;
- stakeholder expectations for each project type.

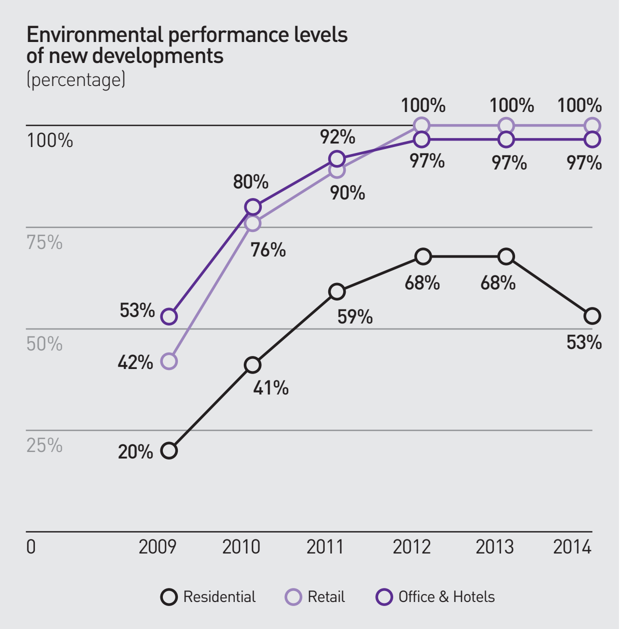
5.5.1.1. Environmental labels and certifications – Property Investment business

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;
- "Excellent" NF Bâtiment Tertiaire – Démarche HQE® and "Very Good" BREEAM® environmental certification as a minimum requirement for new office developments;
- "Very Good" NF Bâtiment Tertiaire – Démarche HQE® and "Very Good" BREEAM® environmental certification as a minimum requirement for new hotel developments;
- 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 "Environmental performance level" indicator covers all new projects.



Proportion of the surface area (Net floor area or floor space) of shops, offices and 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 and hotels combined) thus obtained environmental certification in 2014.

In 2015, the Group will maintain these commitments for residential, office and hotel projects and will continue working to making BREEAM® "Very Good" and NF HQE® "Excellent" levels standard for new office developments.

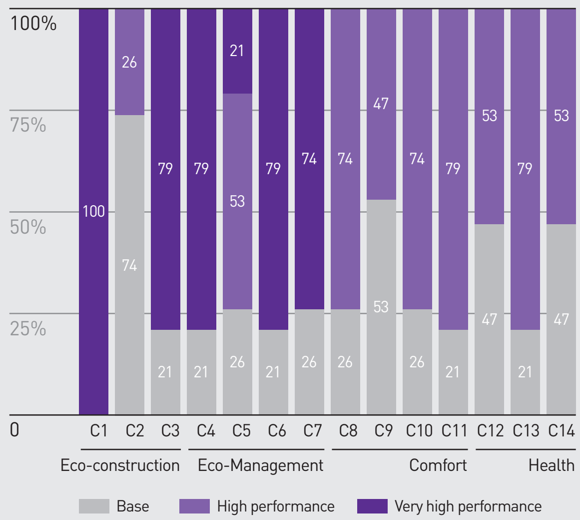
5.5.1.1.1. Environmental certification for new retail developments

In 2014, new retail developments certified or undergoing environmental certification represented 3,690,428 ft² (342,852 m²), i.e. 100% of the Group's total production.

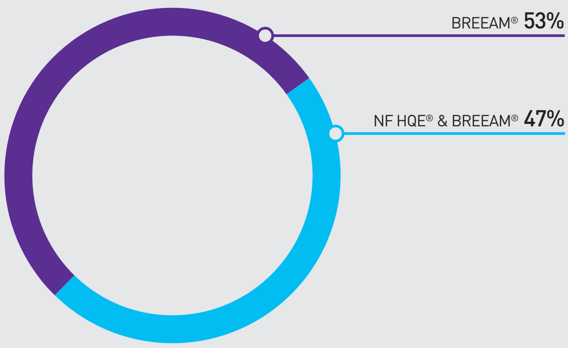
Altarea Cogedim chooses the certifications best suited to its customers' needs and the context of programs. Dual certification of 47% of its retail projects (in surface area), i.e. 1,727,532 ft² (160,493 m²) allows the Group to strengthen its environmental performance standards through complementary reference systems.

However, NF HQE® certification will gradually be phased out for new retail projects in favor of BREEAM® certification, which is more relevant for this kind of asset and has been widely adopted by European retail players.

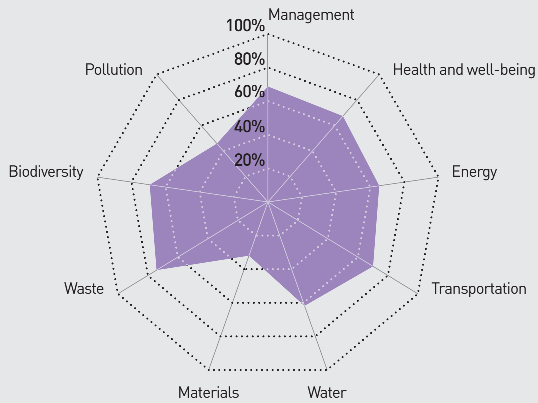
NF HQE® performance profile of retail projects
(percentage of surface areas in m² of floor area or net floor area)



Breakdown of retail projects by environmental certification
(percentage of surface areas in m² of floor area or net floor area)



BREEAM® performance profile of retail projects



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": 47%, i.e. 806,001 ft² (74,880 m²), "Excellent": 53%, i.e. 921,530 ft² (85,613 m²));
- 100% of BREEAM®-certified programs achieved a "Very Good" rating or higher ("Very Good: 81% i.e. 2,980,311 ft² (276,880 m²), "Excellent": 19% i.e. 710,116 ft² (65,972 m²)).

The average BREEAM® score (weighted by surface area) of new retail projects (3,690,4283 ft² or 342,852 m², i.e. 100% of surface areas) is 64%, which corresponds to "Very Good." This figure rose from 2013 (62%), as two new projects achieving an "Excellent" rating entered into the scope of reporting.

Analyzing the standard BREEAM® profile for retail projects based on BREEAM® certified retail surface areas – 3,690,4283 ft² or 342,852 m², i.e. 100% of new retail projects – reveals a broadly consistent treatment for each operation.

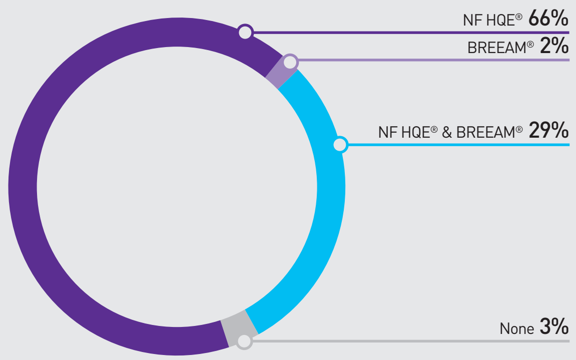
Effective site and study management (Management -70%), in particular the commissioning process implemented on 91% of BREEAM® certified retail projects; processing of worksite and operating waste (Waste -74%); definition of landscaping projects in line with ecologists' recommendations (Land Use & Ecology -70%); and accessibility of transportation (Transport -71%) are highly valued in BREEAM® assessments.

5.5.1.1.2. Environmental certification of office and hotel projects

In 2014, new office and hotel developments certified or undergoing environmental certification represented 4,143,459 ft² (384,940 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 26% compared to 2013) to offer its customers comprehensive environmental and societal 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 achieved "Very Good" or higher: ("Good": 5% i.e. 193,600 ft² (17,986 m²), "Very Good": 49% i.e. 1,904,297 ft² (176,915 m²), "Excellent": 29% i.e. 1,136,173 ft² (105,554 m²), "Exceptional": 16% i.e. 634,489 ft² (58,946 m²));
- 79% of BREEAM®-certified programs achieve "Very Good" or higher: ("Good": 21% i.e. 286,341 ft² (26,602 m²), "Very Good": 16% i.e. 211,984 ft² (19,694 m²), "Excellent": 63%, i.e. 833,740 ft² (77,457 m²)).

The average BREEAM® score weighted by surface area of new office and hotel projects (1,332,066 ft² or 123,753 m², i.e. 31% of surface areas) came to 66%, which corresponds to "Very Good." This score increased from 2013 (63%), as two new projects aiming for a score of "Excellent" entered the scope of reporting.

NF HQE® performance profile of office & 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. 3,868,560 ft² or 359,401 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.

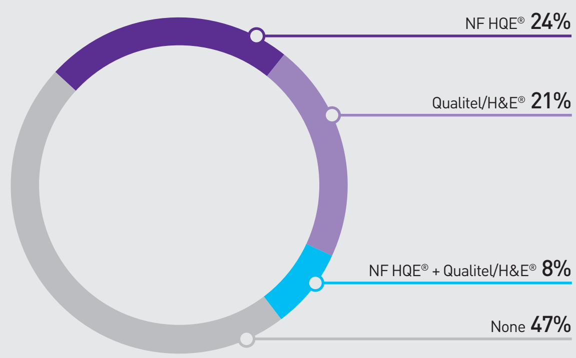
5.5.1.1.3. Environmental certification of residential projects

In 2014, new housing developments certified or undergoing environmental certification represented 10,541 units, 53% (in number) of the Group's total production. This result is down 22% from 2013, due to a smaller number of operations certified and undertaken in the Group's regional subsidiaries in 2014. However, it is nevertheless admirable when compared with the practices of the Group's competitors. The certification rate of operations in the Paris Region is also excellent. These certifications come in addition to the qualitative NF Logement® certification established for 100% of housing built by Altarea Cogedim.

The decline in the certification rate also reflects the poor marketability of environmental certifications, as their purposes and benefits are often difficult to understand for individual buyers.

Breakdown of residential projects by environmental certification

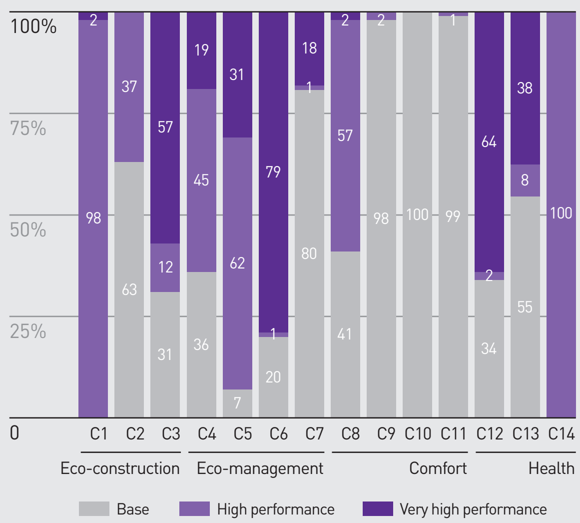
(percentage of homes by number)



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.

NF HQE® performance profile of residential projects

(percentage of homes by number)



The typical NF HQE® profile of residential programs (on the basis of NF HQE® certified units, i.e. 6,436 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 elected officials and investors.

Altarea Cogedim addresses occupant comfort and health, particularly through target 8 (hygrothermal comfort); however, these levels will be strengthened in future years.

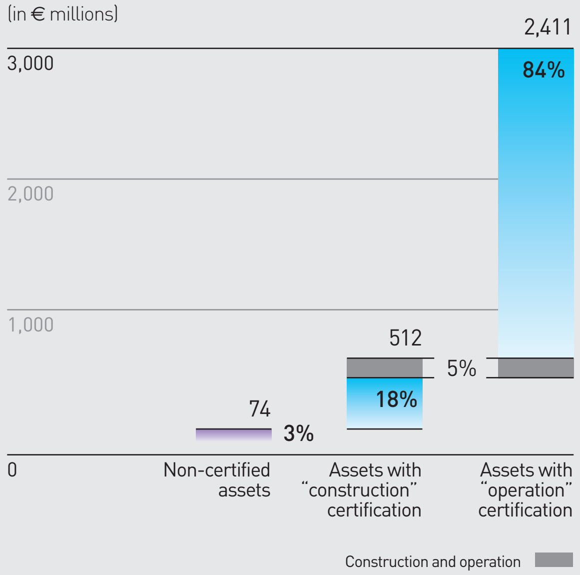
On the other hand, 65% of the 5,728 homes certified Qualitel/H&E enjoy a level A Habitat et Environnement profile, the most ambitious in this certification framework.

5.5.1.2. Labels and certifications – Property Investment business

At the end of 2014, Altarea Cogedim assets managed by the Group having obtained environmental certification for their construction or operations represented 5,871,982 ft² (545,525 m²) GLA, i.e. 97% of the scope of reporting in value terms at December 31:

- 18% certified in construction;
- 84% certified in-use;
- 5% featuring both types of certification.

Portfolio environmental certification
(in € millions)



Performance levels obtained for new projects and existing assets are detailed in paragraph 5.7.1.1.

5.5.1.2.1. Environmental certification in construction

Existing centers having received environmental certification in construction represent a Net floor area of 1,695,778 ft² (157,543 m²), or 18% of the scope of reporting in value terms at December 31. These assets obtained "Very Good" NF Bâtiment Tertiaire – Démarche HQE® certification for 46% of applicable surface areas and "Excellent" for 56%. In addition, the Qwartz site in Villeneuve La Garenne obtained dual NF HQE® "Excellent" and BREEAM® "Very Good" certification. This rate is set to increase significantly over the coming years, as all retail projects under development are now subject to one or more environmental certifications.

Performance profile of portfolio assets with NF HQE® construction certification (percentage of surface areas in m² of floor area or net floor area)

Originally planned for office buildings, NF HQE® was adapted to retail sites via four pilot projects, including the OKABÉ shopping center (Kremlin Bicêtre) in the Group's portfolio Altarea Cogedim has since refined its strategy and the reference system to accommodate the specificities of shopping centers, hence the different performance profiles for new developments.

5.5.1.2.2. 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 2014, the Group rolled out the ALTAGREEN Patrimoine operational Environmental Management System on all assets. This tool organizes non-financial reporting and increases reliability; it also makes best practices and the requirements of environmental certification standard throughout. Each center management team received a series of trainings in using this tool.

The Environmental Management System allowed the Group to improve environmental management of its sites and progress in its certification initiatives. In 2014, 18 sites, representing 3,921,583 ft² (364,327 m²) GLA, were certified BREEAM® In-Use. In addition, two sites that were certified in 2013 obtained a higher score, while the others renewed their certifications.

Of the 23 sites present in the scope of reporting at December 31, 2014, twenty were certified BREEAM® In-Use. This represents a gross leasable area of 5,175,578 ft² (480,827 m²), 84% of the portfolio in value terms. These certifications focus on the "Asset" and "Management" categories of the reference system. The four sites certified in 2013 and renewed this year are certified according to the BREEAM® In-Use UK reference system, while the 16 sites certified or reassessed this year use BREEAM® In-Use International. In the future, the international standard will be used systematically.

Performance levels break down as follows (in value terms):

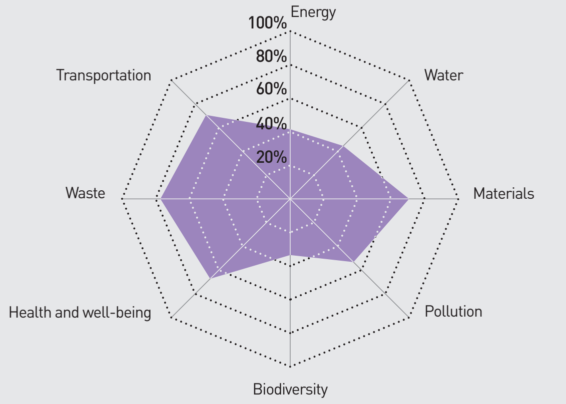
- asset category: 22% "Very Good," 78% "Good,";
- management category: 3% "Excellent," 62% "Very Good," 35% "Good".

In 2014, the average score was 55% for the Asset category (48% in 2013) and 53% for the Management (43% in 2013) category. This increase was made possible thanks to the successful integration of the Environmental Management System by center management teams.

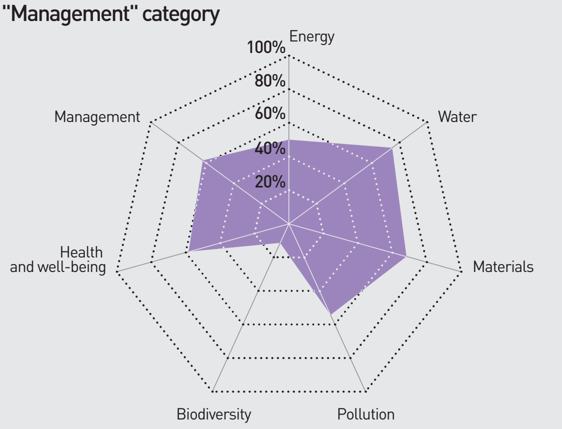
For each category, a score is calculated according to different components, all scored at 100 points.

The graphs below show the breakdown obtained by averaging the scores of each site, weighted according to their surface areas. They 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.

Profile of certified sites BREEAM® In-Use – "Asset" category

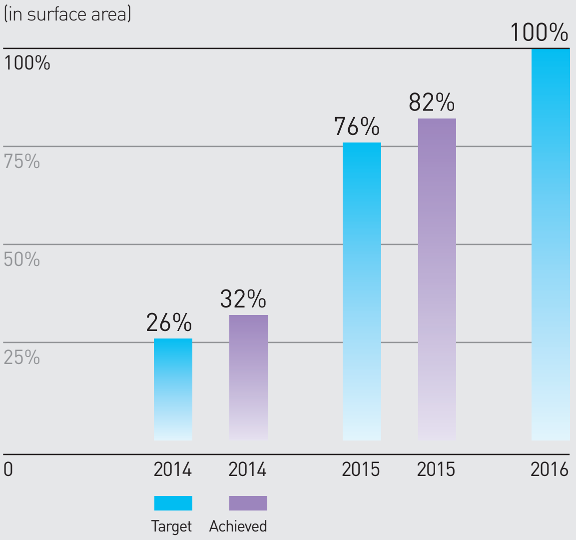


Profile of certified sites BREEAM® In-Use – "Management" category

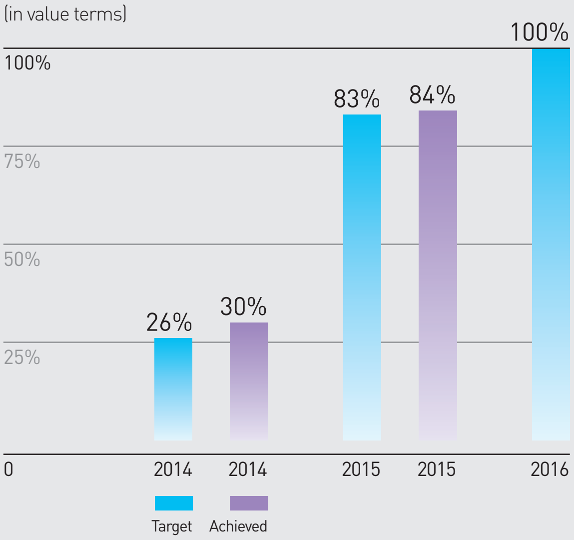


Altarea Cogedim has committed to certifying 100% of the assets within its scope of reporting under the BREEAM® In-Use reference system by the end of 2015. Moreover, each reevaluation of a site that has already been certified must obtain a minimum score of 55% in the Management category, i.e. "Very Good."

BREEAM® In-Use certification of portfolio assets
(in surface area)



BREEAM® In-Use certification of portfolio assets
(in value terms)



Targets were exceeded in 2014. In 2015, the Group will maintain its BREEAM® In-Use certification goal to work towards 100% coverage of assets managed. The Group has implemented a process whereby certified sites can reevaluate their scores each year to encourage and improve environmental practices at each site.

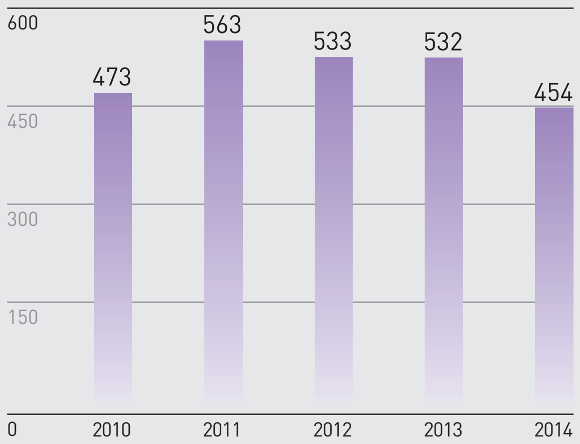
5.5.2. ENERGY EFFICIENCY

Definition of the issue	Design and building of new low-energy consuming projects helps master the energy consumption of building assets
Materiality level	Significant
Scopes concerned	Corporate, Development, Property investment

5.5.2.1. 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.

Primary energy consumption at the head office
(kWhpe/m² usable area)



At the end of the fifth year of reporting, we have observed a 4% decline in primary energy consumption per square meter over the 2010-2014 period. This reduction comes in spite of the more intensive use of the building made with the addition of new employees, and is mainly due to:

- an increase in the usable area of the head office;
- the favorable effect of mild weather in 2014;
- installation of new, more efficient equipment (motion sensor lighting, new HVAC terminals in meeting rooms, etc.);
- the impact of the employee awareness policy.

In absolute terms, total primary energy consumption at the head office fell from 4,389,827 kWhpe in 2013 to 4,375,225 kWhpe in 2014, a 0.3% drop.

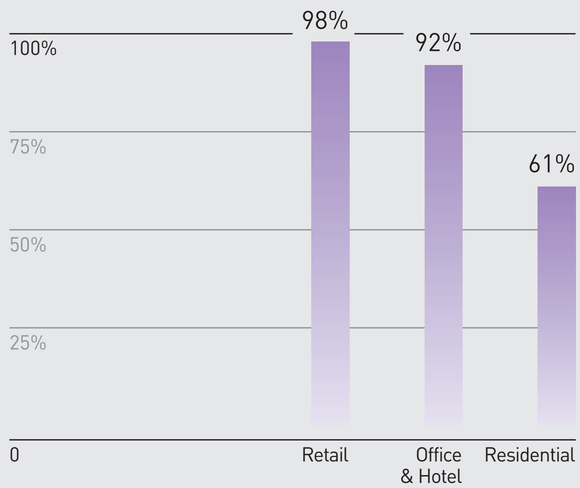
5.5.2.2. Property Development

As early as 2010, the Group undertook to systematically ensure BBC® RT 2005 energy performance levels for all new developments, regardless of project type, in anticipation of the gradual application of RT 2012 standards. Two years after the new thermal regulation entered into force for all types of assets, Altarea Cogedim is once again looking ahead, and working to make a minimum of HPE 2012 (equivalent to RT 2012 -10%) energy performance 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. nearly all commercial projects. The Group therefore conducts Dynamic Thermal Simulations for office, retail and hotel projects: they allow us to assess the future energy needs of the building by incorporating input from users and actual power capacities. 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 performance level.

New developments exceeding energy requirements



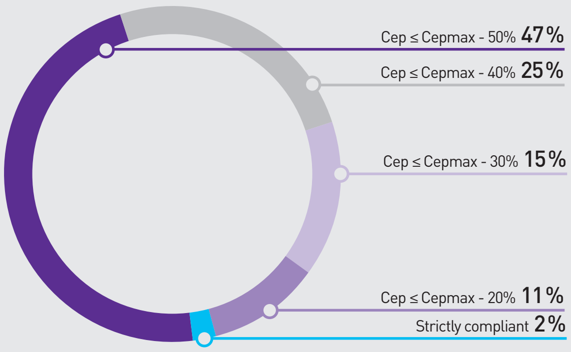
Percentage of projects (in Net floor area or floor area for retail, office and hotel property, or in number of housing units) that exceed the energy requirements of the thermal regulations applicable (RT2000, RT2005, RT2012, Existing Buildings).

5.5.2.2.1. Energy efficiency of retail projects

In 2014, new retail developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 3,599,204 ft² (334,377 m²), i.e. 98% of the Group's total retail production in terms of surface area. This high score reflects Altarea Cogedim's commitment to designing, building and operating efficient shopping centers and to protecting and extending 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 all large-scale 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 performance of each type of new development.

In 2014, 87% (in surface area) of retail projects, i.e. 3,198,011 ft² (297,105 m²), underwent a dynamic thermal simulation.

At the same time, 91% (in surface area) of retail projects, i.e. 3,340,837 ft² (310,374 m²), benefited from a commissioning process. This series of controls ensures that equipment functions properly and prevents excessive energy consumption due to faulty operation or poor calibration.

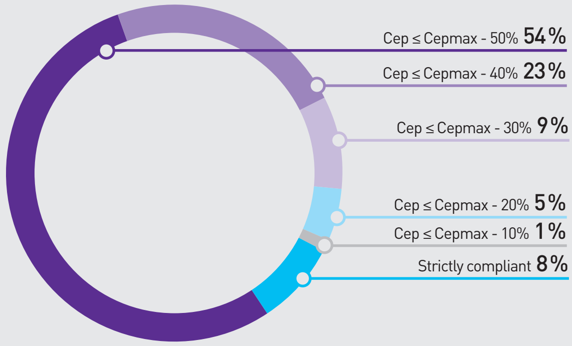
All of these measures, valued in particular through BREEAM® energy credits, allowed us to achieve a weighted average score (surface area) of 65% for this asset category, a slight decline from 2013: 66%.

5.5.2.2.2. Energy efficiency of office and hotel projects

In 2014, new office and hotel developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 3,914,565 ft² (363,675 m²), i.e. 92% of the Group's total production in terms of surface area. This figure was up slightly from the year before (91% in 2013) 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 goal of making a minimum of HPE 2012 (RT 2012 -10%) energy performance standard for all new office projects, 100% of new office projects subject to RT 2012 regulations comply with or exceed HPE 2012 levels. Furthermore, 54% (in surface area) of Group operations, i.e. 2,290,527 ft² (212,797 m²), exceed the requirements of the Thermal Regulation applicable to each operation by at least 50%. In 2014, Altarea Cogedim also initiated the Group's first BEPOS operation.

To ensure proper functioning of technical equipment, including systems responsible for heating/cooling production and output, a commissioning process was made standard for all new office projects as of 2014.

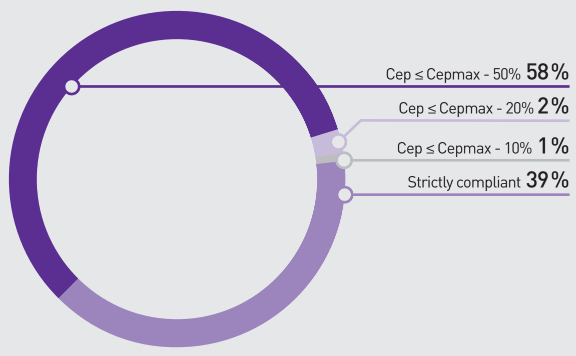
5.5.2.2.3. Energy metering systems

For commercial projects that undergo environmental certification – over 98% of its production –, Altarea Cogedim goes beyond regulatory requirements for energy metering and makes equipment for monitoring energy consumption available to occupants. 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.

100% of new retail projects thus have the means to measure energy per user and per area, allowing us to take into account the energy use of at least the following equipment: ventilation, heat, hot water, cooling, electromechanical equipment, parking lighting and outdoor lighting.

5.5.2.2.4. Energy efficiency of residential projects

Breakdown of residential projects by energy performance level
(percentage of homes by number)



In 2014, new residential developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 12,261 units, 61% (in number) of the Group's total housing production.

This figure declined significantly from 2013 (-31%), due to the transition to the 2012 Thermal Regulation, which standardized BBC energy levels. As a result:

- 90% of operations subject to RT2005 exceed the requirements of this regulation;
- 8% of operations subject to RT2012 exceed the requirements of this regulation.

In 2015, Altarea Cogedim will initiate pilot operations exceeding the requirements of RT 2012 in order to ultimately standardize RT 2012 - 10% efficiency levels.

5.5.2.3. Property Investment

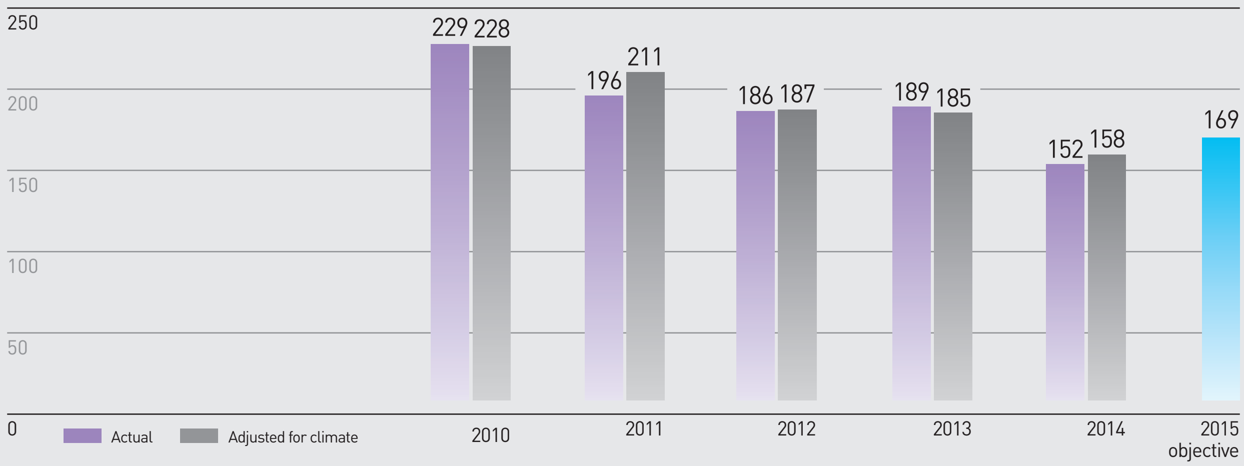
5.5.2.3.1. Energy managed by the Group

In 2014, Altarea Cogedim pursued two complementary actions to further reduce the energy consumption and CO_2 emissions of its portfolio.

The first involved implementing recommendations from the energy audits conducted in 2012 and 2013 across the Group's portfolio. These procedures make it possible to develop on-site assessments of energy consumed for each asset, particularly by analyzing structure, technical facilities and operational management. The action plans involve energy management 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.

At the same time, the Group finished developing an Environmental Management System for Operations (EMS), which is being extended to all assets. 100% of technical and operational teams received training in this tool in 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.

Portfolio energy consumption
(like-for-like in kWhpe/m²)



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, on a like-for-like basis;
- 24% reduction in greenhouse gas emissions per m² from 2010 to 2015, on a like-for-like basis.

These consolidated ratios include various types of assets with specific 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 does have 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.

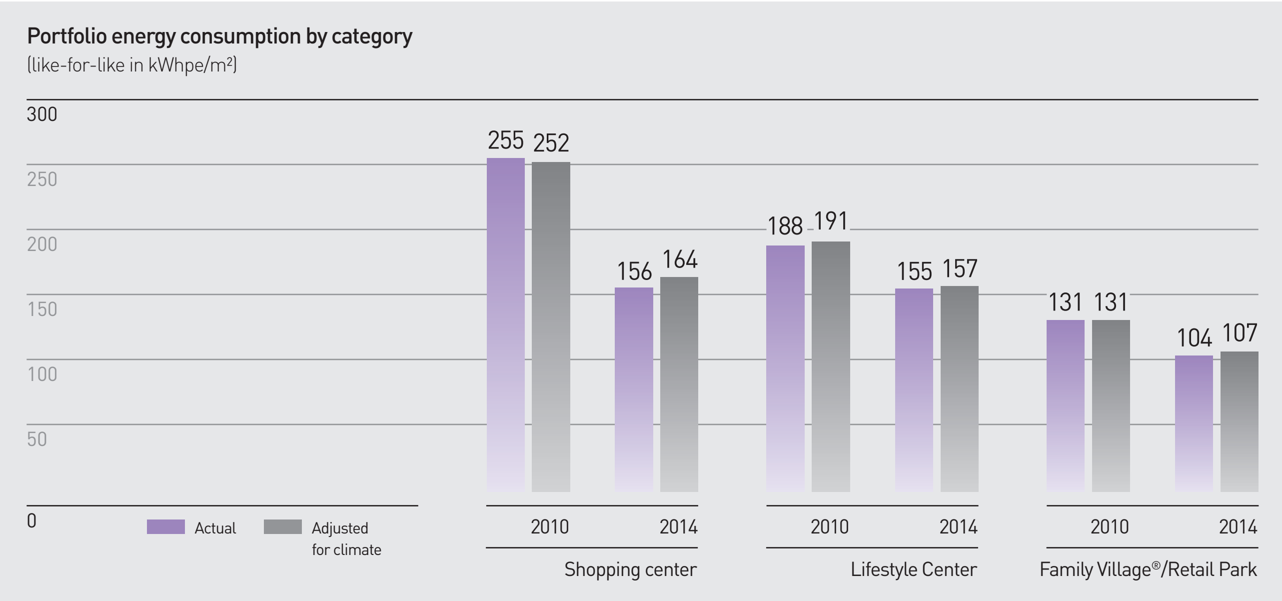
At the end of 2014, this approach to energy management led to a 33.9% like-for-like reduction in energy consumption when compared with 2010.

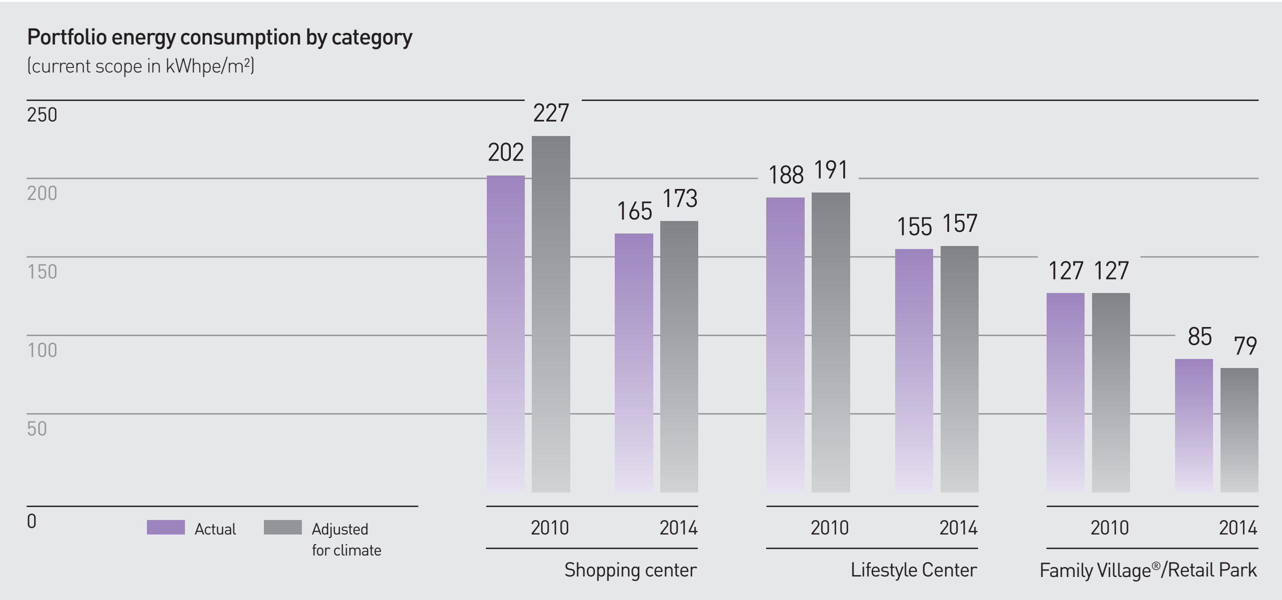
Since 2013, the Group has also adopted a tool allowing it to smooth the effects of weather on energy consumption so as to better assess the real impact of its efficiency efforts. As 2014 weather conditions were rather favorable, the reduction in consumption is less significant if examined at a constant climate: a 30.5% drop in energy consumption between 2010 and 2014.

These consolidated results largely exceed the Group's reduction targets set in 2010. In 2015, Altarea Cogedim will set new goals to build on its efforts over the past four years.

In the current scope integrating assets under management, acquisitions and new assets entering into operation, we noted a 19.3% decline in primary energy consumption over 2010-2014. Energy savings were achieved on all types of assets, and were even more pronounced for Family Villages and Retail Parks.

Over the period, clement weather led to a decrease 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 the effect of the mild weather: on the current scope, the reduction at a constant climate amounts to 23.7% between 2010 and 2014.

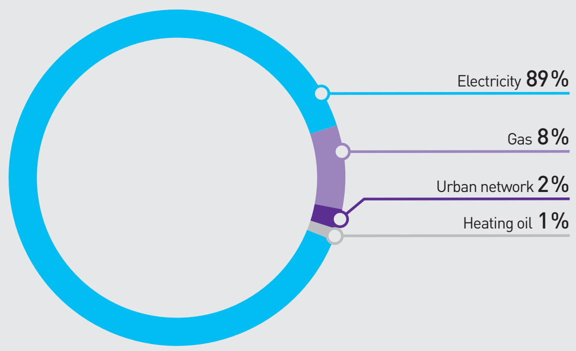




89% of the portfolio's energy needs were supplied by electricity in 2014 Energy consumption breaks down into consumption by the common areas and by the private areas managed directly by Altarea Cogedim. This energy mix is also reflected in final energy, which better represents Altarea Cogedim's choice in terms of energy supply.

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)



EPC ranking (current scope)	kWhpe/m²/year	Number of sites	GLA surface private areas Altarea	%
A	≤ 80	5	120,170 m²	23%
B	81 to 120	3	46,919 m²	9%
C	121 to 180	8	245,942 m²	47%
D	181 to 230	4	79,603 m²	15%
E	231 to 330	2	26,440 m²	5%
F	331 to 450	0	0 m²	0%
G	> 450	0	0 m²	0%
		22	519,074 m²	100%

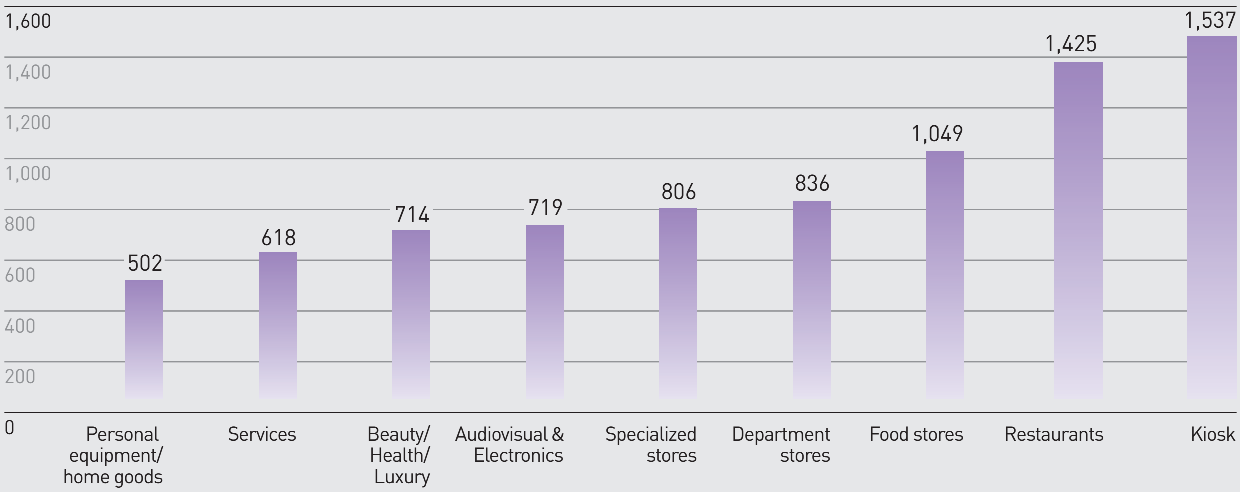
The breakdown of surface area by energy category is more favorable to the Family Village®, Retail Park and Lifestyle Center asset classes at the expense of shopping centers, which are inherently greater energy consumers due to their lighted, heated and air-conditioned common areas.

5.5.2.3.2. Tenant energy data and overall asset energy consumption

In 2014, Altarea Cogedim collected energy data from tenants in four shopping centers, accounting for 55% (in value terms) of sites owned and managed by the Group at December 31, 2014 and 2,046,305 ft² (190,108 m²).

This initiative made it possible to establish an energy consumption profile according to different types of retail establishments by extrapolating this representative sample to the Group's portfolio as a whole.

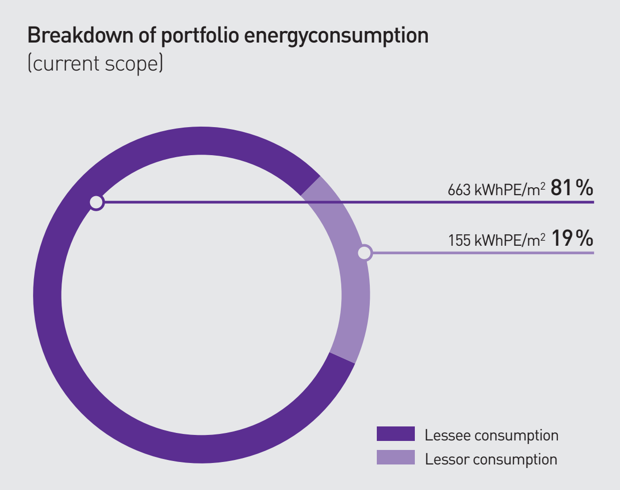
Average energy consumption per m² and per year according to retail categories
(kWhpe/m²)



The most energy-intensive asset types are kiosks and food service establishments (> 1,000 kWhpe. m²). This can be explained by the food service processes employed (preparation, refrigeration, ventilation, cooking). As kiosks mainly serve food and operate in small spaces, the equipment used makes for extremely high energy consumption.

The least energy-intensive asset types are shops marketing personal and household equipment, as well as services. These assets types account for energy consumption of approximately 500 and 600 kWhpe/m², respectively. This can be explained by the fact that energy is used only for heating/air conditioning, lighting of sale spaces, as well as computers and cash registers. No energy-intensive equipment is used in these establishments.

This collection of tenant data also provides for an overall view of energy consumption of portfolio shopping centers as a whole. Indeed, energy managed by the Group, together with that managed by tenants, adds up to sites' total energy consumption.



Energy consumption of the portfolio in terms of current scope, calculated by adding consumption of energy managed by the Group and consumption data collected from tenants and extrapolated to the portfolio as a whole.

This initiative to collect tenants energy data will be continued in the coming years, with the aim of reducing sites' overall environmental footprint, particularly through the use of green leases (see paragraph 5.3.1.3).

5.5.3. 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

5.5.3.1. Land management and biodiversity – Property Development business

5.5.3.1.1. 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 nearly one in five Office property operations. 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 (demolition and reconstruction, rehabilitation, major renovation, etc.). 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. In addition to the importance of limiting impermeable surfaces, these unbuilt spaces contribute to the well-being of occupants, particularly in urban areas.

5.5.3.1.2. 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 new retail projects, i.e. 3,690,428 ft² (342,852 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.

5.5.3.2. Land management and biodiversity in the Property Investment business

5.5.3.2.1. 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.

5.5.3.2.2. Biodiversity

In the investment business, the Group works to respect and preserve biodiversity in Retail property assets by gradually rolling out BREEAM® In-Use environmental certification, as described in paragraph 5.5.7.2.2.

To better meet the requirements of this operational certification, which includes a biodiversity component, four audits were conducted in 2014. They covered 1,808,660 ft² (168,030 m²) GLA, i.e. 29% of the portfolio surface area included in the scope of reporting.

Using these studies, which covered a representative sample of the portfolio and every type of asset (shopping center, Retail Park and Life Style Center), a guide was created, in collaboration with an ecologist, intended for shopping center management teams. This guide aims to encourage teams to enhance the biodiversity of their sites by implementing a specific action and management plan.

The portfolio's average score on the "Land Use & Ecology" section of the BREEAM® In-Use reference system rose to 23% in 2014 from 17% in 2013.

To improve this indicator, 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. Implementation of the aforementioned guide will make it possible to substantially increase this rate of coverage in 2015.

5.5.3.2.3. 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. 87% of the portfolio included within the scope of reporting in terms of surface area. This equipment is cleaned by specialized companies at least once a year with hazardous waste monitoring slips archived onsite.

5.5.3.2.4. 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 for problems detected on 100% of sites concerned.

5.5.4. WASTE DISPOSAL AND RECYCLING

Definition of the issue	Control the Group's production of direct and indirect waste, selective sorting and use of recovery processes
Materiality level	Significant
Scopes concerned	Corporate, Development, Property investment

5.5.4.1. Waste disposal and recycling at the corporate level

660 tons of waste were produced at the Altarea Cogedim head office in 2014. This increase of 23.4% compared to 2010 primarily reflects a more intense use of the building consistent with the addition of new staff in the past four years.

5.5.4.2. Waste disposal and recycling – Property Development business

5.5.4.2.1. Construction-site waste

In its development business, the Group requires that construction companies carry out selective sorting and detailed monitoring of construction-site waste for all commercial operations receiving certification, i.e. 98% (in m²) of its commercial production. A Group construction site charter was also implemented in 2014 for all new residential projects. Beyond limiting construction-related nuisances, these charters impose 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.

For its new retail developments, Altarea Cogedim requires construction companies to uphold a minimum rate of recovery for construction waste (excluding demolition waste) for all construction companies. In 2014, the target average weighted by surface area of material and/or energy recovery of waste from projects was 58%. This represents 3,340,837 ft² (310 374 m²), i.e. 91% of retail surface area. These goals are established by Environment works management assistants upstream of construction, on the basis of estimated quantities and types of waste produced, as well as by analyzing waste recovery actors nearby the site. The actual waste recovery rate often exceeds the goal set. The waste recovery rate of the Costières Sud construction site, delivered in 2013, thus came to 74.7%, while the initial goal was 70%. Likewise, 95% of waste generated by construction of the Qwartz Shopping Center, delivered in 2014, was recovered, while the initial goal was only 70%.

For Office property, nearly 20% of projects are redevelopments. By reusing existing building structures, the Group considerably limits its waste production.

5.5.4.2.2. 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.

For new Retail projects to be managed by Altarea Cogedim teams, the Group implements the following measures:

- for 91% of projects (in terms of surface area), i.e. 3,340,838 ft² (310,374 m²), creation of waste areas where at least six types of waste can be sorted;
- for 90% of projects (in terms of surface area), i.e. 3,326,974 ft² (309,086 m²), installation of waste compactors to reduce the volume of waste prior to storage.

5.5.4.3. Waste disposal and recycling – Property Investment business

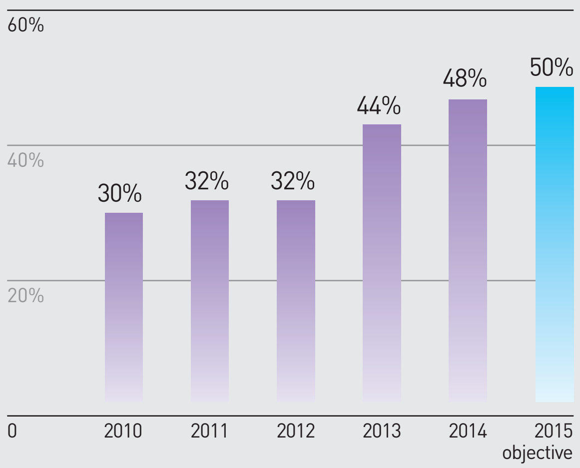
The Group manages waste produced in common areas and/or private areas for 21 of the 22 sites included in the scope of reporting.

In the current scope, Altarea Cogedim achieved an 8% decline in waste production between 2010 and 2014. The breakdown between different asset classes reveals a net reduction in shopping centers (-21.7%), due in part to more accurate billing of waste removed from large sites such as Espace Gramont in Toulouse. Increases in Lifestyle Centers (+25.4%) and Family Village®/Retail Parks (+12.8%) 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.

The Group's action focuses not only on producing less waste, which is primarily generated by tenants and over which Altarea Cogedim has little control, but also on increasing sorting rates and rates of energy or managed waste recovery.

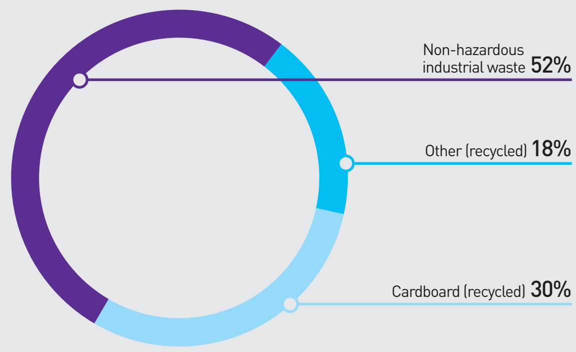
The breakdown of waste in the portfolio is 52% for mixed non-hazardous industrial waste, and 48% for cardboard and other sorted waste. The percentage of waste that was sorted rose sharply in the last two years, from 32% in 2012 to 48% in 2014. This was achieved thanks to sorting initiatives; for example, the Group monitored retailers' sorting practices more closely and introduced new types of sortable waste (glass, fermentable waste, etc.). Since 2010, the percentage of waste that was sorted rose sharply in the current scope, from 30% in 2010 to 48% in 2014. This is perfectly compatible with the target of 50% of waste sorted by 2015.

Percentage of waste sorted in portfolio assets
(current scope)

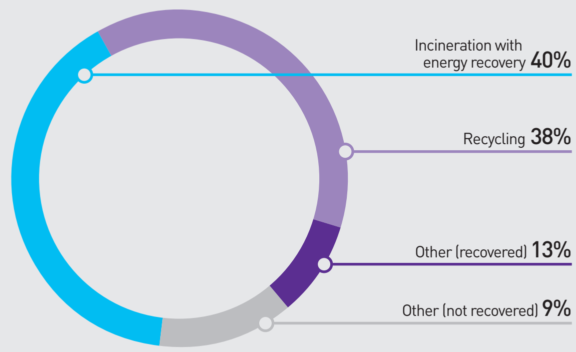


This waste is then processed by service providers selected to maximize recovery rates. In 2014, 38% of the waste produced in centers managed by the Group was recycled, 40% was incinerated with energy recovery and 13% was recovered in another way (reuse or composting, for example). All in all, 91% of waste is recovered, which exceeds the Group's goal of over 80% recovery.

Breakdown of tons of waste produced by sorting category
(percentage)



Breakdown of tons of waste produced by end-of-life category
(percentage)



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.

5.5.5. GHG EMISSIONS AND CARBON IMPACT

Definition of the issue	Establish a comprehensive policy of reducing GHG emissions and adapting to climate change for the Group's businesses and internal activities
Materiality level	Significant
Scopes concerned	Group, Corporate, Development, Property investment, e-commerce

5.5.5.1. Altarea Cogedim Group's GHG emissions

The Group's total emissions came to 692,400 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.

5.5.5.1.1. The 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.

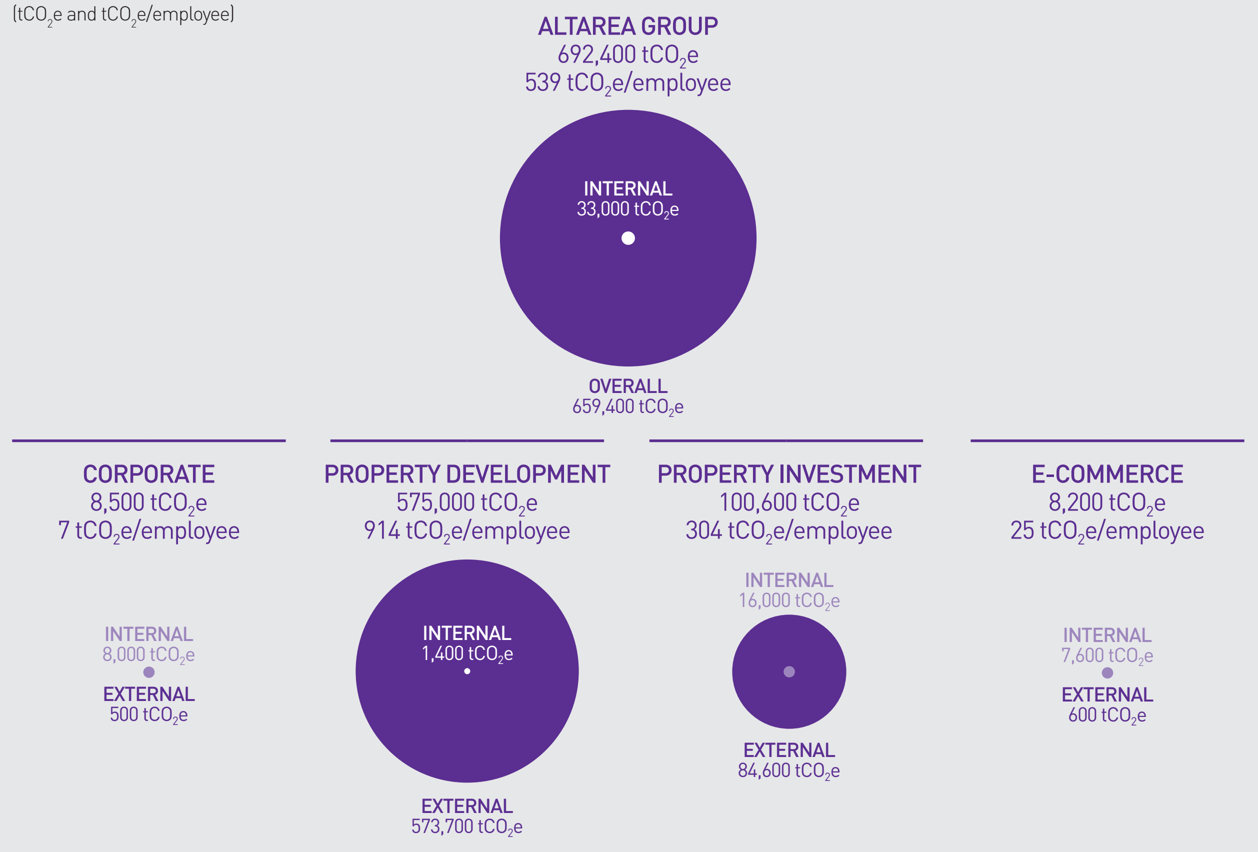
"Internal" emissions are directly generated by the Group and its employees, e.g. employees' daily commutes or energy used in shopping center common areas.

"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 5.7.1.3.

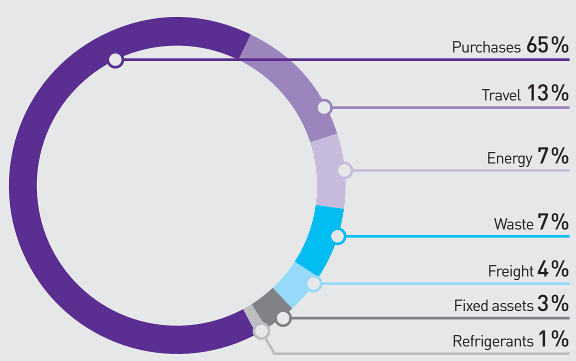
Breakdown of Altarea Cogedim's carbon footprint
(tCO_2e and tCO_2e/employee)



The development business accounts for 83% 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 14% of overall emissions, of which 16% are internal, as they are directly managed by Altarea Cogedim. Corporate and e-commerce activities each account for only 1% of overall emissions.

Consolidated at the Group level, the two items that generate the most emissions are purchasing and travel. These are due primarily to purchasing of construction materials and visitor travel to Group shopping centers, respectively.

Breakdown of Group emissions by item
(percentage)



5.5.5.1.2. Reducing the Group's carbon footprint

This overall analysis coupled with the 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 entities 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.

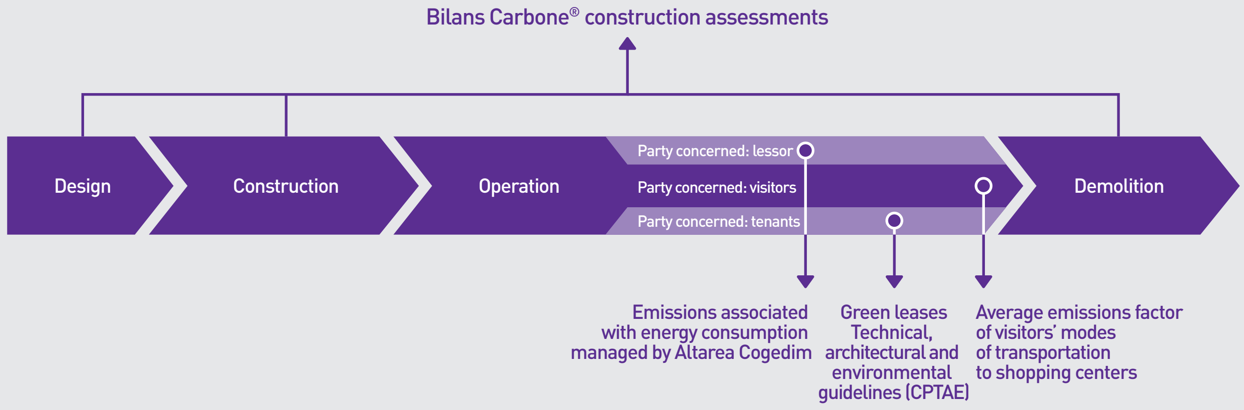
- In the corporate scope, travel makes up 55% of emissions. The Group focuses on reducing the emissions of employee and management vehicles. In 2014, the fleet's CO_2 emissions amounted to 111.2 gCO_2e/km, down 12.9% from 2013. This approach is coupled with increased videoconferencing for meetings between 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 life cycle.

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, 78% of emissions are due to purchasing of construction materials, and 7% are due to waste production during demolition. Bilan Carbone® construction assessments (see paragraph 5.5.5.3.1) 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, 65% 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 5.3.2).

Shopping center energy consumption represents the second largest source of greenhouse gases: 13% 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 5.5.2.3). 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 5.3.1.3). Going even further, in 2014 Altarea Cogedim collected data on tenant energy consumption in four of its shopping centers. The results will serve as a basis for establishing an action plan to reduce energy consumption across the site.

Reducing the carbon footprint of a shopping center



- As online retail represents only 1% of total emissions, reducing its carbon impact is not considered a priority.

5.5.5.1.3. Anticipating and adapting to climate change

Altarea Cogedim has incorporated 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.

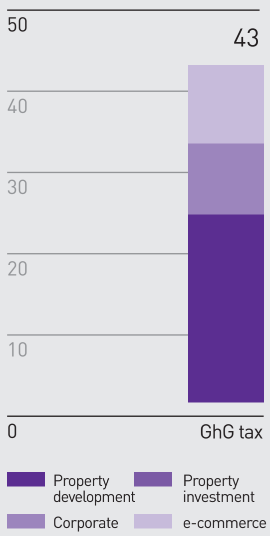
Concerning the financial impact of a carbon tax, it concluded that the tax will only be applied in the case of direct consumption of fossil fuels (natural gas or heating oil for stationary sources and motor fuels for mobile sources).

The hypothesis used here is that a tax would represent €17/ton of CO_2e. This figure corresponds to the rate proposed when the tax was to be launched in January 2010.

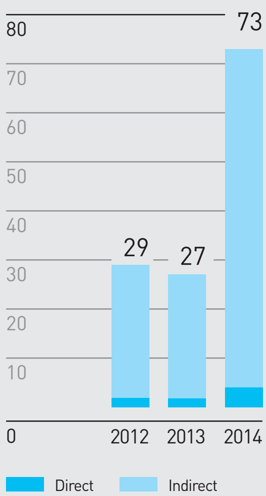
For additional costs resulting from an increase in the price of fossil fuels, the Group concluded that the increase in the price of oil would have a direct effect on the price of natural gas (80%) and coal (90%).

Additional costs are calculated for each year, from 2012 to 2014, on the basis of Group emissions and the price of a barrel of oil for the year in question. The hypothesis used here is that the price of a barrel of oil would increase from rate at December of the year in question to $150.

Cost of the carbon tax
(€ thousands)



Additional cost associated with an increase in the price of fossil fuels (€ millions)

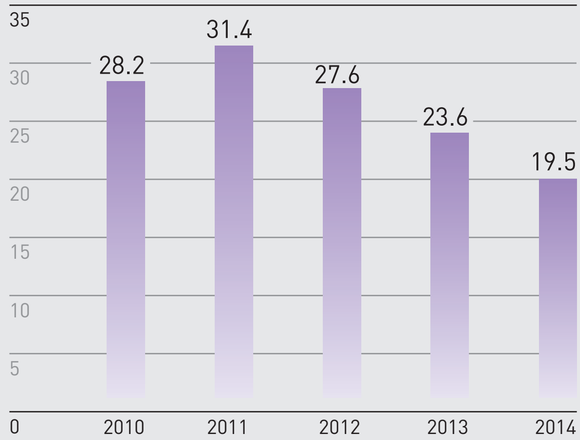


With the above-mentioned hypotheses, the carbon tax would lead to direct costs of €43,000 per year. The increase in the price of fossil fuels would lead to maximum theoretical exposure of €29 million per year based on 2012 hypotheses, and €73 million per year based on 2014 hypotheses: this significant difference results from the low price of oil in 2014, trading only $60 per barrel, compared to $110 at the end of 2012 and 2013. In 2014, 6% of this additional expense was "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 5.5.5.1.1.

5.5.5.2. GHG emissions – Corporate scope

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.

CO_2 emissions at the head office
(kgCO_2e/m² useful space)



Over the 2010-2014 period, we observed a 31% drop in CO_2 emissions resulting primarily from:

- the increase in the useful surface area of the head office;
- the favorable effect of warm weather in 2014;
- the effects of the awareness-raising policy with regard to employees.

5.5.5.3. GHG emissions – Property Development business

5.5.5.3.1. 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 ft² (10,000 m²).

These studies measure greenhouse gas emissions for the design, construction and end-of-life stages of an operation. They also allow us to quantify the emissions related to a building's embodied energy.

CO_2 emissions from construction per m² and by type of asset
(kgCO_2e/m² floor area or net floor area)

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 78% of emissions from Group operations are due to purchasing of construction materials, and 7% are due to waste production during demolition at the end of a building's life cycle.

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.

5.5.5.3.2. 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 thermal regulation RT 2012 for all project classes. This 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 5.5.2.2, and allow for more effective and substantive work on the energy mix and the associated CO_2 emissions.

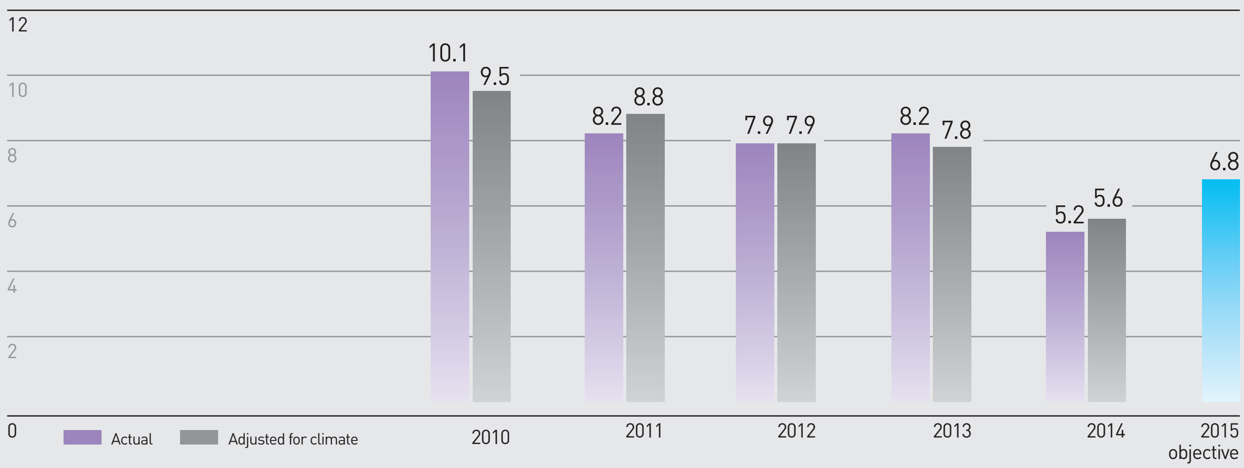
The Group makes energy supply feasibility studies standard for all new projects. These studies aim to promote installation of efficient equipment and renewable energy sources, to offer its projects low-carbon energy systems and thereby limit the Group's contribution to climate change.

5.5.5.4. GHG emissions – Property Investment business

5.5.5.4.1. 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 kg CO_2 e/m²)



The emission factors used are presented in the methodology section at paragraph 5.6.1.4.

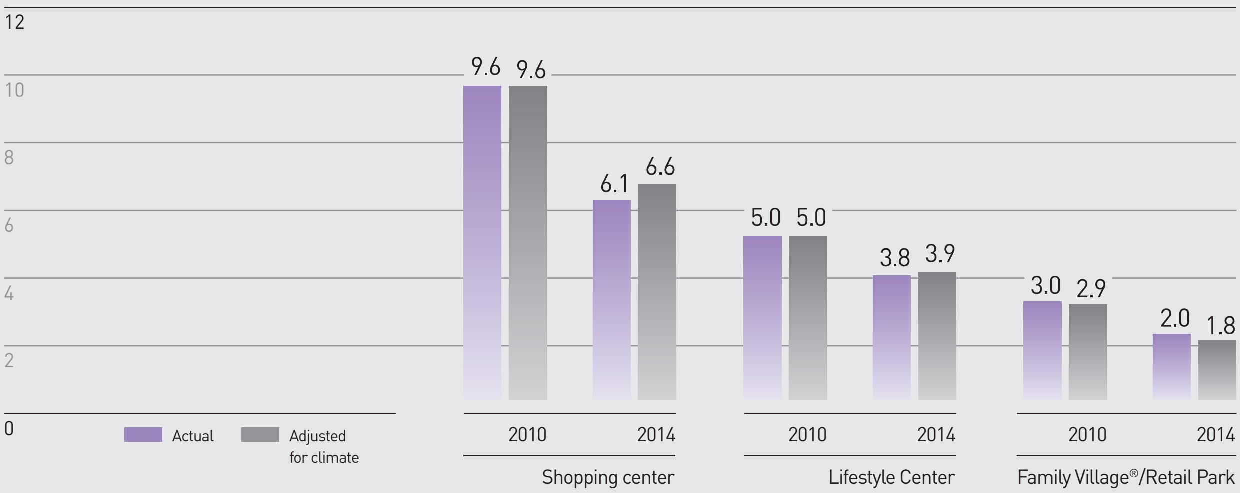
At the end of 2014, the approach to energy outlined here had led to a 48.7% like-for-like drop in CO_2 emissions from 2010. At a constant climate, the reduction amounts to 41.1%.

These consolidated results largely exceed the Group's reduction targets set in 2010. In 2015, Altarea Cogedim will set new goals to build on its efforts over the past four years.

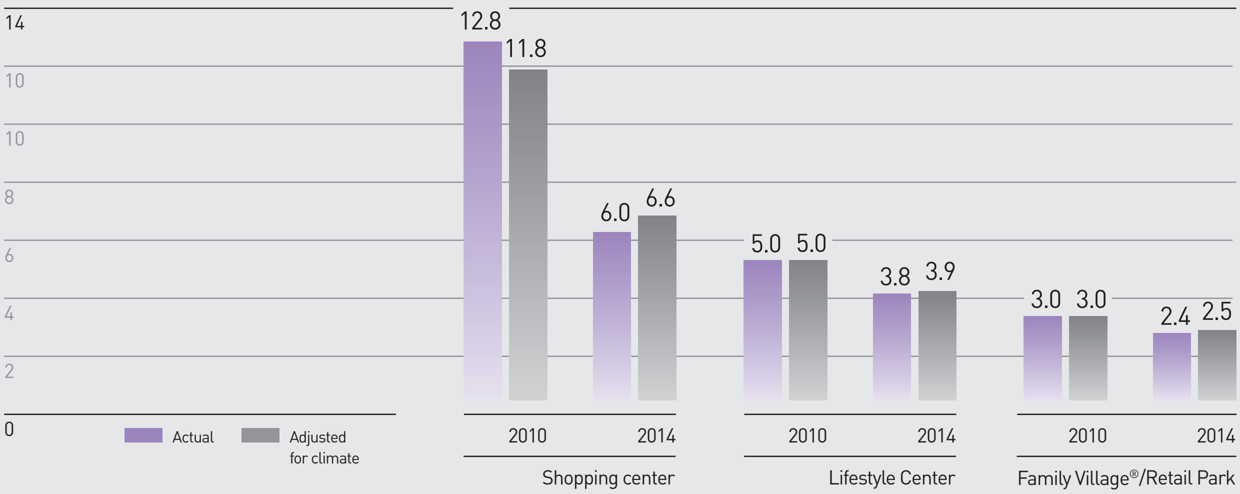
In the current scope of managed assets, including entries and exits of assets, CO_2 emissions from 2010 to 2014 decreased by 35.9%. The breakdown between different asset classes highlights a significant reduction for all asset types, with even more pronounced developments for Family Village®/Retail Park categories (-33.4%) and Shopping centers (-37.2%).

Over the period, clement weather reduced energy consumption for heating and air conditioning considerably. Consumption adjusted for a constant climate demonstrates that the impact of efforts to reduce energy consumption is greater than the effect of the mild weather: on the current scope, the reduction at a constant climate amounts to 31.0% between 2010 and 2014.

Portfolio CO_2 emissions by category
(current scope in $kgCO_2e/m^2$)



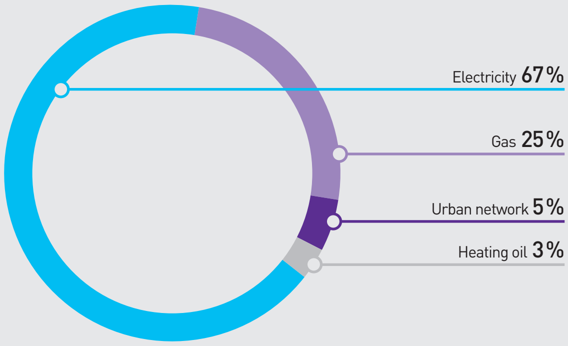
Portfolio CO_2 emissions by category
(like-for-like in $kgCO_2e/m^2$)



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 1% of total energy use but produces 3% 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.

Portfolio CO_2 mix
(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)	kCO_2/m^2/year	Number of sites	GLA surface private areas Altarea	%
A	≤ 10	19	488,294 m²	94%
B	11 to 15	2	11,984 m²	2%
C	16 to 25	1	18,797 m²	4%
D	26 to 35	0	0 m²	0%
E	36 to 55	0	0 m²	0%
F	56 to 80	0	0 m²	0%
G	> 80	0	0 m²	0%
		22	519,074 m²	100%

5.5.5.4.2. Greenhouse gas emissions related to refrigerants

The Group regularly and accurately monitors the greenhouse gases generated by air-conditioning equipment in its centers. In 2014, the associated emissions stood at 18.7 tons of CO_2e.

5.5.6. WATER MANAGEMENT

Definition of the issue	Save water and limit soil sealing
Materiality level	Significant
Scopes concerned	Corporate, property Development, property Investment

5.5.6.1. Corporate scope

In 2014, water consumption at the Altarea Cogedim head office rose to 244,518 cubic feet (6,924 m³). This consumption, up 10.5% from 2010, in large part reflects a more intense use of the building consistent with the addition of new staff in the past four years.

5.5.6.2. Water management – Property Development business

Altarea Cogedim systematically carries out site analyses upstream of new projects to identify constraints (leakage rate, infiltration, etc.) and opportunities (water recovery, valleys, etc.) on each site. The conclusions of these analyses are then incorporated into the environmental program of each project.

On a virtually systematic basis during the design phase, the Group anticipates using specialized equipment on all projects to limit the project's impact on the water cycle and manage consumption of drinking water. In particular for 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. Likewise, all new retail developments incorporate water-saving sanitary facilities.

The Group systematically calculates forecast water consumption rates for retail projects. These rates are based on standard use of washroom facilities by shopping center customers and employees, as well as projects' water recovery potential. In 2014, the average amount (weighted according to surface area) of forecast water consumption of Group projects (3,690,428 ft² or 342,852 m², i.e. 100% of retail surface area) came to 8.69 liters/person/day (9.06 liters/person/day in 2013, i.e. a 4% reduction).

On the other hand, for commercial projects undergoing environmental certification, i.e. over 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. In particular, 100% of new Group retail projects feature measurement equipment and leak detection systems. These systems are:

- audible when a leak is detected; the alarm sounds once water consumption levels exceed the threshold established for a given period;
- capable of differentiating between different types of leaks: small but constant leaks, substantial leaks over a short period of time;
- programmable to measure water consumption based on occupancy;
- designed to prevent false alarms when specific actions are planned that are expected to result in increased water consumption.

Furthermore, during the construction phase, Altarea Cogedim systematically calls on construction companies to measure and monitor water consumption. These initiatives concern:

- 98% of commercial projects (retail, offices, hotels);
- 100% of residential projects featuring NF HQE® certification and 100% of new residential projects launched as of 2014.

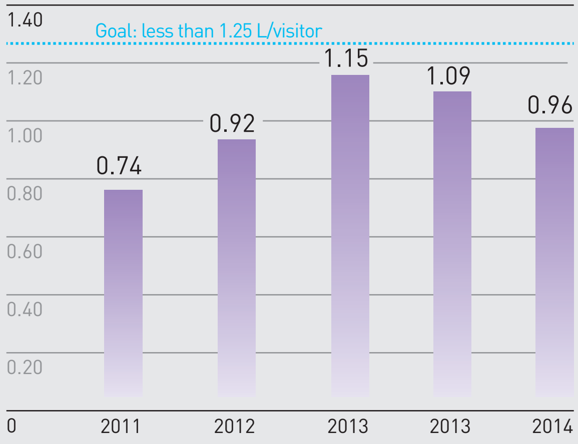
5.5.6.3. Water management – Property Investment business

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 (30% of consumption managed, lessor scope) and from water from private areas for the vast majority of sites (70% 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 observed nearly stable consumption of water purchased from the local water supply between 2010 and 2014 (-0.1%). The breakdown between different asset classes highlights a significant reduction for Shopping centers (-7.5%) and a slight increase for Lifestyle Centers (+4.4%). The Family Village®/Retail Park category witnessed a larger increase in water consumption (+33.0%) due primarily to the inclusion in the scope of a high-consumption asset in 2014.

At constant scope, Altarea Cogedim saw a 9.2% drop in total water consumption (lessor – lessee scope) and a 26.8% drop in water consumption specific to common areas (lessor scope) in the 2010-2014 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 of common areas of portfolio assets
(current scope in L/visitor)



Water consumption in common areas per visitor stood at 0.96 liters for the current scope in 2014, in line with the Group's goal of keeping this ratio under 1.25 L/visitor.

5.5.7. OTHER ENVIRONMENTAL ISSUES

5.5.7.1. Raw material management

To limit the amount of resources consumed by its activities, Altarea Cogedim works to minimize technical and functional obsolesce in its projects. 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 five 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 life cycle 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 in paragraph 5.5.5.3.1 for its development projects.

5.5.7.2. 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 Group operations. The charters require measures to limit soil, water and air pollution along with visual disturbances and noise pollution at the construction site.

5.5.7.3. 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

5.6. REPORTING METHODOLOGIES

Altarea Cogedim has published sustainable development information in its annual report since 2009, and in its registration document since 2011. The 2013 registration document was published on March 21, 2014 (G4 28). By compiling the CSR section of that document and the CSR section of the annual report, the Group produced the 2013 CSR report, which was published simultaneously.

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 performance 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 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 (Certivea, 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 to calculate Group GHG emissions

GHG emissions of the Group represent total emissions from the different operating segments:

- Corporate;
- Property Development;
- Property Investment;
- Online retail.

For each activity, scopes 1 to 3 of the Bilan Carbone® assessment and the GHG Protocol are taken into account. Scopes 1 and 2 include energy and travel, and scope 3 includes travel, fixes assets, purchasing, transportation, waste and refrigerants. These items are generic and are not specified for each activity in the paragraphs below.

5.6.1.2.1. 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 the following: design, energy, travel by Altarea Cogedim employees, travel by people outside the company, fixed assets, purchasing and shipping of materials, construction site waste, refrigerants and end-of-life of buildings.

These Bilan Carbone® assessments are based on a representative sample of the Group's Property Development activity then extrapolated on a prorated basis for the total constructed area according to each building category and the specific characteristics of projects to reach a figure for gas emissions corresponding to 100% of the development activity.

5.6.1.2.3. 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 center under consideration over a one-year period generated by the Group, lessor, and store tenants of the shopping center, and by visitors that also produce GHG emissions by their trips to the site.

Items taken into account are the following: energy used by the lessor (Altarea Cogedim), energy used by tenants, commutes for the lessor (Altarea Cogedim employees working on site), travel by the lessor's professionals, commutes for tenants, travel by visitors (customers) to shopping centers, lessor's fixed assets, tenants' waste, lessor's refrigerants, tenants' refrigerants.

The impact of products sold in shopping centers, as well as that of product shipping is not taken into account as information is not available and the Group is unable to take action to reduce such impact.

These Bilan Carbone® assessments constitute a representative sample of the Group's Property Investment activity and are extrapolated on a prorated basis for total data of the portfolio (gross 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.

Since 2014, emissions associated with energy consumption by the lessor and tenants, as well as emissions associated with refrigerant leaks in the common areas of shopping centers, are no longer extrapolated but fully and directly recognized based on annual reporting data.

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 the following: 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 the Rue du Commerce's own logistics platform. Shipping for products sent directly by the merchants were not taken into account as this is not directly managed by the company.

The impact of products sold has not been taken into account as information is not available and the Group is unable to take action to reduce such impact.

5.6.1.3. 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 on 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 performance levels of new developments

This series of indicators shows the distribution of new developments by energy performance level. The energy classes used are those that measure an improvement compared to a regulatory calculation (RT 2005 thermal regulations/RT 2012 thermal regulations) or compared to a dynamic thermal simulation when the regulatory calculation is not relevant:

- 2005 thermal regulations - RT 2005 or higher;
- High Energy Performance (HPE 2005®) – minimum of RT 2005 +10%;
- Very High Energy Performance (THPE 2005®) – minimum of RT 2005 +20%;
- Low Energy Consumption certification – RT 2005 thermal regulation (BBC-Effinergie®) / Climate Plan – minimum of 2005 thermal regulations +50% for commercial properties and 50 kWh p.e./m²/year adjusted for residential property; Climate Plan – 50 kWh p.e./m²/year for residential property;
- BBC Rénovation® – reference value +40% for commercial operations and 80 kWhpe/m²/year adjusted for residential property;
- 2012 thermal regulations - RT 2012 or higher;
- High Energy Performance (HPE 2012®) – minimum of RT 2012 +10%;
- Very High Energy Performance (THPE 2012®) – minimum of RT 2012 +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.

$$\text{Calculation formula} = \frac{\text{Surface (Net floor area or floor area) or number of residential properties of a given energy performance}}{\text{Total surface (Net floor area or floor area) or total number of residential properties}}$$

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 economic 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 kgCO_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 2014.

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 kgCO_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 mall surface area are never included in the GLA.

For Family Villages® or Retail Parks, the ratio is calculated using only the outdoor pedestrian surface area because, for this type of retail asset, the lessor does not supply any of the energy for the GLA.

5.6.1.4.2. 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. 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

5.6.2.1. Customer relations

5.6.2.1.1. Property company client satisfaction indicator

Client satisfaction is included in these surveys. Respondents are asked the following question: "Please rate your overall satisfaction with the shopping center on a scale of 1 to 10" (1 = not at all satisfied; 10 = very satisfied). A report is prepared following each survey, and all responses provided in the different surveys are consolidated. The sites included in the calculation of this indicator are those for which a client survey was conducted over the past two years. Should several surveys be available for the same site, only the most recent is taken into account. The rating corresponds to the average of overall satisfaction ratings for portfolio shopping centers having conducted a survey since 2013.

5.6.2.1.2. E-commerce customer recommendation rate

To calculate the recommendation rate as a percentage, the customer is asked to respond "yes" or "no" to the following question: "Would you recommend our site to fiends or colleagues?" The rate is then calculated as the ratio of customers responding "yes" to the total number of respondents. The data entered by customers are automatically transmitted and compiled with no filtering.

Rules have been established to monitor and limit e-mail messages sent to Rue du Commerce customers. Customers having responded to a product inquiry or satisfaction survey in the preceding 90 days and those having expressed their refusal to receive marketing communications do not receive the satisfaction survey, which is generally sent 16 calendar days following an order.

5.6.2.2. Contribution to employment

In 2014, Altarea Cogedim enhanced the calculation methodology used to quantify its enlarged employment footprint. Three perimeters are taken into account:

- indirect jobs, which correspond to the jobs supported by the goods and services purchased by the Group from its 1st and 2nd level suppliers and subcontractors located in France. The following are taken into account: goods and services purchased by the real estate, e-commerce (excluding the *Galerie Marchande*) and development activities (excluding outside entities);
- related jobs generated by purchases by the Group's direct and indirect employees in France;
- ancillary jobs, which are those hosted in the shopping centers owned and managed by Altarea Cogedim.

Calculated with a one-year lag, the 2014 indicators were calculated based on the 2013 purchase volume.

5.7. INDICATOR TABLES

5.7.1. ENVIRONMENTAL INDICATORS

5.7.1.1. Environmental label and certification indicators

NEW DEVELOPMENTS, INVESTMENT - ENVIRONMENTAL LABELS AND CERTIFICATIONS FOR RETAIL PROPERTY

GRI Codes G4 - CRESS:
Labeling of products and services: CRE 8

Definition: Environmental certification (construction and operational) and levels obtained in the Group's retail activity

Scope concerned: For new developments, retail sites with a building permit (provisional or permanent), under construction or delivered in the reference year. For the portfolio, certified sites owned and managed by the Group at December 31, 2014

	City	Center	Construction certification	BREEAM® In-Use certification			
				Asset category		Management category	
				Level	Score	Level	Score
NEW DEVELOPMENTS	Saint-Laurent-du-Var	CAP 3000 – Extension	BREEAM® Excellent	-	-	-	-
	Saint-Laurent-du-Var	CAP 3000 – Renovation	BREEAM® Very Good	-	-	-	-
	Aubergenville	Marques Avenue A13	BREEAM® Excellent	-	-	-	-
	Massy	-X% – Extension	BREEAM® Very Good	-	-	-	-
	Massy	-X% – Renovation	BREEAM® Very Good	-	-	-	-
	La Valette-du-Var	L'Avenue 83	HQE Very Good BREEAM® Very Good	-	-	-	-
	Villeneuve-la-Garenne	Qwartz	HQE Excellent BREEAM® Very Good	-	-	-	-
	Ruaudin	Les Hunaudières 2 shopping center	HQE Very Good BREEAM® Very Good	-	-	-	-
PORTFOLIO	Brest Guipavas	Les Portes de Brest Guipavas	-	Very Good	69%	Very Good	64%
	Châlons en Champagne	Galerie de l'Hôtel de Ville	-	Good	53%	Very Good	57%
	Flins	Flins shopping center	-	Very Good	58%	Excellent	72%
	Gennevilliers	Parc des Chanteraines	-	Good	44%	Good	41%
	Herblay	14e Avenue	-	Good	53%	Good	54%
	Limoges	Family Village® in Limoges	-	Very Good	62%	Good	53%
	Lille	Grand'Place	-	Good	47%	Good	54%
	Lille	Les Tanneurs	-	Very Good	62%	Very Good	62%
	Nice	Cap 3000	-	Good	51%	Very Good	56%
	Paris	Bercy Village	-	Good	41%	Good	46%
	Roubaix	Grand'Rue	-	Very Good	57%	Very Good	59%
	Ruaudin	Family Village® Les Hunaudières	-	Very Good	69%	Good	50%
	Strasbourg	L'Aubette	-	Very Good	62%	Very Good	62%
	Thiais	Thiais Village	-	Good	51%	Good	41%
	Toulouse	Espace Gramont	-	Good	51%	Very Good	57%
	Vaulx en Velin	Carré de Soie	-	Good	48%	Good	44%
	Tourcoing	Espace Saint-Christophe	-	Good	54%	Very Good	58%
	Villeparisis	Parc de l'Ambrésis	-	Good	49%	Good	48%
	Le Kremlin Bicêtre	OKABÉ shopping center	HQE Excellent	Very Good	64%	Very Good	64%
	Nîmes	Costières Sud	HQE Very Good	Very Good	69%	Very Good	55%

5.7.1.2. Energy indicators

CORPORATE – ENERGY CONSUMPTION AND RATIOS FOR THE HEAD OFFICE

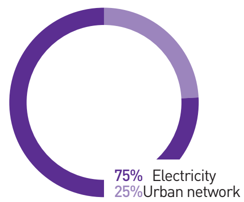
GRI Codes G4 - CRESS:
Total energy consumption EN 3 & EN 4
Total energy consumption per m² and per employee CRE 1

Definition: Final (FE) and primary (PE) energy consumption of Altarea Cogedim's head office

Denominator: Calculations established on the basis of 103,667 ft² (9,631 m²) and 539 FTE for 2014

	2010 PE	2011 PE	2012 PE	2013 PE	2014 PE	Change 2010-2014	2014 FE
Total consumption *(GWh)*	3.90	4.64	4.39	4.39	4.38	**+12.1%**	2.00
RATIOS							
Total consumption per m² *(kWh/m²)*					454	-	208
Total consumption per full-time equivalent *(kWh/FTE)*					8,117	-	3,713

2014 energy mix
FE



NEW DEVELOPMENTS - BREAKDOWN BY ENERGY PERFORMANCE LEVEL

GRI Codes G4 - CRESS:
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 2014 by energy performance level

	Regulatory	High Energy Performance (HPE®)	Very High Energy Performance (THPE®)	Low Energy Building (BBC®)
Retail (m²)	2.5%	0.0%	26.2%	71.3%
Offices and Hotels (m²)	7.9%	1.0%	14.0%	77.1%
TOTAL COMMERCIAL PROPERTY (retail, offices, hotels) (m²)	5.4%	0.5%	19.7%	74.4%
Total surface area (m²)	39,669	3,742	145,290	549,020
HOMES (number)	-	-	-	-
Number of homes	7,727	273	396	11,592

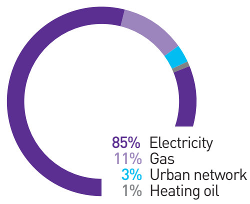
PORTFOLIO - ENERGY CONSUMPTION AND RATIOS FOR THE EXISTING PORTFOLIO

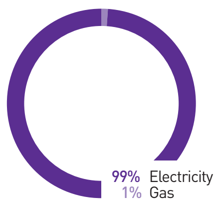
GRI Codes G4 - CRESS:
Total energy consumption EN 3 & EN 4
Total energy consumption per m² GRI CRE 1

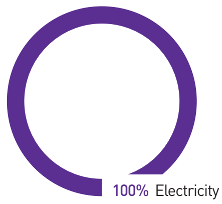
Definition: Final (FE) and primary (PE) energy consumption of the portfolio managed by Altarea Cogedim in the current and the like-for-like scope, total and per m² of surface area over which energy is distributed. These surface areas may be central areas, outdoor pedestrian areas and/or GLA

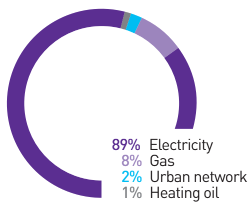
Scope concerned: Current scope of reporting (5,587,266 ft² or 519,074 m² GLA) and like-for-like scope of reporting (4,761,555 ft² or 442,363 m² for 2010-2014)

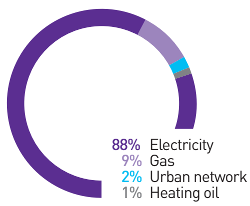
		2010 PE	2011 PE	2012 PE	2013 PE	2014 PE	Change 2010-2014	Change 2010-2014 constant climate	2014 FE	Surfaces concerned	2014 energy mix FE
Shopping centers	Total energy consumption (GWh)	49.2	62.2	60.0	59.2	40.0	-18.7%	-24.4%	17.0	- Central areas - GLA	
	Total consumption per m² (kWh/m²)	202	199	202	204	165	-18.2%	-23.9%	70		
	Share of the scope of ownership	*47%*	*54%*	*53%*	*55%*	*57%*	*+19.5%*		*57%*		
Lifestyle Center	Total consumption (GWh)	14.3	12.9	13.5	13.8	12.6	-11.7%	-11.5%	4.9	- Outdoor pedestrian area - GLA	
	Total consumption per m² (kWh/m²)	188	170	165	169	154	-18.1%	-17.8%	60		
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*19%*	*-11.7%*		*19%*		
Family Villages® and Retails Parks	Total consumption (GWh)	4.1	4.4	3.9	3.1	2.8	-30.1%	-34.3%	1.1	- Outdoor pedestrian area	
	Total consumption per m² (kWh/m²)	127	116	109	88	85	-33.4%	-37.5%	33		
	Share of the scope of ownership	*20%*	*17%*	*17%*	*18%*	*16%*	*-18.2%*		*16%*		
CURRENT SCOPE OF REPORTING	Total consumption (GWh)	67.6	79.5	77.3	76.2	55.5	-17.9%	-22.4%	23.1	- Central areas - Outdoor pedestrian area - GLA	
	Total consumption per m² (kWh/m²)	192	186	187	187	155	-19.3%	-23.7%	64		
	Share of the scope of ownership	*89%*	*90%*	*91%*	*92%*	*92%*	*+3.4%*		*92%*		
LIKE-FOR-LIKE SCOPE	Total consumption (GWh)	68.8	58.9	58.5	59.7	47.8	-30.5%	-26.9%	20.0	- Central areas - Outdoor pedestrian area - GLA	
	Total consumption per m² kWh/ m²	229	196	186	189	152	-33.9%	-30.5%	63		
	Share of the scope of ownership					*84%*					











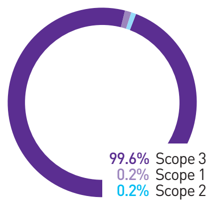
5.7.1.3. GHG (CO_2) EMISSIONS INDICATORS

ALTAREA COGEDIM - GROUP GHG EMISSIONS AND RATIOS

GRI Codes G4 - CRESS:
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	207,702	0.3%	0.7%	99.0%
SIREN Cogedim	474,351	0.2%	0.0%	99.8%
SIREN Rue du Commerce	10,334	1.5%	1.8%	96.7%
Altarea Cogedim	692,387	0.2%	0.2%	99.6%



(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

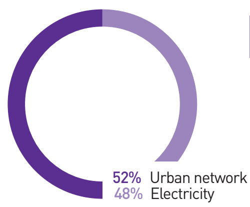
GRI Codes G4 - CRESS:
Direct and indirect GHG emissions: EN 15 and EN 16
Total GHG emissions per m² CRE 3

Definition: Total GHG emissions associated with energy consumption at Altarea Cogedim's head office

Denominator: Calculations established on the basis of 103,667 ft² (9,631 m²) and 539 FTE for 2014

	2010	2011	2012	2013	2014	Change 2010-2014
Total GHG emissions *($teqCO_2$)*	232	259	227	195	187	-19.2%
RATIOS						
Total emissions per m² *($kgeqCO_2/m^2$)*					19	-
Total emissions per full-time equivalent *($kgeqCO_2$/FTE)*					348	-

Breakdown by energy type 2014



Breakdown between direct and indirect emissions

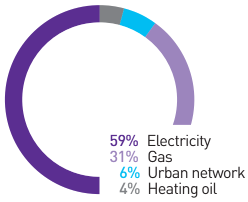
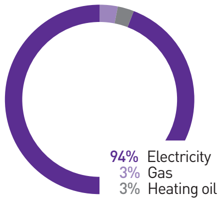
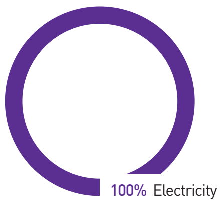
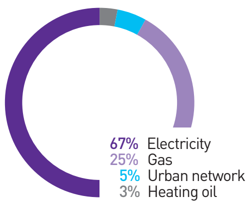
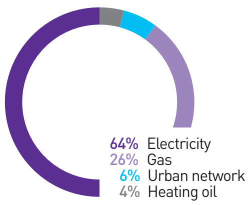
Scope 2: 100%

PORTFOLIO - GHG EMISSIONS AND RATIOS FOR THE EXISTING PORTFOLIO

GRI Codes G4 - CRESS:
Direct and indirect GHG emissions: 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 like-for-like 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 (5,587,266 ft² or 519,074 m² GLA) and like-for-like scope of reporting (4,761,555 ft² or 442,363 m² for 2010-2014)

		2010	2011	2012	2013	2014	Change 2010-2014	Change 2010-2014 constant climate	Surfaces concerned	Breakdown by energy type 2014
Shopping centers	Total GHG emissions ($kgeqCO_2$)	2,355	2,846	2,860	2,879	1,469	-37.6%	-31.8%	- Central areas - GLA	
	Total GHG emissions per m² ($kgeqCO_2/m^2$)	9.7	9.1	9.6	9.9	6.1	-37.2%	-31.4%		
	Share of the scope of ownership	*47%*	*54%*	*53%*	*55%*	*57%*	*+19.5%*			
Lifestyle Center	Total GHG emissions ($kgeqCO_2$)	380	337	337	352	310	-18.4%	-16.6%	- Outdoor pedestrian area - GLA	
	Total GHG emissions per m² ($kgeqCO_2/m^2$)	5.0	4.4	4.1	4.3	3.8	-24.2%	-22.6%		
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*19%*	*-11.7%*			
Family Villages® and Retails Parks	Total GHG emissions ($kgeqCO_2$)	94	102	90	72	66	-30.1%	-34.3%	- Outdoor pedestrian area	
	Total GHG emissions per m² ($kgeqCO_2/m^2$)	3.0	2.7	2.5	2.0	2.0	-33.4%	-37.5%		
	Share of the scope of ownership	*20%*	*17%*	*17%*	*18%*	*16%*	*-18.2%*			
	Breakdown between direct and indirect emissions						Scope 1: 28%	Scope 2: 72%		
CURRENT SCOPE OF REPORTING	Total GHG emissions ($kgeqCO_2$)	2,829	3,285	3,287	3,302	1,845	-34.8%	-29.8%	- Central areas - Outdoor pedestrian area - GLA	
	Total GHG emissions per m² ($kgeqCO_2/m^2$)	8.0	7.7	7.9	8.1	5.2	-35.9%	-31.0%		
	Share of the scope of ownership	*89%*	*90%*	*91%*	*92%*	*92%*	*+3.4%*			
	Breakdown between direct and indirect emissions						Scope 1: 30%	Scope 2: 70%		
LIKE-FOR-LIKE SCOPE	Total GHG emissions ($kgeqCO_2$)	3,033	2,448	2,501	2,578	1,636	-46.1%	-38.0%	- Central areas - Outdoor pedestrian area - GLA	
	Total GHG emissions per m² ($kgeqCO_2/m^2$)	10.1	8.2	7.9	8.2	5.2	-48.7%	-41.1%		
	Share of the scope of ownership					*84%*				

Emission factors used (kgeqCO2 / kWh):
Electricity: 0.060; Natural gas: 0.241; Urban network: depending on site; Heating oil: 0.329.

5.7.1.4. Water and waste indicators

CORPORATE – WATER CONSUMPTION AND WASTE PRODUCED FOR THE HEAD OFFICE

GRI Codes G4 - CRESS:
Total water consumption: EN 8
Total waste production: EN 23
Total water consumption per m² and per employee CRE 2

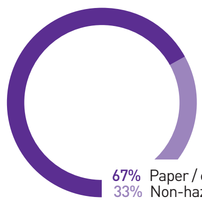
Definition: Total water consumption and consumption per m², and total waste produced at the Altarea Cogedim head office

Denominator: Calculations established on the basis of 103,667 ft² (9,631 m²) and 539 FTE for 2014

WATER	2010	2011	2012	2013	2014	Change 2010-2014
Water consumption *(m³)*	6,263	5,880	5,750	6,748	6,924	+10.6%
RATIOS						
Water consumption per m² *(L/m²)*					719	-
Water consumption per employee *(L/FTE)*					12,846	-

WASTE	2010	2011	2012	2013	2014	Change 2010-2014
Waste produced *(tons)*	535	594	547	648	660	+23.4%
RATIOS						
Waste produced per m² *(kg/m²)*					69	-
Waste produced per full-time equivalent *(kg/FTE)*					1,224	-

Breakdown by type of waste



5.7.1.4.1. Water indicators

PORTFOLIO - WATER CONSUMPTION FOR THE EXISTING PORTFOLIO

GRI Codes G4 - CRESS:
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 of assets managed by Altarea Cogedim, in the in the current and the like-for-like scope, total and per visitor. Common areas (CA) correspond to the central areas of shopping centers, and to the outdoor pedestrian areas of Lifestyle Centers and Retail Parks. Private areas (PA) correspond to GLA surface area

Scope concerned: Current scope of reporting (5,587,266 ft² or 519,074 m² GLA) and like-for-like scope of reporting (4,761,555 ft² or 442,363 m² for 2010-2014)

		2010	2011	2012	2013	2014	Change 2010-2014	Surface concerned
Shopping centers	Total water consumption (m^3)	159,951	219,498	189,267	182,469	147,899	-7.5%	CA + PA
	Water consumption in common areas (m^3)	63,185	93,154	99,439	83,859	58,305	-7.7%	CA
	Water consumption in common areas per visitor (L/visitor)	0.98	1.35	1.66	1.44	1.25	+27.3%	
	Percentage of total scope	*47%*	*54%*	*53%*	*55%*	*57%*	*+19.5%*	
Lifestyle Center	Total water consumption (m^3)	86,143	99,001	103,912	106,774	89,957	+4.4%	CA + PA
	Water consumption in common areas (m^3)	10,193	8,198	9,428	16,901	9,376	-8.0%	CA
	Water consumption in common areas per visitor (L/visitor)	0.53	0.41	0.45	0.78	0.44	-18.0%	
	Percentage of total scope	*22%*	*18%*	*20%*	*19%*	*19%*	*-11.7%*	
Family Villages® and Retails Parks	Total water consumption (m^3)	24,166	29,114	31,418	17,907	32,152	+33.0%	CA + PA
	Water consumption in common areas (m^3)	17,718	14,548	16,008	11,870	14,402	-18.7%	CA
	Water consumption in common areas per visitor (L/visitor)	0.46	0.39	0.59	0.51	0.81	+78.9%	
	Percentage of total scope	*20%*	*17%*	*17%*	*18%*	*16%*	*-18.2%*	
CURRENT SCOPE OF REPORTING	Total water consumption (m^3)	270,261	347,613	324,597	307,150	270,008	-0.1%	CA + PA
	Water consumption in common areas (m^3)	91,096	115,899	124,874	112,630	82,083	-9.9%	CA
	Water consumption in common areas per visitor (L/visitor)	0.74	0.92	1.15	1.09	0.96	+28.5%	
	Percentage of total scope	*89%*	*90%*	*91%*	*92%*	*92%*	*+3.4%*	
LIKE-FOR-LIKE SCOPE	Total water consumption (m^3)	259,416	265,869	271,642	263,598	235,583	-9.2%	CA + PA
	Water consumption in common areas (m^3)	94,137	86,052	105,865	88,918	68,890	-26.8%	CA
	Water consumption in common areas per visitor (L/visitor)	1.06	0.99	1.32	1.16	0.96	-9.7%	
	Percentage of total scope			*84%*				

5.7.1.4.2. Waste indicators

PORTFOLIO - WASTE PRODUCED FOR THE EXISTING PORTFOLIO

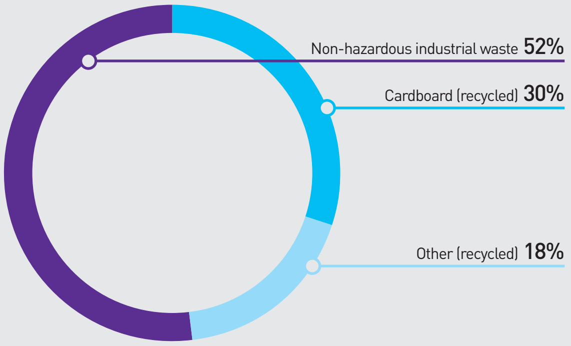
GRI Codes G4 - CRESS:
Total waste production: EN 22

Definition: Waste produced for the portfolio managed by Altarea Cogedim in the in the total and the like-for-like scope, total and per visitor

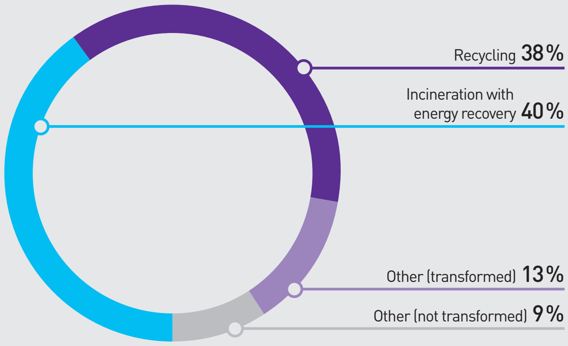
Scope concerned: Current scope of reporting (5,587,266 ft² or 519,074 m² GLA) and like-for-like scope of reporting (4,761,555 ft² or 442,363 m² for 2010-2014)

		2010	2011	2012	2013	2014	Change 2010-2014
Shopping centers	**Waste produced** (tons)	3,048	3,566	2,955	2,839	2,387	**-21.7%**
	Waste produced per visitor (kg/visitor)	0.05	0.05	0.05	0.05	0.05	**+8.0%**
	Percentage of waste sorted	23%	24%	24%	43%	50%	**+118.1%**
	Percentage of total scope	*47%*	*54%*	*53%*	*55%*	*57%*	*+19.5%*
Lifestyle Center	**Waste produced** (tons)	525	583	547	613	658	**+25.4%**
	Waste produced per visitor (kg/visitor)	0.03	0.03	0.03	0.03	0.03	**+11.8%**
	Percentage of waste sorted	35%	31%	32%	30%	29%	**-17.7%**
	Percentage of total scope	*22%*	*18%*	*20%*	*19%*	*19%*	*-11.7%*
Family Villages® and Retails Parks	**Waste produced** (tons)	1,081	1,219	1,184	1,272	1,220	**+12.8%**
	Waste produced per visitor (kg/visitor)	0.03	0.03	0.04	0.05	0.07	**+148.3%**
	Percentage of waste sorted	49%	54%	53%	52%	54%	**+9.5%**
	Percentage of total scope	*20%*	*17%*	*17%*	*18%*	*16%*	*-18.2%*
CURRENT SCOPE OF REPORTING	**Waste produced** (tons)	4,654	5,368	4,687	4,724	4,264	**-8%**
	Waste produced per visitor (kg/visitor)	0.04	0.04	0.04	0.05	0.02	**-53%**
	Percentage of waste sorted	30%	32%	32%	44%	48%	**+57%**
	Percentage of total scope	*89%*	*90%*	*91%*	*92%*	*92%*	*+3.4%*
LIKE-FOR-LIKE SCOPE	**Waste produced** (tons)	3,638	3,882	3,594	3,717	3,595	**-1.2%**
	Waste produced per visitor (kg/visitor)	0.04	0.04	0.04	0.05	0.05	**+22.0%**
	Percentage of waste sorted	31%	31%	32%	46%	50%	**+61.3%**
	Percentage of total scope			*84%*			

Breakdown of tons of waste produced by sorting category



Breackdown of tons of waste produced by end-of-life category



5.7.2. SOCIAL INDICATORS

Scope: Group employees on fixed-term and open-ended contracts (permanent) (France, Italy, Spain, Luxembourg) at 12/31/2014

REPRESENTATION, DIVERSITY, SOCIAL DIALOGUE

RECRUITMENT AND STAFF MANAGEMENT

				Altarea Cogedim			Altareit
GRI Code	**Theme**	**Indicator**	**Unit**	**2013**	**2014**	**Change**	**2014**
LA 1	**Total workforce**	Number of employees	number	1,286	1,298	+0.9%	960
	Breakdown by contract	Number of employees on permanent contracts	number	1,221	1,232	+0.9%	908
		Number of employees on fixed-term contracts	number	65	66	+1.5%	52
	Breakdown by gender	Percentage of female employees	%	55.7%	54.8%	-1.6%	53.0%
		Percentage of male employees	%	44.3%	45.2%	+2.0%	47.0%
	Breakdown by age group	Percentage of employees under 30	%	20.8%	18.5%	-10.9%	21.1%
		Percentage of employees between 30 and 50	%	64.8%	66.6%	+2.8%	64.5%
		Percentage of employees over 50	%	14.5%	14.9%	+3.3%	14.4%
	Breakdown by country	Percentage of employees in France	%	97.2%	97.2%	+0.0%	99.9%
		Percentage of employees in Italy	%	2.3%	2.2%	-4.3%	0.0%
		Percentage of employees in Spain	%	0.5%	0.5%	+15.6%	0.0%
		Percentage of employees in Luxembourg	%	0.1%	0.1%	-0.9%	0.1%
	Breakdown by status	Percentage of employees in management positions	%	63.5%	64.9%	+2.4%	64.2%
		Percentage of employees in non-management positions	%	36.5%	35.1%	-4.1%	35.8%
LA 2	**Recruitment**	New hires (open-ended contract) during the period	number	188	174	-7.4%	131
		New hires (fixed-term contract) during the period	number	122	103	-15.6%	86
		Percentage of new hires in management positions	%	51.0%	50.9%	-0.1%	50.2%
		Percentage of new hires in non-management positions	%	49.0%	49.1%	+0.1%	49.8%
	Departures	Number of dismissals	number	17	29	+70.6%	28
		Departure rate: Number of employee departures during the period/averageheadcount	%	20.2%	20.5%	+1.8%	23.7%
		Manager departure rate	%	12.8%	15.5%	+21.1%	18.3%
		Non-manager departure rate	%	32.8%	29.8%	-9.1%	33.2%
	Reasons for departure	Departure during trial period	%	7.1%	7.5%	+6.5%	4.8%
		End of fixed-term contract	%	43.5%	35.0%	-19.7%	35.8%
		End of contract (miscellaneous)	%	0.4%	0.8%	+91.7%	0.4%
		Early termination of fixed-term contract (employee and company decisions)	%	0.0%	0.8%	NA	0.4%
		Resignations	%	27.5%	27.4%	-0.0%	27.1%
		Dismissals	%	6.7%	10.9%	+63.5%	12.2%
		Retirement or pre-retirement	%	1.6%	2.3%	+43.8%	2.6%
		Termination of fixed-term contract by mutual agreement	%	1.2%	1.1%	-4.1%	1.3%
		Rupture conventionnelle (agreement between employer and employee)	%	12.2%	14.3%	+17.5%	15.3%
LA 1	**Organization of working hours**	FTE (full-time equivalent) headcount (open-ended and fixed-term)	number	1,245.97	1,281.65	+2.9%	958.63
		Average age	years	38.12	38.58	+1.2%	37.8
		Average length of service	years	6.22	6.51	+4.6%	6.2
		Percentage of full-time employees	%	96.3%	97.1%	+0.8%	97.5%
		Percentage of full-time employees on open-ended contracts	%	95.1%	94.9%	-0.2%	94.6%
		Percentage of full-time employees on fixed-term contracts	%	4.9%	5.1%	+3.1%	5.4%
		Percentage of part-time employees	%	3.7%	2.9%	-21.6%	2.5%
		Percentage of part-time employees on open-ended contracts	%	91.7%	94.7%	+3.3%	95.8%
		Percentage of part-time employees on fixed-term contracts	%	8.3%	5.3%	-36.8%	4.2%
		Number of hours theoretically worked	hours	1,982,297	1,959,077	-1.2%	1,446,276
		Number of hours worked by temporary employees	hours	24,597	34,931	+42.0%	27,225
		Number of overtime hours worked	hours	3,370	3,866	+14.7%	3,866

PROMOTING DIVERSITY

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2013	Altarea Cogedim 2014	Altarea Cogedim Change	Altareit 2014
LA 13	Gender equality	Percentage of women in the total headcount	%	55.7%	54.8%	-1.6%	53.0%
		Percentage of women among management-level employees	%	44.0%	43.3%	-1.6%	42.0%
		Percentage of female managers	%	50.1%	51.3%	+2.4%	50.9%
		Percentage of female non-managers	%	76.0%	76.0%	+0.1%	72.7%
		Percentage of female members of the extended Management Committee	%	24.5%	28.3%	+15.5%	24.2%
		Percentage of departures concerning women	%	56.1%	57.5%	+2.6%	55.0%
	Disabilities	Number of employees having reported a disability	number	4	3	-25.0%	1
	Fight against discrimination	Number of interns during the period	number	53	72	+35.8%	63
		Number of work-study contracts during the period	number	69	92	+33.3%	80

DIALOGUE WITH EMPLOYEE REPRESENTATIVES

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2013	Altarea Cogedim 2014	Altarea Cogedim Change	Altareit 2014
LA 6	Organization of social dialogue	Number of employee representatives	number	46	50	+8.7%	42
LA 4	Collective bargaining agreements	Percentage of employees covered by a collective bargaining agreement	%	99.7%	99.5%	-0.2%	99.3%

COMPENSATION AND SKILL DEVELOPMENT

SHARING SUCCESS WITH EMPLOYEES

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2013	Altarea Cogedim 2014	Altarea Cogedim Change	Altareit 2014
LA 14	Fixed compensation*	Average gross annual employee compensation - excluding variable compensation and employer payroll taxes	€	51,755	52,364	+1.2%	48,553
		Average gross annual non-management compensation - excluding variable compensation and employer payroll taxes	€	28,432	29,540	+3.9%	27,937
		Average gross annual management compensation - excluding variable compensation and employer payroll taxes	€	67,711	67,081	-0.9%	63,384
	Variable compensation*	Percentage of variable compensation in management compensation	%	13.7%	12.1%	-11.2%	12.1%

* Excluding the Cogedim Management Board for 2012.

BUILDING SKILLS AND EXPERTISE

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2013	Altarea Cogedim 2014	Altarea Cogedim Change	Altareit 2014
LA 10	Budget	Total training expenditure	€ thousands	1,473	1,267	-14.0%	894
		Average training expenditure per employee trained	€ thousands	2.31	1.44	-37.8%	1.27
		Investment rate for training	%	1.8%	1.5%	-16.3%	1.5%
	Hours of training	Average number of hours per employee participating in at least one training course	number	16.8	12.5	-25.4%	12.3
		Average number of hours for managers	number	18.3	13.4	-26.5%	12.9
		Average number of hours for non-managers	number	13.8	11.0	-20.4%	11.4
	Types of training*	Weight of the number of training hours spent in technical and business line courses	%	48.3%	46.7%	-3.4%	47.2%
		Weight of the number of training hours spent in IT and office skills courses	%	8.8%	5.5%	-38.1%	4.9%
		Weight of the number of training hours spent in management and support courses	%	31.1%	31.2%	+0.3%	33.8%
		Weight of the number of training hours spent in language courses	%	4.9%	10.6%	+114.2%	7.9%
		Percentage of the number of training hours spent in health and safety courses	%	6.9%	6.2%	-10.2%	6.2%
	Promotions	Number of employees promoted during the period	number	99	90	-9.1%	67
		Percentage of employees promoted during the period	%	7.8%	7.0%	-11.2%	6.9%
LA 11	Mobility	Number of employees having benefited from one or more types of mobility during the period (geographic and/or professional and/or inter-departmental/inter-group mobility)	number	62	83	+33.9%	566
		Percentage of employees having benefited from one or more types of mobility during the period	%	4.9%	6.4%	+30.8%	5.8%

* Including in-house training courses.

EMPLOYEE HEALTH AND SAFETY

ENSURING EMPLOYEE HEALTH AND SAFETY

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2013	Altarea Cogedim 2014	Altarea Cogedim Change	Altareit 2014
LA 1	Absenteeism*	Total absentee rate	%	6.4%	6.1%	-5.3%	6.0%
		Management absentee rate	%	4.3%	4.5%	4.1%	4.4%
		Non-management absentee rate	%	2.8%	3.4%	20.0%	4.1%
		Overall absentee rate excluding maternity/paternity and other types of leave	%	4.3%	4.1%	-5.8%	4.0%
	Reasons	Absence due to workplace accidents	%	1.5%	0.0%	-99.4%	0.2%
		Absence due to occupational illness	%	0.0%	0.0%	NA	0.0%
LA 9	Safety and Working Conditions Committee (CHSCT)	Number of CHSCT meetings (DP+works council)	number	19	17	-10.5%	13
		Workplace health and safety agreements signed	number	0	0	NA	0
LA 7	Workplace accidents	Frequency rate of workplace accidents	%	6.46	0.54	-91.6%	0.73
		Severity rate of workplace accidents	%	0.14	0.01	-92.1%	0.01
		Number of occupational illnesses declared (and recognized) over the year	number	0	0	NA	0
		Frequency rate of subcontractor workplace accidents	%	0	0	NA	0
		Severity rate 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 TABLES

5.8.1. CROSS-REFERENCE TABLE, ARTICLE 225 GRENELLE II LAW

SOCIETAL

Theme	Issue	Section	Page
Territorial, economic and social impact of the company's activities	On employment and regional development	5.3.4	167
	On local or resident populations	5.3.4	167
Terms of dialogue with these groups or organizations	Terms of dialogue with these groups or organizations	5.3.4	167
Partnership or sponsorship initiatives	Partnership or sponsorship initiatives	5.3.6	170
Subcontracting and suppliers	Inclusion of social and environmental issues in the procurement policy	5.3.5	168
	Degree of subcontracting and recognition of social and environmental responsibility in relations with subcontractors and suppliers	5.3.5	168
Fair practices	Actions taken to prevent corruption	5.3.3	166
	Measures taken to promote consumer health and safety	5.3.1/5.3.7	161/171
Other actions in favor of human rights	Other actions in favor of human rights	5.3.5	168

SOCIAL

Theme	Issue	Section	Page
Jobs	Total workforce and break down by gender, age and geographical region	5.4.1.1.1	173
	New hires and dismissals	5.4.1.1.2	174
	Compensation and associated developments	5.4.2.1.3	177
Work organization	Organization of working hours	5.4.1.1.3	174
	Absenteeism	5.4.3.1	177
Social relations	Organization of social dialogue including procedures to inform, consult and negotiate with employees	5.4.1.1.5	175
	Collective bargaining agreements	5.4.1.1.5	175
Health and safety	Workplace health and safety conditions	5.4.3.1.1	177
	Agreements signed with labor unions or employee representatives concerning health and safety at work	5.4.3.1.1	177
	Work accidents, including their frequency and severity, as well as occupational illness	5.4.3.1	177
Training	Training policies implemented	5.4.2.1	176
	Total training hours	5.4.2.1.1	176

Theme	Issue	Section	Page
Diversity and equal opportunities/equal pay	Policy implemented and measures taken to promote gender equality	5.4.1.1.4	174
	Policy implemented and measures taken to promote employment and integration of persons with disabilities	5.4.1.1.4	174
	Policy implemented and measures taken to fight discrimination	5.4.1.1.4	174
Promotion and enforcement of the fundamental ILO Conventions	Respect for freedom of association and right to collective bargaining	5.4.1.1.5	175
	Elimination of discrimination in respect of employment and occupation	5.4.1.1.5	175
	Elimination of forced or compulsory labor	5.4.1.1.5	175
	Effective abolition of child labor	5.4.1.1.5	175

ENVIRONNEMENT

Theme	Issue	Section	Page
Overall environmental policy	Organization of the company to take account of environmental issues	5.1.2.1	145
	Where necessary, environmental assessment and certification procedures	5.1.2.2	146
	Environmental protection training and information initiatives for employees	5.1.2.1	145
	Resources devoted to preventing environmental risks and pollution	5.3.7	171
	Provisions and guarantees for environmental risks, provided that such information does not prejudice the company in ongoing litigation	5.5.7.3	198
Pollution and waste management	Measures to prevent, reduce or compensate for emissions into the air, water or soil with grave environmental consequences	5.5.3	188
	Measures to prevent, recycle and eliminate waste	5.5.4	189
	Taking account of noise pollution and any other type of pollution specific to an activity	5.3.1.2.3 & 5.5.7.2	163/198
Sustainable use of resources	Water supply and consumption in accordance with local constraints	5.5.6	196
	Energy consumption, measures taken to enhance energy efficiency	5.5.2	183
	Use of renewable energies	5.5.2	183
	Land use	5.5.3	188
Climate change	Greenhouse gas emissions	5.5.5	191
	Adaptation to the consequences of climate change	5.5.5.1.3	193
Protecting biodiversity	Measures taken to preserve or develop biodiversity	5.5.3	188

5.8.2. REFERENCE TABLE: 2014 GLOBAL REPORTING INITIATIVE (G4) – ALTAREA COGEDIM CORE INFORMATION

In 2014, a consulting firm specializing in non-financial reporting assessed the level of compliance of Chapter 5 of Altarea Cogedim's registration document with the criteria set out by the Global Reporting Initiative GRI G4. This process established that Altarea Cogedim meets the Global Reporting Initiative's "Essentiel" compliance level. This assessment was based on Altarea Cogedim's most significant issues (See chapter 5.1.3.1 Materiality Matrix).

General items		Chapter	Page numbers
Strategy and analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Editorial Alain Taravella	142
Profile of the organization			
G4-3	Report the name of the organization	6.2.1.1	225
G4-4	Report the primary brands, products, and services	The essential	2
G4-5	Report the location of the organization's headquarters	6.2.1.4	225
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations	The essential	24
G4-7	Report the nature of ownership and legal form	6.2.1.2	-
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	The essential	24
G4-9	Report the scale of the organization, the total number of employees and sites, net sales or net revenues, total capitalization and quantity of products or services provided	The essential	4
G4-10	Report the total number of employees broken down into employees or supervised workers, by region, employment contract and report any significant variations Report whether a substantial portion of the organization's work is performed by self-employed workers or contractors	5.4.1.1.1	173
G4-11	Report the percentage of total employees covered by collective bargaining agreements	5.4.1.1.5	175
G4-12	Describe the organization's supply chain	5.3.5	168
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain during the reporting period	5.3.5	168
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	-	-
G4-15	List charters, principles, or other CSR initiatives to which the organization subscribes	5.1.3.6	151
G4-16	List memberships of associations and national or international advocacy organizations in which the organization provides funding, participates or holds a position of governance	5.1.3.5	151
Identified material aspects and boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents and state the reasons for any absence	3.4.1	71
G4-18	Explain the process for defining the report content and the Aspect Boundaries	5.1.3.2	148
G4-19	List all the material Aspects identified in the process for defining report content	5.1.3.1	147
G4-20	For each material Aspect, report the Aspect Boundary within the organization	5.1.3.1	147
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	5.1.3.1	147

General items		Chapter	Page numbers
Identified material aspects and boundaries			
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	5.2.2	158
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	5.2.2	158
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	5.1.3.3	148
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	5.1.3.3	148
G4-26	Report the organization's approach to stakeholder engagement (including frequency of engagement), and potential engagements undertaken as part of the report preparation process	5.1.3.3	148
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	5.1.3.3	148
Report profile			
G4-28	Reporting period for information provided	5.6	198
G4-29	Date of the most recent report (if any)	5.6	198
G4-30	Reporting cycle (such as annual, biennial)	5.6	198
G4-31	Provide the contact point for questions regarding the report or its contents	5.1.2.1	145
G4-32	Report the "in accordance" option the organization has chosen, the reference to the External Assurance Report, if the report has been externally assured	5.2.2.1.1	158
G4-33	Report the organization's practice with regard to external assurance for the report (scope and relationship between the organization and the assurance providers)	5.1.1.3	143
Governance			
G4-34	Report the governance structure of the organization and identify CSR committees	5.1.2.1	145
Ethics and integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	5.1.2.1	145

Specific information		Omission	Reasons	Explanations	Chapter	Page numbers
CATEGORY: ECONOMICS						
Material aspect: Economic performance						
DMA	Managerial approach				5.5.5	191
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change				5.5.5.1.3	193
Material aspect: Indirect economic impacts						
DMA	Managerial approach				5.3.4	167
EC8	Significant indirect economic impacts, including the extent of impacts				5.3.4	167
CATEGORY: ENVIRONMENT						
Material aspect: Transportation						
DMA	Managerial approach				5.3.2	164
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce				5.3.2	164
CATEGORY: SOCIAL **Subcategory: On employment and regional development**						
Material aspect: Employment						
DMA	Managerial approach				5.4.1.1.2	174
LA1	Total number and rates of new employee hires and employee turnover by age group,gender and region	Turnover by age group and gender	Information currently unavailable		5.4.1.1.2	174
Material aspect: Training and education						
DMA	Managerial approach				5.4.2.1	176
LA9	Average hours of training per year per employee by gender, and by employee category	Indicator disclosed, with the exception of breakdown by gender and employee category	Information currently unavailable		5.4.2.1.1	176
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Indicator disclosed, with the exception of programs for skills management to manage career endings	Information currently unavailable		5.4.2.1	176
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Indicator disclosed, with the exception of breakdown by gender and employee category	Information currently unavailable		5.4.2.1.2	177
Material aspect: equal pay for men and women						
DMA	Managerial approach	Unpublished information	Confidential information			

Specific information		Omission	Reasons	Explanations	Chapter	Page numbers
Material aspect: Equal pay for men and women						
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Unpublished indicator	Confidential information			

CATEGORY: SOCIAL
Subcategory: Company

Specific information		Omission	Reasons	Explanations	Chapter	Page numbers
Material aspect: Local communities						
DMA	Managerial approach				5.3.4	167
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs				5.3.4	167
SO2	Operations with significant actual and potential negative impacts on local communities				5.3.4	167
CRE7	Number of persons voluntarily or involuntarily displaced or relocated as a result of a development project	Unpublished indicator	NA	Indicator not relevant given the local context governing the Group's activities in France, Spain and Italy		
Material aspect: Fight against corruption						
DMA	Managerial approach				5.3.3.3	166
SO4	Communication and training on anti-corruption policies and procedures				5.3.3.3	166
Material aspect: Public policy						
DMA	Managerial approach				5.3.3	166
SO6	Total value of political contributions by country and beneficiary	Unpublished indicator	A law exists to prevent this practice	Companies are not permitted to make financial contributions to political parties in France		
Material aspect: Anticompetitive behavior						
DMA	Managerial approach				8.3.3.3	288
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes				3.12.2	112
Material aspect: social compliance						
DMA	Managerial approach				8.3.3.3	288
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Unpublished indicator	Confidential information			

CATEGORY: SOCIAL
Subcategory: Product responsibility

Specific information		Omission	Reasons	Explanations	Chapter	Page numbers
Material aspect: consumer health and safety						
DMA	Managerial approach				5.3.7.1	171

Specific information		Omission	Reasons	Explanations	Chapter	Page numbers
Material aspect: consumer health and safety						
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement				5.3.7.1	171
Material aspect: Labeling of products and services						
DMA	Managerial approach				5.5.1	178
PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements				5.5.1	178
PR5	Results of customer satisfaction surveys				5.3.1.1	161
CRE8	Number and type of sustainable development certifications, labels or rankings concerning building construction, renovation, management and occupancy				5.5.1	178
Material aspect: customer privacy						
DMA	Managerial approach				5.3.3.1	166
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Unpublished indicator	Confidential information			
Material aspect: product conformity						
DMA	Managerial approach				8.3.3.3	288
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services				8.3.3.3	288

5.9. INDEPENDENT ASSURANCE REPORT ON THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT

To the Shareholders,

In our role as an independent third-party organization accredited by COFRAC[1] (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, 2014, 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 November 2014 (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.

Responsibility of the independent third-party organization

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 October 2014 and March 2015 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[2], 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 5.6 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.

2. Reasoned opinion on the fair presentation of CSR information

Nature and scope of work

We conducted approximately twelve interviews with some ten people from the sustainable development, human resources, technical, and management control departments, responsible for preparing CSR Information, the information collection process and internal control and risk management procedures. This was done to:

(1) Scope of accreditation available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

- assess the appropriateness of the Guidelines as regards their relevance, comprehensiveness, reliability, neutrality and clarity, taking into consideration best practices in the sector and particularly the sector-specific recommendations published by EPRA (European Public Real Estate Association) 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[3]:

- regarding the consolidating entity and the different business lines (Property Investment, development and e-commerce), we consulted documentary sources and conducted interviews to corroborate qualitative information (organization, policies, actions, etc.), implemented analytic procedures regarding quantitative information and verified calculations and data consolidation on the basis of surveys, and verified consistency with other information included in the management report;
- at the level of a representative sample of sites[4] 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. The selected sample represents, on average, 16% of surface areas and 21% of energy consumption of shopping centers in the Property Investment business. 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, on the basis of our professional judgment, that the sampling methods and sample sizes we used 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.

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;
- energy efficiency of buildings is monitored based on a constant scope and climate for the common areas (i.e. excluding tenant energy use); collection of tenants' energy data was initiated in 2014 in four shopping centers accounting for 33% of surface area and 55% in value terms;
- certain information (labor information, customer satisfaction, etc.) regarding the e-commerce business of Rue du Commerce, acquired in 2012, has been consolidated.

Paris-La Défense, March 13, 2015

Independent third-party organization
ERNST & YOUNG et Associés

Eric Duvaud Sustainable Development Partner	**Bruno Perrin** Partner

(3) Environmental, societal and social indicators: proportion of buildings certified or undergoing environmental certification, proportion of waste sorted and recovered, energy consumption and greenhouse gas emissions per m², water consumption, "Land Use & Energy" score for BREEAM-In-Use certification; direct, indirect and ancillary jobs, percentage rollout of green leases with tenants, accessibility of public transportation, satisfaction rate in customer surveys; total headcount, absenteeism, total training hours.
Informations qualitatives : l'organisation de la société pour prendre en compte les questions environnementales et les démarches d'évaluation ou de certification, les mesures prises pour améliorer l'efficacité énergétique et le recours aux énergies renouvelables, les mesures prises pour préserver la biodiversité; l'impact territorial (retombées économiques), la politique d'achats responsables, la loyauté des pratiques, les mesures prises en faveur de la santé et de la sécurité des consommateurs, la politique en matière de formation.
(4) The Toulouse Gramont and Brest Guipavas shopping center and the Thiais Village Lifestyle Center.

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. The head office of Altafi 2 is located at 8 Avenue Delcassé, Paris 75008.

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 2013 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 methods."

Altafi 2
Represented by its Chairman
Mr. Alain Taravella
Co-Manager

6.1.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.3.1. Statutory Auditors

AACE Île-de-France
French member of Grant Thornton International
100, rue de Courcelles -75849 Paris Cedex 17
Represented by Michel Riguelle
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The firm ERNST & YOUNG et Autres
Tour First -1, Place des Saisons -92400 Courbevoie
Represented by Jean-Roch Varon
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

6.1.3.2. Alternate Auditors

Cabinet Auditeurs Associés Consultants Européens – AACE
4, Tue Firmin Gillot -75015 Paris
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

Auditex
Tour First -1, Place des Saisons -92400 Courbevoie
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The Statutory Auditors are members of Compagnie Nationale des Commissaires aux Comptes.

6.1.4. DOCUMENTS AVAILABLE TO THE PUBLIC

I, the undersigned, hereby confirm that the following documents are available to the public in electronic or printed form, and can be obtained from the Company's registered office at 8, avenue Delcassé, 75008 Paris, during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data, and expert opinions or statements requested by the Company that are included or mentioned in this registration document; and
- financial data for the Company and its subsidiaries for the two 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 (i.e. and shareholder) 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*. As such, 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, 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.

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'investissements immobiliers 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 purpose, both in France and abroad, on its own behalf and in participation with third parties, is as follows:

- 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 and other identifying information

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 00422 and its business code is 6820B (Administration of other property assets).

The Company's intra-European VAT number is FR 34 335 480 877.
It is listed in compartment A of NYSE Euronext Paris.
ISIN: FR0000033219.
Ticker symbol: ALTA.

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'investissements immobiliers cotées* referred to in Article 208-C of the French General Tax Code (a "SIIC Subsidiary") and should a SIIC Subsidiary have paid the Withholding as a result of a Liable Shareholder, that Liable Shareholder shall, as the case may be, compensate the Company either for the sum paid by way of compensation by the Company to the SIIC Subsidiary in respect of the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other Shareholders do not bear any portion of the Withholding paid by any of the SIICs in the chain of holding as a result of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company is entitled to set off the compensation due from any Liable Shareholder against the sums due to be paid by the Company to that Liable Shareholder. Accordingly, the sums due to be distributed in respect of each share held by the Liable Shareholder from the Company's tax-exempt earnings under Article 208 C II of the French General Tax Code pursuant to a distribution decision or a share buyback will be reduced by the amount of the Withholding due by the Company in respect of the distribution of those sums and/or the Additional Compensation.

In the case of a distribution paid in shares, each Liable Shareholder will receive a portion of the sums distributed in shares inasmuch as no fractional shares will be created, and the balance in cash. The shares will be booked on an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exactly same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the company or a SIIC Subsidiary under Article 208-C-II of the French General Tax Code, a Shareholder was in fact a Liable Shareholder on the distribution date, and that (ii) the company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus where applicable the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice, where applicable, to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the Company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

6.2.1.11. General Meetings (Article 28 of the Articles of Association)

(i) Calling of meetings

Shareholders' Meetings are called and take place in accordance with the provisions of the Law.

Notice of Meetings may be given 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.

The Extraordinary General Meeting of Shareholders of June 5, 2015 will vote on a proposition to reduce this period to two days, in accordance with ligislationin force, as well as on a corresponding modification of the Articles of Association.

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. Article 7 of Law No. 2014-384 of March 29, 2014 on renewed control of the real economy (Florange Act) amended the wording of the final paragraph of Article L. 225-123 of the French Commercial Code, which now reads as follows:

"In companies the shares of which are traded on a regulated market, double voting rights set out in the first paragraph are applied as of right, unless otherwise provided in Articles of Association adopted following enactment of Law No. 2014-384 of March 29, 2014 on renewed control of the real economy, for all fully paid shares registered by name to the same shareholder for a period of two years. The same applies to double voting rights granted upon issuance to registered shares granted free of charge pursuant to the second subparagraph."

In the absence of an explicit statement in the Articles of Association rejecting double voting rights decided by the Annual Extraordinary General Meeting of Shareholders prior to the end of the two-year period starting from the enactment of said Law, i.e. prior to March 31, 2016, shareholders having held shares in registered form for two years will enjoy double voting rights as of that date.

The Annual Extraordinary General Meeting of Shareholders to be convened on June 5, 2015 to vote on the financial statements for the financial year ended December 31, 2014 will vote on the adoption of a draft resolution put forth by Management to reject double voting rights for shareholders having held shares in registered form for more than two years. Please note that the Supervisory Board, at its March 04, 2015 meeting, unanimously chose to reaffirm the principled position expressed at its meeting of March 5, 2014 and to recommend that shareholders reject such 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 Ordinary 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 General Meetings are drawn up and copies certified and issued in accordance with the Law.

6.2.1.12. Form of shares (Article 10 of the Articles of Association)

Fully paid up shares may be in either registered or bearer form, at the Shareholder's option.

However, any Shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the company's dividend rights at least equal to the percentage referred to in Article 208-C-II *ter* of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the third business day before the date of a General Meeting, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code will be restricted at The Meeting to one tenth of the shares held respectively by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Meeting, provided that the position has been remedied by the conversion of all shares owned directly or through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, to registered form no later than the third business day before the date of The Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the Law. Notwithstanding the foregoing, shares must be in registered form where 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 or 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 for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more Shareholders separately or together holding at least one percent (1%) of the Company's share capital in accordance with the terms of the Law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

6.2.2. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

6.2.2.1. Provisions of the Articles of Association regarding alterations to the share capital and the respective rights of various classes of shares

The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the Law, and they do not provide for any special classes of shares.

6.2.2.2. Share capital

As of the date of this registration document, the share capital was €191,243,972.46. It was divided into 12,515,497 shares, all fully paid and of the same class. The rounded par value is €15.28 a share.

6.2.2.3. Authorities involving the share capital

Note 6.10 to the consolidated financial statements (Chapter 3 of this registration document) provides detailed information on:

- stock option plans;
- free shares plans;
- information on treasury shares.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the tables below set out all valid 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 June 27, 2013 that remained valid until the Combined General Meeting of May 7, 2014

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2014
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with preemptive rights	21st resolution	08/27/2015	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a public offer.	22nd resolution	08/27/2015	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a private placement.	23rd resolution	08/27/2015	None
Authority granted to the Management to fix the issue price for share issues without preemptive rights subject to a ceiling of 10% per year	24th resolution	08/27/2015	None
Option of increasing the amount of an issue in case of oversubscription	25th resolution	08/27/2015	None
Authority to issue shares to pay for contributions in kind, without preemptive rights, subject to a ceiling of 10% per year	26th resolution	08/27/2015	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	12/27/2014	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	28th resolution	08/27/2015	None
Setting aggregate ceiling of authorities to the Management at €120 million for share issues and €120 million for negotiable securities representing debt in the Company	29th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	30rd resolution	08/27/2015	None

The above authorities were 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	12/27/2014
Authority to reduce the share capital by canceling shares purchased under the buyback program	20th resolution	08/27/2015

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2014 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 May 7, 2014 through the adoption of resolutions on the same authorities.

(III) Employee share offers

Authorization granted	Resolution	Expiry date	Use in 2014
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	31th resolution	08/27/2015	None
Free shares plans Ceiling of 350,000 new shares	32nd resolution	08/27/2016	1,500 shares
Stock option plans (existing shares)[1]	33rd resolution	08/27/2016	None
Stock option plans (new shares)[1]	34rd resolution	08/27/2016	None

(1) Within the limit of the aggregate ceiling of 350,000 shares instituted by the 32nd resolution.

The above authorities were canceled at the Combined General Meeting of May 7, 2014 through the adoption of resolutions on the same authorities.

(ii) Authorities granted by the Combined General Meeting of May 7, 2014

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2014
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with preemptive rights	9th resolution	07/07/2016	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a public offer.	10th resolution	07/07/2016	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a private placement.	11th resolution	07/07/2016	None
Authority granted to the Management to fix the issue price for share issues without preemptive rights subject to a ceiling of 10% of share capital per year	12th resolution	07/07/2016	None
Option of increasing the amount of an issue in case of oversubscription	13th resolution	07/07/2016	None
Authority to issue shares to pay for contributions in kind, without preemptive rights, subject to a ceiling of 10% per year	14th resolution	07/07/2016	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	15th resolution	11/07/2015	None
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	None
Setting aggregate nominal ceiling of authorities to the Management at €120 million for share issues and a €300 million for negotiable securities representing debt in the Company	17th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	18th resolution	07/07/2016	None

The above authorities will be canceled at the Combined General Meeting of June 5, 2015 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.	7th resolution	11/07/2015
Authority to reduce the share capital by canceling shares purchased under the buyback program	8th resolution	07/07/2016

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2014 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 June 5, 2015 through the adoption of resolutions on the same authorities.

(III) Employee share offers

Authorization granted	Resolution	Expiry date	Use in 2014
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	19th resolution	07/07/2016	None
Free shares plans Ceiling of 350,000 new shares	20th resolution	07/07/2017	None
Stock option plans (existing shares)[1]	21th resolution	07/07/2017	None
Stock option plans (new shares)[1]	22th resolution	07/07/2017	None
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	23th resolution	11/07/2015	None

The above authorities will be canceled at the Combined General Meeting of June 5, 2015 through the adoption of resolutions on the same authorities.

Grants of authority proposed for approval at the next Combined General Meeting of June 5, 2015

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date
Authority to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, with preemptive rights.	9th resolution	08/05/2017
Authority to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, without preemptive rights, in the context of a public offer.	10th resolution	08/05/2017
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a private placement.	11th resolution	08/05/2017
Authority granted to the Management to fix the issue price for share issues without preemptive rights subject to a ceiling of 10% of share capital per year	12th resolution	08/05/2017
Option of increasing the amount of an issue in case of oversubscription	13th resolution	08/05/2017
Authority to issue shares to pay for contributions in kind, without preemptive rights, subject to a ceiling of 10% per year	14th resolution	08/05/2017
Authority to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company and reserved for certain categories of investors, without preemptive rights	15th resolution	12/05/2016
Authority to issue Company shares and/or equity securities giving access to other equity securities or giving access to debt securities, intended to pay for shares tendered in public offers initiated by the Company	16th resolution	08/05/2017
Setting aggregate nominal ceiling of authorities to the Management at €120 million for share issues and a €300 million for negotiable securities representing debt in the Company	17th resolution	Applies to each authority
Authority to increase the share capital by capitalizing reserves	18th resolution	08/05/2017

(1) Within the limit of the aggregate ceiling of 350,000 shares instituted by the 20nd resolution.

(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	12/05/2016
Authority to reduce the share capital by canceling shares purchased under the buyback program	8th resolution	08/05/2017

(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	08/05/2017
Free shares plans	20th resolution	08/05/2018
Stock option plans (existing shares)[1]	21th resolution	08/05/2018
Stock option plans (new shares)[1]	22nd resolution	08/05/2018
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	23th resolution	12/05/2016

6.2.2.4. Share buyback program

At the Combined General Meetings of June 27, 2013 and of May 7, 2014, the Shareholders authorized the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a maximum of €100 million, at a maximum price of €200 per share.

Pursuant to this authority, Management decided to implement a share buyback program on June 27, 2013 and May 7, 2014 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) Allocate shares to employees and/or corporate officers (in accordance with conditions set forth by Law), particularly under a stock option plan, a stock grant plan or an employee share ownership plan. (3) Acquisition of shares to tender as payment or exchange for future acquisitions as a practice recognized by the Autorité des Marchés Financiers. (4) Allocation of 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) Possible cancellation of shares purchased. (6) Implement of 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 2014:

Month	Number of shares bought	Number of shares sold	Price at end of month	Balance Treasury shares
January 2014	1,142	1,174	130.75	156,015
February 2014	594	1,153	138.80	155,456
March 2014	1,773	1,027	131.85	156,202
April 2014	1,145	943	135.00	156,404
May 2014	1,370	1,662	130.00	156,112
June 2014	873	1,328	139.50	155,657
July 2014	1,235	613	136.80	156,279
August 2014	709	550	139.15	156,438
September 2014	1,718	1,609	131.35	156,547
October 2014	1,541	1,061	134.00	155,902
November 2014	1,237	1,209	133.00	155,930
December 2014	11,632	7,213	132.20	160,349

(1) Within the limit of the aggregate ceiling of 350,000 shares instituted by the 20nd resolution.

The allocation of treasury shares by purpose is shown above. In Altarea's statutory financial statements, the line item "Treasury shares, liquidity contract," which corresponds to purpose (1) comprised 2,859 shares at December 31, 2014. The line item "Shares intended for allotment," which corresponds to purpose (2), comprised 157,490 shares at December 31, 2014.

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 2014 accounts, the Shareholders will be asked to renew, on the same terms and conditions as the authorities granted by the AGM of May 7, 2014, the authority to buy back shares up to a maximum of 10% of the shares comprising the share capital and up to the same aggregate amount of €100 million for the same maximum price of €200 per share. The purpose of this authority is the same as in the previous year, i.e. (i) to make a market in or to provide liquidity for the Company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the 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; and (vi) more generally, to implement any transaction or market practice recognized or that may be recognized by laws or regulations in force or by the Autorité des Marchés Financiers.

As was the case last year, the Shareholders will be asked to authorize that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. As in previous years, 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. Shares giving access to share capital

Details are provided in Note 6.10 to the consolidated financial statements (Chapter 3 of this registration document).

6.2.2.6. Pledges over shares

At December 31, 2014, 3,079,097 registered shares, representing 24.60% of the share capital (which comprised 12,515,497 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
Capital increase due to the contribution in kind from Foncière Altarea (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	€1,119,494.72	-	€166,733,96.78	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
New share issue for proposed dividend payment in shares (06/12/2014)	922,692	€14,098,733.76	-	€191,243,972.46	12,515,497	At par

In 2014, the Company increased its share capital upon payment of the 2013 dividend. Under the fourth resolution voted by the Combined General Meeting of Shareholders of May 7, 2014, shareholders had 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, 2014. The deadline for exercising the option was set for May 30, 2014.

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 May 7, 2014, Management noted that, given that the average opening price over the twenty trading days preceding The Meeting stood at €131,403, that is €118,262 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 €108.27 per share. On June 12, 2014, 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 922,692 shares subscribed. Rounded to €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the 922,692 new shares came to €14,098,733.76. Company capital thereby increased from €177,145,238.70 to €191,243,972.46, divided into 12.515.497 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, 2013 and December 31, 2014 can be found in Note 11 to the consolidated financial statements (chapter three of this registration document).

The voting rights disclosed in Note 11 are actual voting rights that can be exercised in General Meetings at December 31, 2014, 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, 2014

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 FOUNDERS [a]	5,899,110	47.13	5,899,110	47.75
Controlled by the Extended Concert [b]	5,969,842	47.70	5,969,842	48.32
Predica	3,419,655	27.32	3,419,655	27.68
ABP	1,034,691	8.27	1,034,691	8.37
Opus Investment	156,999	1.25	156,999	1.27
Treasury shares	160,349	1.28	0	0.00
Free float	1,773,961	14.18	1,773,961	14.36
Total	12,515,497	100.00	12,355,148	100.00

(a) Shares and voting rights held at December 31, 2014 by Mr. Alain Taravella and Mr. Jacques Nicolet, founders of the Group, acting in concert, as well as members of their families and the companies they control. See paragraph 6.2.2.10.
(b) Concert existing among the aforementioned founders, on the one hand, and Mr. Gilles Boissonnet and Mr. Stéphane Theriau on the other hand, as well as members of their families and the companies they control, if applicable. See paragraph 6.2.2.10.

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:

	12/31/2014	12/31/2014	12/31/2013	12/31/2013	12/31/2012	12/31/2012
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
CONTROLLED BY FOUNDERS	5,899,110	47.13	5,447,576	46.99	5,382,291	49.33
Controlled by the Extended Concert	5,969,842	47.70	N/A [a]	N/A [a]	N/A [a]	N/A [a]
Predica	3,419,655	27.32	3,130 515	27.00	2,045,825	18.75
APG	1,034,691	8.27	947,205	8.17	864,551	7.92
FDR	0	0	0	0	889,250	8.15
Opus Investment	156,999	1.25	100,260	0.86	91,548	0.84
Treasury shares	160,349	1.28	156,047	1.35	115,331	1.06
Free float	1,773,961	14.17	1,811,202	15.63	1,522,645	13.95
Total	12,515,497	100.00	11,592,805	100.00	10,911,441	100.00

(a) The extended concert between the founders, on the one hand, and Mr. Gilles Boissonnet and Mr. Stéphane Theriau on the other hand, has only existed since July 2, 2014. See paragraph 6.2.2.10.

For reporting requirements relative to threshold crossing, the founders are at the level of each control sub-group.

Threshold crossings notified to the French Financial Markets Authority (AMF):

In 2104, the following threshold crossings were notified to the AMF:

On July 1, 2014, Mr. Gilles Boissonnet and Mr. Stéphane Theriau each declared having crossed the 5%, 10%, 15%, 20%, 25%, 30% and 1/3 threshold for Company capital and voting rights in the upward direction on June 25, 2014, in concert with Mr. Alain Taravella and Mr. Jacques Nicolet, due to the establishment of a concert among Mr. Stéphane Theriau, Mr. Gilles Boissonnet, Mr. Alain Taravella and Mr. Jacques Nicolet regarding Altarea (AFM Decision & Information No. 214C1286).

6.2.2.9. Control of the company and Shareholders' agreements

An agreement to act in concert was made among the following persons:

- Mr. Alain Taravella, the companies AltaGroupe (formerly Altafinance 2), Alta Patrimoine and Altager (formerly Alta Pat 1), which he controls, and members of his family;
- Mr. Jacques Nicolet and the Company JN Holding, which he controls;
- Mr. Gilles Boissonnet and the SCI JOUFFROY 2, which he controls;
- Mr. Stéphane Theriau.

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. The traditional group of shareholders acting in concert, composed of Mr. Alain Taravella and Mr. Jacques Nicolet, is referred to in this document as the "concert of founders."

In a letter received by the Autorité des Marchés Financiers on July 2, 2014, Mr. Gilles Boissonnet and Mr. Stéphane Theriau declared acting in concert with Mr. Alain Taravella and the companies he controls, and Mr. Jacques Nicolet and the companies he controls (AFM Decision & Information No. 214C1286 of July 3, 2014). In its June 10, 2014 meeting, the Autorité des Marchés Financiers examined the consequences of this concert action between Mr. Gilles Boissonnet and Mr. Stéphane Theriau with the concert formed by Mr. Alain Taravella and Mr. Jacques Nicolet. The AMF established that there was no call for a mandatory submission of a proposed public bid as set out in the provisions of Article 234-2 of the AMF's General Regulations, as the action in concert would not cause the initial concert to cross the thresholds set out in Article 234-7, paragraph 2 of the General Regulations. (AFM Decision & Information No. 214C1041 June 11, 2014).

As of the date of this document, the Company was aware of the following Shareholders' agreements:

Description	Date	Validity	Signatories	Commitments
Shareholders' Agreement	06/26/2007	10	Alain Taravella, Jacques 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	06/12/2008	10	Mr. Taravella, Mr. Nicolet, Altafinance 2, JN Holding and ABP Fund	ABP Fund has right to appoint one member to sit on Supervisory Board and Board's Special Committees (number of seats consistent on percentage interest). Undertaking to use best efforts to maintain the company's SIIC status and to increase its free float
Dutreil agreements	07/21/2008 & 11/03/2009		Mr. Taravella, his family, Alta Patrimoine and Altafinance 2	Undertakings to hold shares
Dutreil agreement	12/22/2011		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares
Dutreil agreement	12/21/2012		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares
Dutreil agreement	12/23/2014		AltaGroupe, Altafi 2, Opus Investment, Christian de Gournay and Jean-François Favre	Undertakings to hold shares

6.2.2.10. Trading in Altarea shares in 2014 by executive officers or persons closely related to them

From January 1, 2014 to December 31, 2014, 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 Ct Agricole Ass	01/23/2014	416	€132.2039	€54,996.82
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/24/2014	231	€130.3359	€30,107.59
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/27/2014	428	€130.1593	€55,708.18
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/28/2014	73	€130.9759	€9,561.24
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/29/2014	273	€131.7270	€35,961.47
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/30/2014	146	€130.3977	€19,038.06
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	01/31/2014	435	€130.0923	€56,590.19
Predica	Supervisory Board member	Ordinary shares	Acquisition by Ct Agricole Ass	02/03/2014	92	€130.7973	€12,033.35
M. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Alta Groupe(1)	03/11/2014	35,000	€128.00	€4,480,000.00
Mme Eliane Fremeaux	Supervisory Board member	Ordinary shares	Acquisition by Ms. Eliane Fremeux	03/18/2014	75	€134.16	€10,062.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Alta Patrimoine(1)	11/06/2014	35,000	€130.00	€4,550,000.00
Opus Investment	Supervisory Board member	Ordinary shares	Acquisition by Opus Investment	12/19/2014	15,000	€132.50	€1,987,500.00

(1) Controlled by Monsieur Alain Taravella.

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	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	01/02/2014	1,600	€127.65	€204,240.00
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	01/02/2014	113	€127.67	€14,426.71
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	01/03/2014	123	€128.00	€15,744.00
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	01/06/2014	593	€128.00	€75,904.00
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	01/07/2014	6,729	€128.2361	€862,900.72
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	03/11/2014	35,000	€128.00	€4,480,000.00
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	11/06/2014	35,000	€130.00	€4,550,000.00
Mr. Jacques Nicolet	Supervisory Board member	Ordinary shares	Sale by JN Holding [2]	12/19/2014	15,000	€132.50	€1,987,500.00

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
Predica	Supervisory Board member	Ordinary shares	Payment to Ct Agricole Ass	06/12/2014	262	€108.27	€28,366.74
Opus Investment	Supervisory Board member	Ordinary shares	Payment to Opus Investment	06/12/2014	9,261	€108.27	€1,002,688.47
Mr. Alain Taravella	Co-Manager	Ordinary shares	Payment to Alta groupe [1]	06/12/2014	263,745	€108.27	€28,555,671.15
Mr. Alain Taravella	Co-Manager	Ordinary shares	Payment to Altager [1]	06/12/2014	66,510	€108.27	€7,201,037.70
Mr. Christian de Gournay	Chairman of the Supervisory Board	Ordinary shares	Payment to Mr. Christian de Gournay	06/12/2014	2,747	€108.27	€297,417.69
Mr. Alain Taravella	Co-Manager	Ordinary shares	Payment to Alta Patrimoine [1]	06/12/2014	145,437	€108.27	€15,746,463.99
Predica	Supervisory Board member	Ordinary shares	Payment to Predica	06/12/2014	286,141	€108.27	€30,980,486.07

(1) Controlled by Mr. Alain Taravella.
(2) Controlled by Mr. Jacques Nicolet.

6.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE INTO EQUITY

Issue date	Issue amount	Subscription rate	Date of maturity
12/21/2012	€100,000,000	Entirely subscribed	12/21/2017
05/23/2014	€100,000,000	Entirely subscribed	05/23/2021
06/02/2014	€50,000,000	Entirely subscribed	05/23/2021
06/12/2014	€80,000,000	Entirely subscribed	05/23/2021

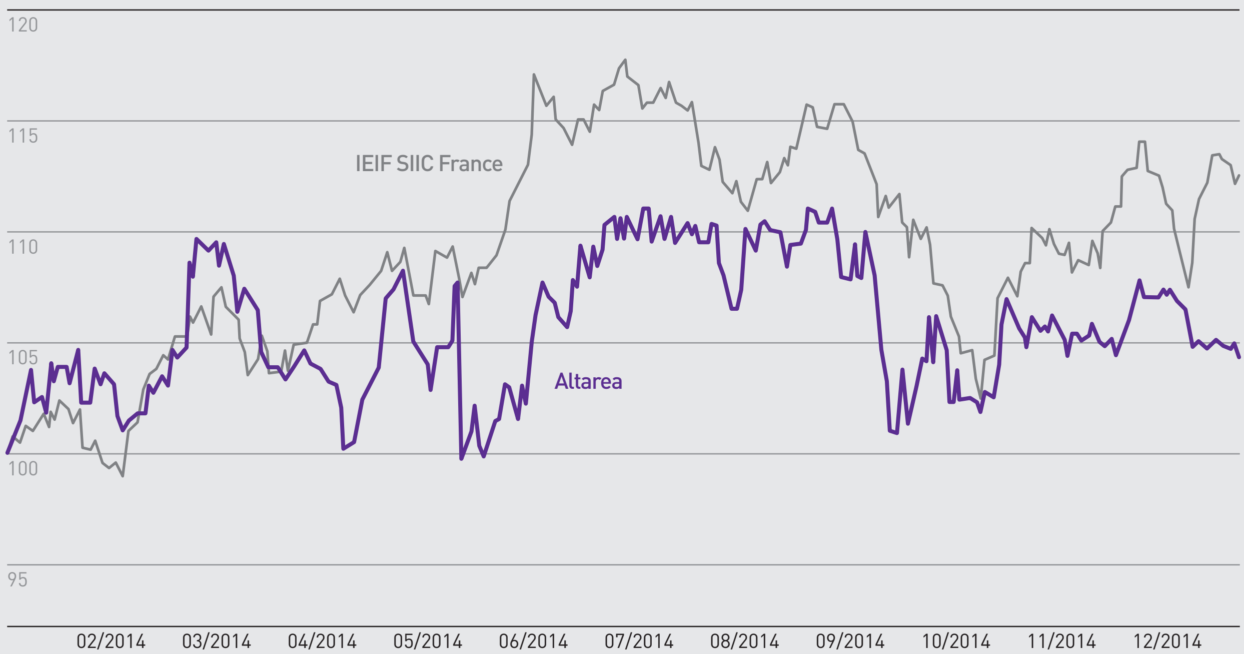
Bonds issued on 06/02/2014 and 06/12/2014 were assimilated upon issue and comprised a single item with the existing bond issue carried out on 05/23/2014.

6.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/Altarea						
Market						Compartment A – NYSE Euronext
Securities exchange						Paris
	2009	**2010**	**2011**	**2012**	**2013**	**2014**
Market capitalization	1,091,302,737.00	1,272,352,125.00	1,226,547,449	1,276,638,597	1,483,879 040	1,647,039,500
Number of shares traded	69,062.00	160,896.00	366,875	551,953	587,100	373,158
Average price (€)	110.00	115.29	133.70	115.42	126.7584	133.2671
Value of shares traded (€)	7,596,820.00	18,550,102.00	49,051,188	64,926,335.80	74,419,856.00	49,448,737
Highest	133.00	128.00	148.50	130.99	154.00	140.90
Lowest	100.00	103.00	111	98.51	105.40	123.05
Latest	107.00	125.00	120.50	117	128.00	131.60

	High	Low	Latest	Number of shares traded	Value of shares traded (€)
January 2015	150.50	131.10	150.50	220,297	30,261,449
December 2014	137.35	131.60	131.60	49,159	6,559,143
November 2014	134.00	131.50	133.00	22,266	2,958,540
October 2014	135.15	128.50	134.00	15,544	2,043,347
September 2014	139.80	126.25	131.35	38,437	5,137,233
August 2014	140.00	133.30	139.15	18,580	2,543,837
July 2014	140.90	132.00	136.80	16,989	2,354,675
June 2014	140.00	128.00	139.50	33,023	4,456,238
May 2014	136.00	123.05	130.00	40,299	5,221,816
April 2014	136.80	125.00	135.00	29,151	3,810,315
March 2014	139.45	130.00	131.85	29,024	3,870,407
February 2014	139.00	127.00	137.95	50,453	3,949,507
January 2014	133.00	125.15	130.75	50,453	6,596,730
December 2013	131.40	124.85	128.00	77,099	9,868,672
November 2013	131.00	125.50	130.00	68,506	8,905,780
October 2013	126.85	121.10	125.50	66,444	8,338,220
September 2013	126.00	116.50	121.65	966,438	117,567,183
August 2013	122.90	117.00	119.50	28,179	3,367,390
July 2013	127.00	105.40	116.00	69,417	8,052,372
June 2013	135.00	119.00	125.00	44,712	5,589,000
May 2013	142.80	123.50	142.50	83,513	11,900,602
April 2013	154.00	131.20	141.00	47,486	6,695,526
March 2013	142.80	123.50	142.50	83,513	1,190,060
February 2013	125.00	117.50	124.00	26,046	3,229,704

Comparative change in the stock price of Altarea and the IEIF SIIC France index
(from 01/01/2014 to 12/31/2014, base: 100)



6.4. DIVIDEND POLICY

6.4.1. DIVIDENDS PAID OVER THE PAST FIVE FINANCIAL YEARS

Financial year	Dividend per share
Financial year ended 12/31/2009	€7.20
Financial year ended 12/31/2010	€8.00
Financial year ended 12/31/2011	€9.00
Financial year ended 12/31/2012	€10.00
Financial year ended 12/31/2013	€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 the financial year ended December 31, 2014 will be proposed at the Annual General Meeting to be held on June 5, 2015. This is the same dividend as was offered the year before.

The dividend to paid in 2016 in respect of FY 2015 should be higher.

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 2014.

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 €14,990,348 at December 31, 2013, including €8,215,674 of unbilled payables at the closing date and €366,802 in holdbacks. The balance of €26,407,872 comprised €5,307,211 in debts maturing within less than 30 days and €1,100,662 of trade payables maturing within more than 60 days;
- the Company's total trade payables (including amounts due on non-current assets) amounted to €5,555,938 at December 31, 2014, including €4,246,443 of unbilled payables at the closing date and €401,400 in holdbacks. The balance came to €9.8,095, all maturing within more than 60 days.

6.6. AGREEMENTS CONCLUDED BETWEEN AN EXECUTIVE OFFICER OR A MAJOR SHAREHOLDER AND COMPANY SUBSIDIARIES

As of the date of this registration document, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.7. SUMMARY OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS

TYPE OF INDICATIONS	2014	2013	2012	2011	2010
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share capital	191,243,972	177,146,239	166,734,997	155,540,502	155,540,502
Number of shares	12,515,497	11,592,805	10,911,441	10,178,817	10,178,817
- ordinary	*12,515,497*	*11,592,805*	*10,911,441*	*10,178,817*	*10,178,817*
- preferred shares					
Maximum number of shares to be created					
- by bond conversions					
- by subscription rights					
OPERATIONS AND EARNINGS					
Revenues excl. tax	25,462,290	41,034,088	39,407,606	40,158,840	42,913,200
Profit before tax, interest, depreciation and provisions	44,229,409	191,804,094	36,216,000	(4,186,943)	21,715,911
Income tax	338,305	(88,331)	(24,266)	(57,333)	
Employee participation					
Allowances Depreciation, amortization and provisions	40,157,535	74,973,819	32,818,718	(9,521,967)	17,198,685
Net profit	3,733,569	116,918,606	3,421,549	5,392,357	4,517,227
Distributed earnings					
EARNINGS PER SHARE					
Profit after tax and interest, before depreciation and provisions	3.5	16.6	3.3	(4)	2.1
Profit after tax, interest, depreciation and provisions	0.3	10.1	0.3	0.5	0.4
Dividend distributed					
PERSONNEL					
Average employee workforce	5	6	6	5	5
Payroll	1,833 756	1,845,482	1,819,892	1,394,862	1,443,867
Amounts paid in benefits (social security, social welfare, etc.)	1,384 810	1,270,590	4,598,122	1,838,671	2,036,935

6.8. RECENT EVENTS AND LITIGATION

Recent events and litigation are discussed in chapter 3 of this registration document, in Notes 12.2 and 14 to the consolidated financial statements.

On March 20, the Copany published a press release. This communication was worded as follows:

"Altarea Cogedim now owns 100% of Qwartz, France's 1st connected regional shopping center.

Altarea Cogedim has just signed an agreement with an entity held by Orion European Real Estate Fund III CV, a fund managed by Orion Capital Managers. Altarea Cogedim Group now owns 100% of the Qwartz regional shopping center located in the département of Hauts-de-Seine. The transaction was carried out based on a 100% market valuation of approximately €400 million.

Qwartz was created following more than 10 years of thought and planning. With its singular positioning combining of brick-and-mortar and digital retail, the center effectively embodies shopping center revitalization. Featuring a multitude of innovative concepts specifically developed for Qwartz, the regional shopping center located in the département of Hauts-de-Seine offers customers a unique range of products and services for a new kind of shopping experience.

An exceptional showcase for retailers, Qwartz has been taken up at 100%. Its 165 national and international retailers spanning a surface area of

925,750 ft² (86,000 m²) include a Carrefour hypermarket featuring the latest digital innovations developed to facilitate customers' purchasing itinerary, and 15 mid-sized stores including the brand new duo of Marks & Spencer and Primark, each covering 53,750 ft² (5,000 m²).

Since it opened less than a year ago, the shopping center's unique positioning has been recognized on several occasions: Qwartz won a MAPIC Award for the category of "Most Innovative Shopping Center," as well as the "Janus du Commerce" label in the fall of 2014. The center was also awarded the Prize for the Most Connected Catchment Areas at the first annual Nuit du Commerce Connectée, organized by Retail Networks.

Footfall at Qwartz is expected to exceed 7 million visitors in its first year, with a long-term goal of 9 million visitors."

6.9. INFORMATION THAT CAN AFFECT ALTAREA'S BUSINESSES OR PROFITABILITY

Overall, the Company is not dependent on its customers.

In the Shopping Center property division, the fifteen largest tenants managed by Altarea accounted for 29.01% of total rental income (excl. tax) at December 31, 2014. No single tenant accounted for more than 10% of rental income.

Furthermore, the fifteen largest customers in Altarea's Residential property business accounted for 12% of total revenue (excl. tax) at December 31, 2014. No single customer accounted for more than 10%.

However, the four largest clients in the office property business accounted for more than 10% of total revenue (excl. tax) at December 31, 2014.

6.10. COMPETITIVE ENVIRONMENT

The sections of this registration document containing the Company description and management report (chapters 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 investment sector, the nine property companies with a market capitalization of over €1 billion, independent of Altarea Cogedim Group, are [1] Unibail-Rodamco, Klépierre, Gecina, Icade, Foncière des Régions, Mercialys, Foncière des Murs, Société Foncière Lyonnaise and Eurosic;
- in the Residential and Office Property development sector, Altarea Cogedim Group's main competitors in 2014 were as follows [2]:
  - for Residential property, the top ten real estate developers included Altarea Cogedim Group, as well as: Bouygues Immobilier, Nexity, Kaufman & Broad, Icade, Promogim, Vinci Immobilier, Sogeprom, Eiffage Immobilier and les Nouveaux Constructeurs,
  - for Office property, the top nine real estate developers included Altarea Cogedim Group, as well as: Nexity, BNP Paribas Real Estate, Sogeprom, Vinci Immobilier, Bouygues Immobilier, Eiffage Immobilier, Sodearif and Crédit Agricole Immobilier;
- in the e-commerce segment, Altarea Cogedim Group's [3] main competitors are general-merchandise sites (Amazon, CDiscount, PriceMinister and Vente-privée), traditional retailers (Fnac, Darty, Leroy Merlin and Décathlon), large retailers and supermarkets (Carrefour, E. Leclerc and Auchan), mail-order retailers (La Redoute), buying groups of independent retailers, and household appliance chains.

6.11. 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 chapter 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.

(3) Source: Institut de l'Epargne Immobilière & Foncière: Euronext IEIF SIIC France, Index nomenclature at 01/30/2015.
(4) In overall business volume in € millions – 2014 Top Ten – 2014 Property Developer Rankings – Innovapresse – pages 18 and 20.
(5) See Journal du Net 01/27/2015 – Flore Fauconnier.

6.11.1. RISKS INHERENT IN THE OPERATIONS OF ALTAREA COGEDIM

Risks related to trends in the property market and to the business climate

Altarea operates in several sectors of the property market, mainly Retail property (mostly shopping centers), Residential and Office Property, and Serviced residences. The Company is exposed to systemic risks and uncertainties specific to the property market, most notably its cyclical nature, as well as the risks inherent to each property asset. The Company's risk management strategy and measures adopted aim to limit the negative consequences should one of these risks materialize. However, a prolonged deterioration of economic conditions or abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate could have a negative impact on the Altarea Cogedim Group's businesses, asset values, earnings, development projects, and investments.

Risks related to 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 position as a general merchandise retailer should allow it to take advantage of growth opportunities in various markets in which the Group operates.

High-tech product retail and online shopping centers are experiencing increasing competition that could jeopardize growth prospects for the Group in this sector. Increased competition could result in price reductions, reduced growth, reduced margins and loss of market share. These could have an adverse effect on the business.

Property Development risks

There are a number of risks related to Property Development, including:

- risks related to obtaining building permits or permits for commercial operations, and to administrative proceedings that could delay Property Development projects;
- risk of inability to meet construction schedules owing to delays due to archaeological excavation, soil typology, decontamination, etc., the risk of construction cost overruns, contractor business failures, the inability of contractors and service providers to adapt to new standards and the risk of ensuing potential litigation with construction companies;
- commercial risk, which is related mainly to the possibility that products developed will not be consistent with demand, or to the extended length of time required to structure certain operations; this risk is mitigated through pre-letting;
- competition risk, which may in particular affect the acquisition of commercial land/shopping centers, product sales prices, or the availability of subcontractors.

Risks related to the Company's businesses and assets

Risks related to assets in operation and to the shopping center and office Property Development business include:

- risks related to letting and re-letting of space in shopping centers and offices, in particular in a challenging economic climate;
- risks related to Property Portfolio Management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.);
- risks related to the operation of shopping centers (natural or technological risks, accidental damages, closure of a center by the government, etc.), which are covered mainly by adequate insurance policies and by the application of stringent measures for monitoring health and safety issues in centers under operation and ensuring compliance with the applicable regulations.

Risks related to Rue du Commerce inventory and inventory 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, a deterioration in consumer solvency would mainly impact demand for Residential property in the marketing stage. Once the residential unit has been marketed, Cogedim holds a seller's lien on the property and the keys are not handed over until the buyer has paid the balance of the selling price. Thus risks relating to the Company's ability to collect sums due from its customers mainly entail extending payment terms and therefore optimizing working capital requirement.

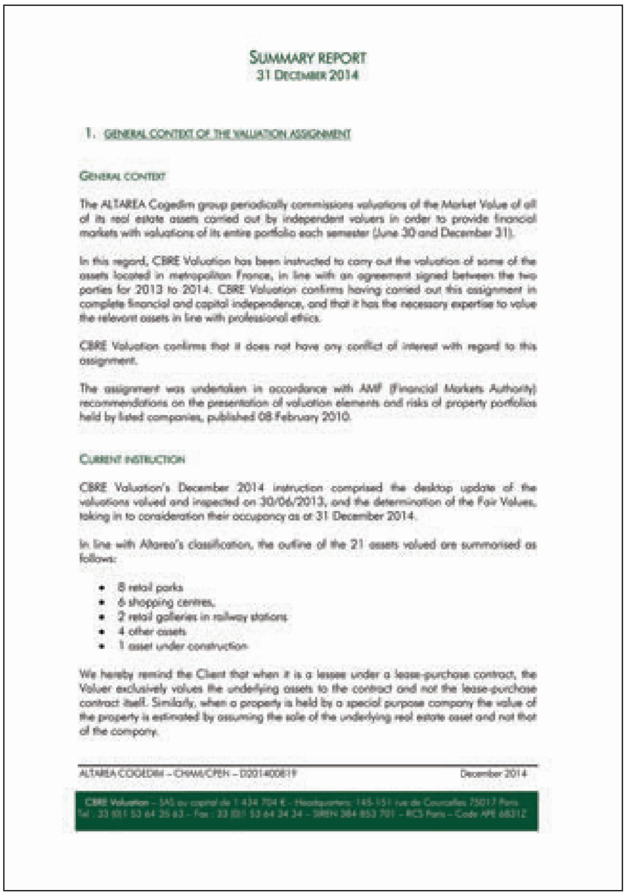
Finally, marketing of Serviced residences managed by the Group ensures guaranteed returns for investors' long-term placements. Occupancy rates could therefore have a negative impact on the operation of these residences.

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 6.3 to the consolidated financial statements (chapter 3 of the registration document) focusing particularly on investment properties.

The condensed reports of the Company's appraisers are reproduced in full below.



SUMMARY REPORT
31 DECEMBER 2014

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 2014 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 2014.

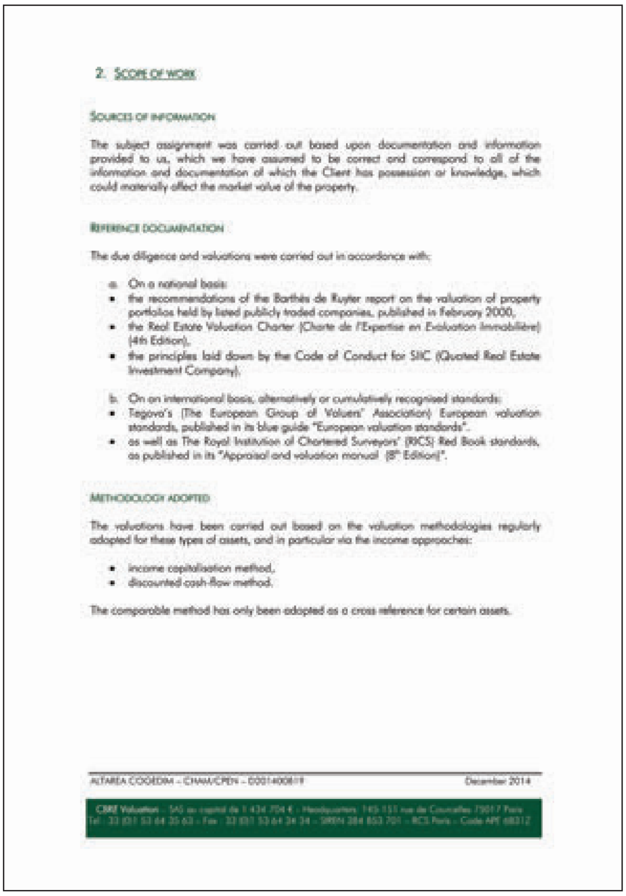
In line with Altarea's classification, the outline of the 21 assets valued are summarised as follows:

- 8 retail parks
- 6 shopping centres,
- 2 retail galleries in railway stations
- 4 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.

ALTAREA COGEDIM – CHAM/CPEN – D201400819 December 2014

CBRE Valuation – SAS au capital de 1 434 704 € - Headquarters: 145-151 rue de Courcelles 75017 Paris
Tel : 33 (0)1 53 64 35 63 – Fax : 33 (0)1 53 64 34 34 – SIREN 384 853 701 – RCS Paris – Code APE 6831Z



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.

ALTAREA COGEDIM – CHAM/CPEN – D201400819 December 2014

CBRE Valuation – SAS au capital de 1 434 704 € - Headquarters: 145-151 rue de Courcelles 75017 Paris
Tel : 33 (0)1 53 64 35 63 – Fax : 33 (0)1 53 64 34 34 – SIREN 384 853 701 – RCS Paris – Code APE 6831Z

3. OVERALL FAIR VALUE AS AT 31 DECEMBER 2014

The studies undertaken have allowed us to arrive at the fair value of the assets, taking into account their occupancy levels, as at 31/12/2014, of:

	Fair value excluding taxes and legal costs	Fair value including taxes and legal costs
100% Value	€ 1,131,831,122	€ 1,194,614,573
Proportionate value on share of ownership	€ 665,123,172	€ 703,192,563

Costs and registration fees: common law regime at 6.2%/6.90% 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

Denis FRANCOIS
President

Carried out in Paris, 20 January 2015

ALTAREA COGEDIM – CHAM/CPEN – D201400819 December 2014

CBRE Valuation

Short Report Altarea December 2014

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 2014 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 2014.

The assets valued, according to Altarea, consist of 38 sites used as follows:

- 21 shopping centres,
- 4 retail parks,
- 7 other sites,
- 1 building undergoing development.

The 37 sites are divided between France, Italy and Spain as follow:

France:

- 15 shopping centres,
- 4 Retails Park
- 7 Other sites
- 1 building undergoing development

Italy:

- 5 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" (9th Edition).

Valuation Method

The valuations techniques used are based upon methods regularly used for these types of assets, notably methods based on income:

- Income capitilisation method,
- Discounted cash flow (DCF) method.

The comparison method of valuation has been used only for crosschecking purposes for certain assets.

Short Report | Altarea Cogedim – Retail Portfolio

DTZ

1.3. Market Value as at 31st December 2014

The overall market value corresponds to the sum of the individual value of each asset.

Total Market Value :
€2,713,741,328 including fees and transfer taxes

Market value of share:
€2,037,077,354 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, 14th January 2015.

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 2014 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.

6.11.2. 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). The Group is subject to French laws and regulations applicable to e-commerce activities, which increasingly tend to 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 12.2 to the consolidated financial statements (chapter 3), on litigation and claims, no significant new litigation issues arose in 2014 other than those for which provisions were set aside or that the Company has challenged.

Other provisions are presented in Note 6.12 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 were to attain an ownership threshold of 60% of the share capital or voting rights, this would also result in loss of SIIC status. This is why Altarea's Articles of Association cap voting right ownership at 60%.

Altarea could be liable for an additional income tax charge if it pays an exempt dividend to a Shareholder that is not subject to French Corporate income tax (or an equivalent tax) and that owns at least 10% of Altarea's shares, and if Altarea cannot pass the charge on to this Shareholder. Altarea's Articles of Association state explicitly that Shareholders must pay this charge, but Altarea may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the Shareholder becomes insolvent before the payment is made.

Finally, Altarea is subject to changes in existing tax laws.

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 also be faced with insufficient insurance or an inability to cover some or all of its risks, potentially resulting 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.

6.11.3. 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 in paragraph 5.3.7 "Other social issues."

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, the Altarea Cogedim Group is exposed to certain environmental risks mainly relating to the new thermal and environmental regulations set out in the Grenelle Act and in its various implementing decrees, as they apply to all of the Group's new projects. The Group is also affected by the environmental objectives of Grenelle 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.

6.11.4. 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 which 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 9 to the consolidated financial statements (chapter 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, 2014 and at the date of this registration document, all covenants were met by the relevant company or companies.

Interest rate and hedging risk

Note 9 to the consolidated financial statements (chapter 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 a counterparty. Altarea mitigates this risk by using only major financial institutions as counterparties.

Equity risk

Altarea does not feel it has any material exposure to equity risk as of December 31, 2014.

Currency risk

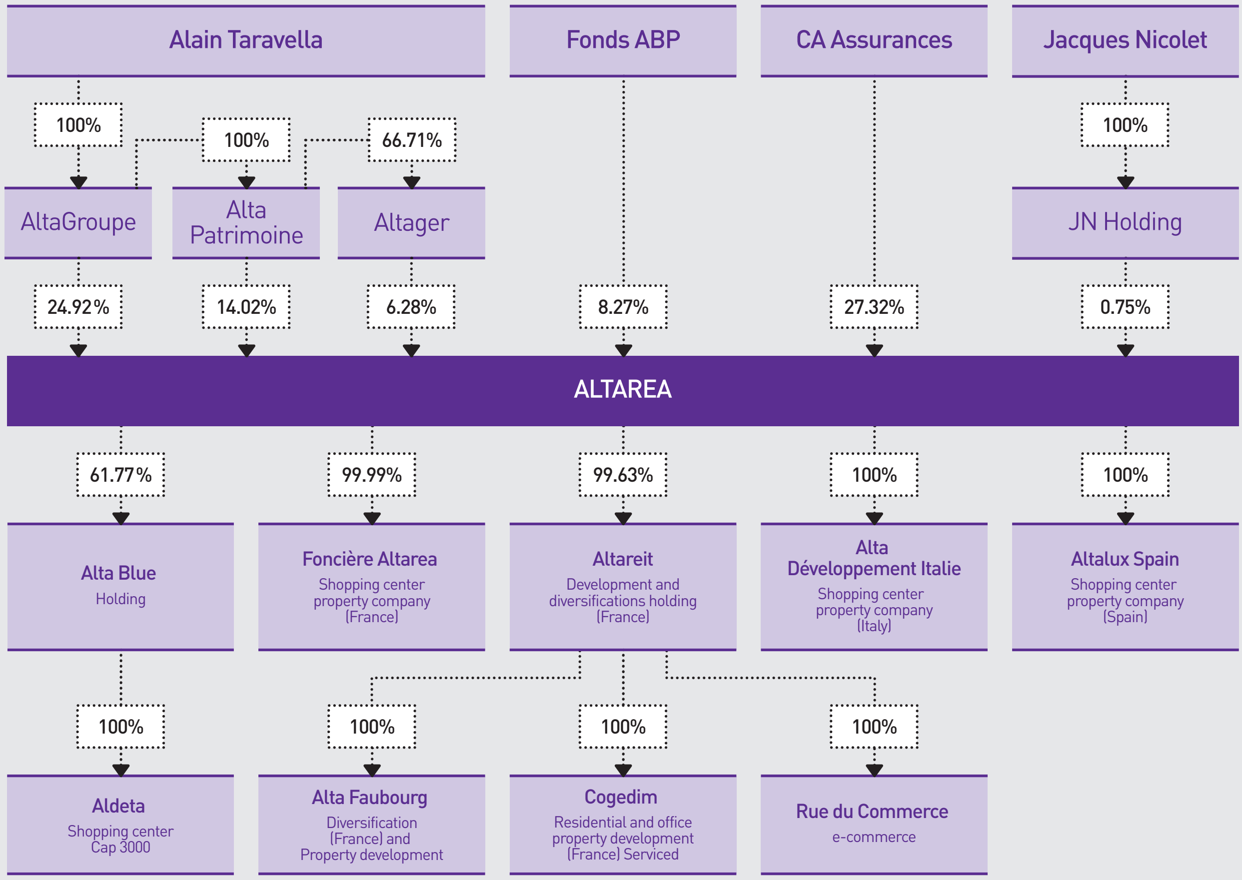
At the date of this registration document, Altarea operates exclusively in the eurozone. The Company is therefore not significantly exposed to currency risk.

6.11.5. 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 associates.

6.12. SIMPLIFIED FLOWCHART AT DECEMBER 31, 2014

Simplified flowchart at December 31, 2014 [6]



Altarea centralizes the Group's cash surpluses. Note 9 to the consolidated financial statements on (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 chapter 7 of this document.

(6) Altareit's stake in RueduCommerce is owned through Altareit subsidiaries.

6.13. 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 is selected following a competition sponsored by the city of Le Havre for development of Espace Coty.

1996: Altarea wins a competition 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 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 a 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 the development of a shopping center in Rome (Casetta Mattei Center). Delivery of 117 homes 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 Les Tanneurs in Lille.

2005: 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 French 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 National Interest Market (MIN), the world's largest food wholesale market in volume terms, under a concession contract running until 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 Property Development and diversification companies to Altareit, also listed on 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, Altarea Group creates Alta Fund, a commercial Property Investment vehicle with equity of €350 million.

2012: Following an initial public offering, the Group takes control of e-commerce operator Rue du Commerce. 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 raised €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.

2014: Altarea delivers the Qwartz regional shopping center in Villeneuve-la-Garenne, with a surface area of 721,000 ft² (67,000 m²) GLA. The Group is selected as a partner by French rail operator SNCF to modernize the Paris-Montparnasse rail station. The Group launches the extension-renovation project of the Cap 3000 shopping center, located outside of Nice. The Group acquires 55% of the capital of Histoire & Patrimoine, a company specializing in renovation and redevelopment of urban heritage properties. The acquisition is carried out essentially via a capital increase. A partnership is concluded with Crédit Agricole Assurances in the company operating Cogedim Club® residences. The Group raises €805 million in corporate funding, including €230 million in bonds.

6.14. 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 and for interfacing with the relevant staff in charge of development, valuations, sales and legal affairs, as well as operational personnel, 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) €650 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.

The number (1) indicates that a company is listed, the number (2) specifies that it is directly or indirectly controlled by Altarea, and the number (3) indicates that it is a foreign company.

7.1.1. MANAGEMENT

a) Composition

At December 31, 2014, Company Management consisted of Alain Taravella and the companies Altafi 2 and Atlas.

During 2014, Alain Taravella and Altafi 2 held the position of Co-Managers without interruption. Altager was named as co-manager on June 25, 2014 and resigned from this position on December 11, 2014 Atlas was named to replace Altager as of that date.

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, 2014

Other corporate offices in the Group [1]

Manager: Altarea [1]

Chairman and Supervisory Board member: Cogedim (SAS) [2]; Altarea France (SNC) [2]

Director: Boursorama [1]

Representative of Altarea, Chair: Alta Blue [2]; Alta Delcassé [2]; Alta Développement Italie [2]; Alta Rungis [2]

Representative of Alta Faubourg, Chair: Alta Saint Germain

Representative of Alta Blue, Chair: Aldeta [2]

Permanent representative of Altarea, Director: *Société d'Economie 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: Altarea España [2][3]

Representative of Altarea, Member of the Foreign Companies Committee: AltaFund Value-Add I [3]

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 (forlmerly Altafinance 2); Altager (formerly Alta Pat 1); Alta Patrimoine

Representative of Altafi 2, Manager: Altarea [1]; Altareit [1][2]

Representative of AltaGroupe (formerly Altafinance 2), Manager: SCI Sainte Anne

Corporate offices expired within the past five years

Chairman and CEO – Director: Aldeta [2]

Chairman of SAS: Altafi; Altafinance; Foncière Altarea [2]

Chairman and Supervisory Board member: Altarea France (SAS) [2]

Director: Alta Blue

Representative of Altarea, Chair: Alta Développement Espagne [2]; Alta Développement Russie [2]

Representative of Altarea, Director: Sillon

Representative of Altarea, Manager: SNC Richelieu International

Representative of Alta Faubourg, Chair: Alta Reim (formerly Alta Montaigne)

Representative of Altarea Old, Manager: Grand Tour; SNC Alta Saint Georges; Valdoly shopping center

Representative of Altarea Old, Director: Wagram 39-41

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]; Altarag Srl [2][3]; Altarea Italia Srl [2][3]; AltaFund Value-Add I; Altarea Inc. [2][3]

As of December, 31, 2014, to the Company's knowledge, Mr Taravella owned 5,805,183 shares in Altarea, directly or indirectly through AltaGroupe (formerly known as Altafinance 2), Alta Patrimoine and Altager, which he and members of his family control.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

Atlas, Co-Manager

Atlas is a *société par actions simplifiée* (simplified limited liability company) with share capital of €38,000. Its registered office is located at 8 Avenue Delcassé, 75008 Paris. Its registration number is 518 994 678 RCS Paris. It is fully owned by AltaGroupe, in turn controlled by Mr Alain Taravella.

Mr Alain Taravella serves as Chairman of Atlas. Mr Gilles Boissonnet and Mr Stéphane Theuriau serve as Managing Directors.

Atlas was named as Co-Manager of the Company on December 11, 2014 for a term of 10 years.

Corporate offices held at December 31, 2014

Other corporate offices in the Group [1]

Co-Manager: Altarea [1]

Corporate offices expired within the past five years

None

As of December 31, 2014, to the Company's knowledge, Atlas did not own any shares in Altarea.

Altafi 2, Co-Manager

Altafi 2 is General Partner of the Company and is presented in paragraph 7.1.2 below.

b) Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

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, 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.

(1) Listed companies.

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 of 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, 2014, to the Company's knowledge, Altafi 2 owned ten shares in Altarea.

b) Appointment and termination of office (Article 24)

General Partners are appointed by Extraordinary General Meetings of the Shareholders upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

7.1.3. SUPERVISORY BOARD

Information on the appointment and termination of office of members of the Supervisory Board, their powers, the dates of their appointment and the dates of expiry of their terms of office, is set out in Section 8 containing the Chairman's report on the Company's internal control system. This paragraph contains the identity of the members of the Supervisory Board and offices held in other companies.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings of the Shareholders. Shareholders with the status of General 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.

Christian de Gournay

Member and Chairman of the Supervisory Board,

Christian de Gournay is a French citizen, born in Boulogne-Billancourt (92) in 1952.

A graduate of the French Haute Ecole Du Commerce and Ecole Nationale d'Administration, Christian de Gournay began his career at the French Council of State in 1978, and later worked for Indosuez Bank as Director of Treasury and Bond Markets. 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 joined Cogedim in 2002 as Vice-Chairman of the Management Board. Christian de Gournay served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Board became effective.

Christian de Gournay was co-opted by the Supervisory Board at its meeting of March 5, 2014 to replace resigning member Opus Investment. This appointment was ratified by the Annual General Meeting of May 7, 2014. At its meeting of March 5, 2014, the Supervisory Board appointed Christian de Gournay as Chairman of the Supervisory Board as of June 2, 2014. These terms are set to expire at the close of the 2019 Annual General Meeting called to vote on the financial statements for the period ended December 31, 2018.

Corporate offices held at December 31, 2014

Other corporate offices in the Group

Chairman and member of the Supervisory Board: Altarea[1]; Altareit[1][2]

Corporate offices outside the Group

Manager: SCI Schaeffer-Erard

Co-Director: Opus Investment

Corporate offices expired within the past five years

Chairman and Member of the Management Board: Cogedim

Manager: Gogedim Valorisation

Supervisory Board member: Altarea

At December 31, 2014, Mr Christian de Gournay directly or indirectly owned 156,999 shares in the Company.

(1) Listed companies. (2) Foreign companies.

Jacques Nicolet

Supervisory Board member

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, M. 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, 2014

Other corporate offices in the Group

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: Altarea España[2][3]

Corporate offices outside the Group

Chairman of SAS: JN Holding; JN Investissement

Manager: 14 rue des Saussaies; SCI Damejane; JN Participations

Chairman and/or Director of foreign companies: SA Monégasque Productions de Monte-Carlo[3]; HP Composites Srl[3]

Representative of JN Holding, Chair: Immobilière Dame Jane; JN Automotive; JN Properties; Onroak Automotive; Proj 56; Proj 73; Shootshareshow, Ecodime; ABM Holding; SAS Les 2 Arbres

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

Permanent representative of JN Holding, Director: ABM Holding

Corporate offices expired within the past five years

Chairman of the Supervisory Board of SCA: Altarea[1]; Altareit[1][2]

Permanent representative of JN Investissements, Director: ABM Holding

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]; Altarea Italia[2][3]; Galleria Ibleo S.R.L.[2][3] (formerly Altarag S.R.L.)

Representative of JN Investissements, Manager: SNC Cap Sud Est

At December 31, 2014, to the Company's knowledge, Jacques Nicolet owned 93,927 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. He was appointed as a member 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. Gautier Taravella is the son of Alain Taravella.

Corporate offices held at December 31, 2014

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

None

At December 31, 2014, to the Company's knowledge, Gautier Taravella owned 56,750 shares in Altarea.

Matthieu Taravella

Supervisory Board member

Matthieu Taravella, a French citizen, was born in Paris (16th arrondissement) in 1978. He was appointed as a member of the Supervisory Board on June 26, 2007. His term of office expires at the close of the General Meeting called to vote on the 2018 financial statements. Matthieu Taravella is the son of Alain Taravella.

Corporate offices held at December 31, 2014

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Corporate offices outside the Group

Chief Executive Officer: AltaGroupe (formerly Altafinance 2)

Manager: SARL Galerie Sakura

Corporate offices expired within the past five years

Director/Vice-Chairman: Altarea Inc.[2][3]

At December 31, 2014, to the Company's knowledge, Matthieu Taravella owns 57,011 shares in Altarea.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

Françoise Debrus

Supervisory Board member

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 d'Île-de-France, and since March 27, 2009, she has been with Crédit Agricole Assurances as Head of Investments. She was appointed as a member of the Supervisory Board on May 20, 2009. Her term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

Corporate offices held at December 31, 2014

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]; Korianmedica[1]

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; Medica

Permanent representative of Predica, Supervisory Board member: Foncière Paris France SA

At December 31, 2014, to the Company's knowledge, Françoise Debrus owned 2 shares in Altarea.

Eliane Fremeux

Supervisory Board member

A French citizen, born in Paris (15th arrondissement) on September 8, 1941, Ms. Eliane Fremeaux was a partner at notary firm THIBIERGE Associés until October 18, 2012. Ms. Eliane Fremeaux is a Chevalier in the Legion of Honor and a member of the Legal Studies Institute of the Conseil Supérieur du Notariat; the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellerie; and the Commission on Polluted Sites and Soils within the French Ministry of Sustainable Development's High Council of Classified Installations; an honorary member of the Circle of Women Real Estate Professionals; and a member of the René Capitant Association of Friends of French Legal Culture. Ms. Fremeaux is a regular participant in numerous seminars and conferences in France and abroad, primarily on topics related to corporate Law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment. She was appointed as a member of the Supervisory Board on June 27, 2013. Her term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

Corporate offices held at December 31, 2014

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

Co-Manager: S.C.P. Thibierge Associés

At December 31, 2014, to the Company's knowledge, Eliane Fremeaux owned 75 shares in Altarea.

Dominique Rongier

Supervisory Board member – Chair of the Audit Committee

Dominique Rongier, a French citizen, graduated from the HEC Business School in 1967. He served in succession as Auditor with Arthur Andersen (1969-1976), Chief Financial Officer of the Brémond – Pierre 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 was acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the US advertising group D'Arcy) for more than two years. Until March, 31, 2009, Mr Rongier was Chairman of a software publishing company specializing in sports and health.

He was appointed as a member of the Supervisory Board on May 20, 2009. His term expires at the close of the Annual General Meeting called to vote on the 2014 financial statements. Management will propose the renewal of his term to the Combined General Meeting of Shareholders called to vote on the 2014 financial statements.

Corporate offices held at December 31, 2014

Other corporate offices in the Group

Supervisory Board member: Altarea[1]; Altareit[1][2]

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) 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, 2014, to the Company's knowledge, Dominique Rongier owned 10 shares in Altarea.

Predica – Crédit Agricole Assurances

Supervisory Board member

Predica was appointed as a member of the Supervisory Board on June 26, 2007. The Company's term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

The Company's permanent representative is Emeric Servin.

Emeric 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 the HEC Business School.

Corporate offices held at December 31, 2014

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; OPCI SAS CAA Kart

Chairman of the Supervisory Board: SCPI Unipierre Assurance

Chairman of SAS: Holding Euromarseille; IMEFA (142 to 145); SAS CAA Résidences Seniors

Manager – Co-Manager, Management Council: (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 NEW Vélizy; SCI Fondis; SCI Washington; SCI Place de l'Europe; SCI DS Campus

Permanent representative of Predica, Board of Directors: SA Foncière Développement Logements[1]; OPCI Predica Bureaux; OPCI CAA Commerces 2; OPCI B2 Hôtels Invest; SAS Louvresses Developpement 1

Permanent representative of Predica, Supervisory Board SAS OFELIA; SCA Foncière des Murs[1]; SARL Imméo Wohen GmbH[3]; SA Foncière Développement Logements

Corporate offices expired within the past five years

Chairman of the Board of Directors: SA B.Immobilier; SA Resico

Director: Aldeta[2]

At December 31, 2014, to the Company's knowledge, Predica owned 3,419,655 shares in Altarea, directly or indirectly through Groupe Crédit Agricole Assurances, its parent company.

To the Company's knowledge, at December 31, 2014 Émeric Servin did not hold any shares in Altarea in his own name.

APG (ABP Fund)

Supervisory Board member

Algemene Pensioen Groep NV (APG) was appointed as a member of the Supervisory Board on May 28, 2010. The Company's term of office 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, 2014

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Corporate offices outside the Group

Director: Strategic Initiatives (London)[3]

Corporate offices expired within the past five years

Director: Segula Technologies (Paris); Renault Finance (Lausanne); Hardware Infogérance (Paris)

At December 31, 2014, to the Company's knowledge, APG and its parent company Groupe ABP owned 1,034,691 shares in Altarea.

At December 31, 2014, to the Company's knowledge, Alain Dassas did not hold any shares in Altarea in his own name.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

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 registration number 498 496 520 RCS Paris. Its Manager is Alta Patrimoine SAS, whose Chairman is Alain Taravella.

ATI was appointed as a member of the Supervisory Board on May 20, 2009. The Company's term of office expires at the end of the General Meeting called to vote on the 2014 financial statements. Management will propose the renewal of its term to the Combined General Meeting of Shareholders called to vote on the 2014 financial statements.

ATI does not hold any other offices.

At December 31, 2014, to the Company's knowledge, ATI owned one share in Altarea.

7.2. COMPENSATION

7.2.1. PRESENTATION

As a *Société en Commandite par Actions* (limited partnership), the Company is run by Managers and overseen by a Supervisory Board. It also has one or more General Partners.

7.2.1.1. Management

The Managers' compensation is determined in accordance with the provisions of Article 14 of the Articles of Association, which reads as follows:

With effect from 1 January 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 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.

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 2015, unless the General Meeting decides otherwise.

Chairman of the Supervisory Board

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.

At its March 5, 2014 meeting, upon the appointment of Christian de Gournay as incoming Chairman of the Supervisory Board to replace Jacques Nicolet, the Supervisory Board confirmed that the amount of compensation paid to its Chairman would remain unchanged. This compensation encompasses all work done for the Supervisory Board and is exclusive of any other compensation.

Members

To encourage members of the Supervisory Board to effectively participate in the Board's work, and taking into account the attendance fees awarded by comparable companies, the Supervisory Board decided at its February 27, 2013 meeting to set the amount of directors' fees at €2,500 for each attendance at a meeting of the Board or its Special Committees.

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, October 10, 2013 and September 22, 2014.

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 three Co-Managers: Mr Alain Taravella and Altafi 2, which remained in office throughout 2014. The third Co-Manager was Altager from June 25, 2014 until December 11, 2014, followed by Atlas from December 11, 2014 until December 31, 2014. Alain Taravella is Chairman of Altafi 2, Altager and Atlas. He controls these companies within the meaning of Article L. 233-3-I of the French Commercial Code. Gilles Boissonnet and Stéphane Theuriau serve as Managing Directors of Altager and Atlas.

In 2011 and 2014, 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 €1,618,300.50 in respect of 2012 and €1,715,518.50 in respect of 2013. The Ordinary General Meeting of the Shareholders called to approve the 2014 financial statements and allocate income for the year will be asked to approve payment of a dividend to shareholders resulting in a €1,853,624.85 payment to the General Partner Altafi 2.

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

(In € thousands)	FY 2014	FY 2013
1. ALAIN TARAVELLA – CO-MANAGER THROUGHOUT FY2014		
Compensation due in respect of the financial year (itemized in Table 2)	0	1.5
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALAIN TARAVELLA	**0**	**1.5**
2. ALTAFI 2 – CO-MANAGER THROUGHOUT FY2014		
Compensation due in respect of the financial year (itemized in Table 2)	3,392	3,031
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	**3,392**	**3,031**
3. ALTAGER – CO-MANAGER FROM JUNE 25, 2014 TO DECEMBER 11, 2014		
Compensation due in respect of the financial year (itemized in Table 2)	0	N/A
Value of options allocated during the financial year (itemized in Table 4)	0	N/A
Value of performance shares allocated during the financial year (itemized in Table 6)	0	N/A
TOTAL ALTAGER	**0**	**N/A**
2. ATLAS – CO-MANAGER FROM DECEMBER 11, 2014 TO DECEMBER 31, 2014		
Compensation due in respect of the financial year (itemized in Table 2)	0	N/A
Value of options allocated during the financial year (itemized in Table 4)	0	N/A
Value of performance shares allocated during the financial year (itemized in Table 6)	0	N/A
TOTAL ATLAS	**0**	**N/A**

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 2014, Mr Alain Taravella received compensation in the amount of €50,174 from Altafi 2. However, Alain Taravella received no compensation from Alatger or Atlas in 2014.

Gilles Boissonnet, Managing Director of Altager, and later Managing Director of Atlas, received no compensation from these companies. However, as Chairman of Foncière Altarea, a subsidiary of Altarea, Gilles Boissonnet received gross compensation in the amount of €537,121 in 2014 and, as Manager of Altarea France, also a subsidiary of Altarea, he received gross compensation in the amount of €109,091 in 2014. This gross compensation includes benefits in kind. Lastly, in January 2015 Gilles Boissonnet received a performance-related bonus of €150,000 for 2014.

Stéphane Theuriau, Managing Director of Altager, and later Managing Director of Atlas, received no compensation from these companies. However, as Chairman of Cogedim, a subsidiary of Altarea, Stéphane Theuriau received gross compensation in the amount of €269,028 in 2014 and, as Manager of Cogedim Gestion, also a subsidiary of Altarea, he received gross compensation in the amount of €108,333. Before being appointed to this last position, Stéphane Theuriau received compensation in the amount of €253,767, from Altarea in 2014. This gross compensation includes benefits in kind. Lastly, in January 2015 Stéphane Theuriau received a performance-related bonus of €150,000 for 2014.

Altafi 2 received compensation in the amount of €506,183 in 2014 as Manager of Altareit, a subsidiary of Altarea.

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 2014		FY 2013	
(In € thousands)	Amount due [4]	Amount paid	Amount due [4]	Amount paid
ALTAFI 2 – CO-MANAGER IN 2014				
Fixed compensation	2,025	2,525	2,000	1,500
Variable compensation	1,367	1,062	1,031	581
Exceptional compensation	0	-	0	0
Attendance fees	0	-	0	0
Benefits in kind	0	-	0	0
TOTAL	**3,392**	**3,587**	**3,031**	**2,081**
ALAIN TARAVELLA – CO-MANAGER IN 2014				
Fixed compensation	0	0	0	0
Variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Attendance fees [5]	0	0	1.5	1.5
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**1.5**	**1.5**
ALTAGER – CO-MANAGER FROM 06/25/14 TO 12/11/15				
Fixed compensation	0	0	N/A	N/A
Variable compensation	0	0	N/A	N/A
Exceptional compensation	0	0	N/A	N/A
Attendance fees	0	0	N/A	N/A
Benefits in kind	0	0	N/A	N/A
TOTAL	**0**	**0**	**N/A**	**N/A**
ATLAS – CO-MANAGER FROM 12/11/15 TO 12/12/15				
Fixed compensation	0	0	N/A	N/A
Variable compensation	0	0	N/A	N/A
Exceptional compensation	0	0	N/A	N/A
Attendance fees	0	0	N/A	N/A
Benefits in kind	0	0	N/A	N/A
TOTAL	**0**	**0**	**N/A**	**N/A**

(4) 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.
(5) Paid in 2014 by Aldeta, controlled by Altarea.

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 2014 (in € thousands)	FY 2013 (in € thousands)
Jacques Nicolet, Chairman of the Supervisory Board until June 2, 2014		
Attendance fees [8]	12	10.5
Other compensation [6]	153	267
Christian de Gournay, Chairman of the Supervisory Board as of June 2, 2014		
Attendance fees	0	N/A
Other compensation	175	N/A
Matthieu Taravella, Supervisory Board member		
Attendance' fees	12.5	15
Other compensation	0	0
Gautier Taravella [7], Supervisory Board member		
Attendance fees	5	0
Other compensation	0	0
Altarea Commerce [7], Supervisory Board member		
Attendance fees	N/A	0
Other compensation	N/A	0
ALTA Patrimoine [7], Supervisory Board member		
Attendance fees	N/A	0
Other compensation	N/A	0
JN Holding [7] Supervisory Board member		
Attendance fees	N/A	0
Other compensation	N/A	0
Olivier Dubreuil [8], Permanent representative of JN Holding, Supervisory Board member		
Attendance fees	1.5	5.5
Other compensation	0	0
Opus Investment BV [7], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
APG [7], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Alain Dassas, Permanent representative of APG, Supervisory Board member		
Attendance fees	15	15
Other compensation	0	0

(6) The compensation paid in 2013 and 2014 to Jacques Nicolet was deducted from the fixed compensation of the Board of Managers.
(7) 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.
(8) This compensation includes attendance fees granted not only by Altarea but also by its subsidiaries.

Non-executive corporate officers	FY 2014 (in € thousands)	FY 2013 (in € thousands)
Prédica – Crédit Agricole Assurances[7], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Émeric Servin[8], Permanent representative of Prédica, Supervisory Board member		
Attendance fees	7.5	9
Other compensation	0	0
Foncière des Régions[7], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Olivier Estève, Permanent Representative of Foncière des Régions, Supervisory Board member		
Attendance fees	N/A	15
Other compensation	N/A	0
Françoise Debrus, Supervisory Board member		
Attendance fees	12.5	15
Other compensation	0	0
FDR 3[7], Supervisory Board member		
Attendance fees	N/A	0
Other compensation	N/A	0
Dominique Rongier[8] Supervisory Board member		
Attendance fees	19.5	18
Other compensation	0	0
ATI[7], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Altafi 3[7], Supervisory Board member		
Attendance fees	N/A	0
Other compensation	N/A	0
Eliane Frémeaux, Supervisory Board member		
Attendance fees	7.5	N/A
Other compensation	0	N/A
Total Non-executive corporate officers	**421**	**370**

(7) 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.
(8) 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 Alain Taravella, Altafi 2, Altager or Atlas, 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 financial year by the executive officers, namely Alain Taravella, Altafi 2, Altager or Atlas, 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 – Free shares

No stock options were granted to the corporate officers by the Company or by any other Group company during the financial year.

Stéphane Theuriau, Managing Director of Atlas, acquired 6,000 shares in Altarea on December 20, 2014 under former stock grant plans.

Gilles Boissonnet, Managing Director of Atlas, Co-Manager of Altarea, received 12,000 free shares in Altarea to be vested on April 2, 2015 following the end of the vesting period.

Christian de Gournay, Chairman of the Supervisory Board, received 9,000 free shares in Altarea to be vested on June 15, 2015 following the end of the vesting period.

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 2013 and 2014, 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

Alain Taravella, his family and the companies AltaGroupe, Alta Patrimoine and Altager (formerly known as Alta Pat 1), which he controls, Jacques Nicolet, together with JN Holding, which he controls, and Gilles Boissonnet together with the SCI Jouffroy 2, which he controls, act in concert. At December 31, 2014, the concert members collectively held 47.70% of the capital and theoretical voting rights of the Company and 48.32% of 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 (Chapter 8) states that, where governance is concerned: the Supervisory Board examines substantial investments and disinvestments; 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 Co-Manager or 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 may appear in Note 14 to the consolidated financial statements, the Company has not experienced significant changes in its financial or business position.

The 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 2015. 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 by working on the entire product line; 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.

7.8. SENIOR MANAGEMENT

1/ Executive Management

Executive Management consisted of Alain Taravella, Gilles Boissonnet and Stéphane Theuriau, who made up the Management Council.

2/ Operations Management

Gilles Boissonet was in charge of shopping center property. He is Chairman of Foncière Altarea.

Stéphane Theuriau was in charge of Residential and Office Property development. He is Chairman of the Management Board of Cogedim.

3/ Committees

Keeping in mind that the main subsidiaries of Altarea[9] feature Operational Committees, several committees hold regular meetings to examine going concerns and assist Executive Management in decision-making. These committees are the Expanded Executive Committee, the Executive Management Committee and the Expanded Executive Management Committee

4/ Absence of firm commitments made by Management and not communicated by the Company.

As of the date of this Reference document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

(9) See the Chairman's report on internal control in Section 8 below.

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 4, 2015.

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 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 to partnerships limited by shares. 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 above in paragraph 8.2.8 on the Supervisory Board's Special Committees.

Regarding "Say on pay," 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 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.

8.2. PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

8.2.1. SCOPE AND POWERS (ARTICLE 17 OF THE ARTICLES OF ASSOCIATION)

The Supervisory Board is responsible for overseeing the Company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions, and dividend payment procedure (in cash or in shares) to be proposed to the Annual General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the Annual General Meeting for the appointment of new Statutory Auditors. It appoints an appraiser for the Company's Property Portfolio, renews or terminates the appraiser's term of office 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 by French law, if the Board deems necessary and after informing the Managers in writing. The 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, the Supervisory Board must be consulted by Management before any important decisions are made concerning: (i) investments of more than €15 million, (ii) divestments of more than €15 million; (iii) commitments of more than €15 million; and (iv) loans of more than €15 million.

Lastly, the Board reviews the 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. Christian de Gournay	Chairman	-	2019
Mr. Jacques Nicolet	Member	-	2019
Mr. Matthieu Taravella	Member	-	2019
Mr. Gautier Taravella	Member	-	2019
Ms. Françoise Debrus	Member	-	2019
Ms. Eliane Fremeux	Member	-	2019
Mr. Dominique Rongier	Member	-	2015
APG	Member	Mr. Alain Dassas	2019
Crédit Agricole Assurances	Member	Mr. Emeric Servin	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 was ratified by the Ordinary General Meeting of May 7, 2014. Mr. Jacques Nicolet resigned from his duties as Chairman at the Supervisory Board Meeting of March 5, 2014, maintaining his position as member and Chairman of the Investment Committee until June 2, 2014. Upon the proposal of Mr. Jacques Nicolet, Mr. Christian de Gournay was appointed as the new Chairman as of June 2, 2014, subject to ratification of his appointment as a member, which was granted by the Combined General Meeting of May 7, 2014.

Chapter 7 of this registration document lists the age, nationality, professional experience and responsibilities, including international, of members of the Supervisory Board. It also lists the offices they hold or have held in the last five years. 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 represented under 20% of the Supervisory Board at the first Annual General Meeting held after January 1, 2014.

The Company intends to comply gradually with the future stages of said Law, viz., to ensure that neither gender represents less than 40% of the board members at the first Ordinary Shareholders' Meeting held 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 of 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 of February 19, 2013, the Compensation Committee, made up entirely of independent members, proposed to the Supervisory Board to establish gross annual compensation of €300,000 for the Chairman of the Board. This proposal was unanimously adopted by the Supervisory Board on February 27, 2013.

At its March 5, 2014 meeting, upon the appointment of Christian de Gournay as incoming Chairman of the Supervisory Board to replace Jacques Nicolet, the Supervisory Board confirmed that the amount of compensation paid to its Chairman would remain unchanged. This compensation encompasses all work done for the Supervisory Board and is exclusive of any other compensation.

Members:

To encourage members of the Supervisory Board to effectively participate in the Board's work, and taking into account the attendance fees awarded by comparable companies, the Supervisory Board decided at its February 27, 2013 meeting to set the amount of directors' fees at €2,500 for each attendance at a meeting of the Board or its Special Committees.

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 on August 31, 2009, the Supervisory Board unanimously voted, on the Chairman's recommendation, to adopt the independence criteria stated in Articles 8.4 and 8.5 of the AFEP-MEDEF Code of Corporate Governance, namely:

- an independent Board member may not hold any of the following positions in the Company (the parent company or any 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 4, 2015. 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 2014. The attendance rate in person or by proxy was 96.90%.

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 under urgent circumstances.

8.2.5. INFORMATION

Under French law, the Company's Managers must give Supervisory Board members the same documents as those given to the Statutory Auditors.

8.2.6. MEETING LOCATION – MANAGEMENT ATTENDANCE

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 conduct valid 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 the APG Fund;
- Mr. Emeric Servin, representing Crédit Agricole Assurances;
- Mr. Christian de Gournay;
- Mr. Philippe Mauro;
- Mr. Eric Dumas.

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 may be 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 over €15 million;
- before signing any deeds for real estate 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 2014 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 8.2.1 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 Audit 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):

- 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 d'Île-de-France; and investment director at Crédit Agricole Assurances;
- Alain Dassas, independent member, was head of banking relations and financial markets at Renault; finance director at Renault Crédit International; and Head of Financial Operations and financial services at Renault;
- Dominique Rongier, 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-centers-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 may be sent by any means (post, fax, email, etc.). The Group's Financial Department sends any necessary documentation prior to The Meeting.

During the 2014 financial year, the Committee met twice to examine the following points:

- on March 5, 2014: Review of the annual financial statements at December 31, 2013;
- on July 30, 2014: Examination of the main internal control and risk management procedures conducted during the first half of 2014. Review and approval of interim financial statements for the six months to June 30, 2014.

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 (i) appropriate action plans have been set up and that (ii) 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 General 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:

- Mr. Dominique Rongier;
- Mr. Alain Dassas;
- Mr. Dominique Rognier chairs the Compensation Committee.

Mr. Philippe Mauro, Secretary General of the Group, 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.

During 2014, the Compensation Committee met on April 8 to examine the compensation paid to the Chairman of the Supervisory Board and Group operational Managers, and to make recommendations to the Supervisory Board and Management.

8.2.9. SUPERVISORY BOARD MEETINGS AND WORK IN 2014

The Altarea Supervisory Board held the following meetings in 2013:

- On March 5, 2014: Review and approval of the annual financial statements at December 31, 2013. Proposal of earnings appropriation to the Ordinary Shareholders' Meeting Authority granted to Managers to effect capital increases or reductions. Preparation of the Supervisory Board's report to the Annual General Meeting. Opinion given on investment projects. Opinion on disposals and divestments. Financing in 2014 Recommendation to Management for guarantees, pledges and endorsements given to the Company's subsidiaries. Review of forecast manegement documents. Review of corporate governance issues: change in the composition of the Supervisory Board, annual deliberation on Company policy regarding occupational and wage inequality, social and environmental report, annual review of the operation and preparation of the Board's work, review of independence criteria for Supervisory Board and Special Committee members, amendments to the internal regulations of Special Committees and the Supervisory Board.
- On July 31, 2014: Review and approval of interim financial statements for the six months to June 30, 2014. Group financial policy. Opinion to be given on investment and divestment projects. Signature of the investment memorandum with Allianz. Forecast management documents. Forecast documents.
- On December 29, 2014: Authorization of a regulated agreement.

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 4, 2015, 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 2014 and has taken in 2015 to enhance its internal controls.

8.3.1. REMINDER OF OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

In accordance with AMF guidelines, Altarea Cogedim Group's internal control system is based on the general principles of internal control set forth in the reference framework developed by the AMF in July 2010. 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 system implemented within the Group 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.

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 as defined by Article L. 233-3-I of the French Commercial Code, except for Property Development joint ventures that are managed by a commercial partner.

The objective of the Company's procedures for preparing accounting and financial information is to comply with the principles set forth in Article L. 233-21 of the French Commercial Code, which states: "The consolidated financial statements must be truthful and give a fair representation of the assets, financial situation and results of the Company as a whole, comprised of all entities in its scope of consolidation. "

In addition, because Altarea is listed on a regulated market within a European Union member state, it is required to present its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, along with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union.

Lastly, please recall that internal control and risk-management systems, like any system of control subject to inherent limits, cannot fully guarantee that objectives will be achieved.

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 3 November 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 shares of Altarea and its subsidiary Altareit.

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, support functions) and general 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 used primarily 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 abroad,
  - 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.

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

The Altarea Cogedim Group' internal control system is based on:

- an organizational structure comprising three business lines and an administrative division, with a system of delegation of powers and responsibilities;
- a definition of the duties and responsibilities of the governance bodies (see paragraph 8.2. Preparation and organization of the Board's work);
- information systems (see paragraph 8.3.3.2. Risks related to the preparation of financial and accounting information (c) 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. They are identified through a risk-mapping process organized by business processes and support functions. This risk map is regularly updated. The latest version was presented to the Audit Committee in January 2013.

The Internal Control function, which falls under the responsibility of the Corporate Secretary's, used the analysis of risks identified through risk mapping, as falls within the scope of internal controls, for the preparation of its 2014-2015 action plan. Other sources, such as summaries of internal-control review work, are analyzed and taken into consideration in defining actions to be taken. Internal control also relies on comments and recommendations by the Statutory Auditors.

(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

The Altarea Cogedim Group's positions in various segments of the real-estate market (shopping centers, Residential property, Office property and Serviced residences) 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 Committee closely monitor trends in these markets and the economy; the strategy and policies that they implement are designed to anticipate and mitigate those risks.

(b) Property Development risks

1. SHOPPING-CENTER DEVELOPMENT

(i) France

These risks are controlled by the Investment Committee, a Special Committee of the Supervisory Board (see section 8.2.8., 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;
- interdisciplinary Committee: this committee brings together the members of the Altarea Commerce Executive Committee and the subsidiary's main operating Managers. It meets every two weeks. It addresses all subjects relating to the subsidiary (development, operations, sales, valuation, legal questions).

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 aw firm.

(ii) Italy and Spain

New investments in these countries are reviewed by the Group Investment Committee.

- **In Italy,** the Management Committee meets monthly, preparing minutes if necessary. Specific meetings with Group Management may also be organized according to topics on the agenda. Since 2011, a model for organizational structure, management, and control in Italy has been in place 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.

Altarea Managers hold monthly meetings with the subsidiaries' Management teams; minutes are not necessarily drafted for each of these meetings.

2. RESIDENTIAL-PROPERTY DEVELOPMENT

- The main risks related to property-development transactions concern Cogedim's property-development business, for which the processes implemented are detailed below.

In 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) Commitment Committee: Cogedim's Commitment Committee meets weekly to review 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 addition to the advisability and advantages of carrying out the development project, objective data are also validated at each stage, including the margin, percentage of pre-sales both upon land acquisition and at the construction start, validation of construction costs, etc.

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 *Contracts 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 following 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 real estate program, 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 sales price. The Company also holds a seller's lien on the property. However, in order to avoid longer payment times, before signing the final contract of sale, buyers' loan applications are reviewed to verify that approval of their financing has been obtained or that it is under way. In addition, monthly reports on overdue invoices are sent to operational departments.

- In 2013, the Group created a structure dedicated to neighborhood shops with the aim of enhancing the value of surface areas intended for retail or business activities in the context of residential and office real estate development programs. This structure, which represents the Group's comprehensive expertise (retail, offices and Residential property) helps to meet the needs of local governments.
- Finally, under the Cogedim Club® brand, Altarea Cogedim Group is developing a serviced-residence concept for 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 buildings' operation.

3. OFFICE-PROPERTY DEVELOPMENT

The systems designed to hedge the risks relating to the Property Development transactions described above (see § 2, Residential property development) are also applicable to office-property development.

(c) Risks related to the company's businesses and assets

(i) France

The risks associated with the Property Investment business and assets are covered by the following systems:

- 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, along with the portfolio teams, represent 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 weekly basis to determine terms for renewing lease agreements for the Company's portfolio properties.

The Interdisciplinary Committee, which meets every two weeks, also addresses topics associated with shopping centers in operation or under development.

- 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. The legal-dispute unit in Altaix allows for simplified management of insolvent tenants and has been used to compile a database for use by both the Portfolio Management and Property 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 appropriate 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. A systematic review of reports is carried out by the Engineering and Safety Department as part of the follow-up procedure for safety-commission recommendations.
- 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 standards IAS 40 and IFRS 13, 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, 2014, an external appraisal was performed of all completed investment properties in the portfolio[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. External assessment of Group assets has been entrusted to DTZ Valuation (in France, Italy and Spain) and CBRE Valuation (in France).

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.

(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 6.3 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 12.31.2014.
(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).

(d) Risks related to Rue du Commerce inventory and inventory 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 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) is covered as follows:

- Rue du Commerce regularly works with more than 300 suppliers (wholesalers, manufacturers, importers). The largest are manufacturers and 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, all or part of the payment may be due at the time the order is made, with no guarantee that the goods will be delivered. The company has never suffered a loss as a result of this situation. Nevertheless, it makes every effort to keep advance payments (which already represent only a fraction of its purchases) to a minimum, mainly by negotiating payment terms with its suppliers. This is made possible by the company's growing reputation and financial strength.

(e) Risks related to internet failure or failure of the rue du commerce technical platform, viruses and 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 antispam 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, equipment, and other IT equipment. Rue du Commerce has also had a complementary insurance policy since 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 2013 and again in 2014 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 these audits, a remediation plan was implemented and resulting recommendations were implemented.

8.3.3.2. Risks related to the preparation of financial and accounting information

(a) Finance committees

The Group Finance Committee meets monthly and comprises Management, the Chief Financial Officer, branch Managing Directors and, where necessary, their employees. The Chief Financial Officer sets the agenda of meetings and drafts decision reports. At these meetings, 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.

Committee meetings take place in three phases: the Corporate Financial Committee meeting, the Property Investment Financial Committee meeting and the Development Financial Committee meeting.

(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, e-commerce Division 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.

Each business division has its own consolidation departments to approve operating items.

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 quarterly account;
  - 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 RueduCommerce segments, e.g., the distribution business and *Galerie Marchande* activity), and in property development for third parties (monthly division report, monthly tracking tables of key business indicators for the subsidiaries);
- documentation of the period-end closing process:
  - property Investment division: a matrix formally documenting the overall internal-control procedures applying to the period-end closing process; summary files for each company, divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial transactions; formal documentation of claims and legal disputes,
  - property Development division for third parties: continually updated guidelines for consolidation and accounting procedures; formal documentation of claims and legal disputes,
  - e-Commerce division: existence of internal processes guidelines for main critical processes,
  - holding company: Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; Notes to the financial statements, including taxes and off-balance-sheet commitments;
- audit of the accounts of the French and foreign subsidiaries via contractual or statutory audits.

(c) 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. This business software makes it possible to monitor merchants' declared revenue, thereby facilitating reconciliation of budget and actual figures for new development programs. New modules have been rolled out since 2013, with the particular advantage of upgrading re-billing 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. Featuring a single repository (chart of accounts, third parties, analytics, etc.), this system makes it possible to conduct cross-functional multi-company analyses. Rental management data are imported into the accounting system through an interface with the Altaix business software and reconciled on a monthly basis: rent payments, rent reductions, bad debt, re-invoicing of tax, etc. Shopping centers under development are monitored using Sage and operating budgets are reconciled with accounting data on a quarterly basis to keep track of costs incurred. Use of the Altaix OPI module for new shopping centers under development allows for reliable control of costs incurred and reconciliation of budgets and accounting data.

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.

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. Numerous controls are performed by the accounting department (thoroughness of integrated data, review of age of receivables, etc.).

For the contribution of the various divisions to Group consolidated financial statements, Comptarel (Property Development) and Sage (Real Estate and e-commerce) 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 from the Property Development division (project budgets, cumulative sales) and/or budget data (net income), and social and/or budget data from the Retail Division (comprehensiveness of incorporated data, cut-off, gross rents, overhead expenses, net debt, 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 is also used to coordinate the different contributers to the registration document and thus allows for systematic cross-referencing of the different sections.

(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 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 the Corporate Property Legal Departments, particularly for complicated deals and to monitor companies' social situation.

3. Rue du Commerce

Rue du Commerce is bound to all legal and regulatory provisions applicable to online activities and retail. These regulations concern mainly the Freedom of Information Act (in collaboration with the CNIL), the respect of guidelines of the European E-Commerce Directive, the provisions of the Chatel Act, applicable since June 2008 (Article L. 121-20-3 of the French Consumer Code), and the Consumer Protection Act which entered into force in June 2014. 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. RueduCommerce 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 the requirements of being a listed company of Altarea and its subsidiary Altareit.

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.

2. Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for 2014. 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 2014, the total budget for the Group's principal insurance coverage (excluding Italy, Spain, and social welfare) is estimated at approximately €11.2 million:

- **Assets in operation:** for all assets in operation, the Group has enjoyed coverage with the companies Chubb and Allianz since January 1, 2014: 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. 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.

(3) See paragraph 6.11.2. "Legal, regulatory, tax and insurance risks," under Risk factors.

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 47% of the total number of training hours. A transversal Group training platform facilitates sharing of experience. A concerted effort was directed at language acquisition in 2014 (11% compared to 5% in 2013), as English has become an indispensable asset for certain functional and operational employees in the exercise of their duties. As a whole, these training initiatives benefited more than 880 Group employees, i.e. a 38% increase in the number of employees trained compared to 2013. Information is also available on a daily basis: magazine, intranet, in-house conferences and committees involving top Group executives are the main communication channels. Integration days are organized every year to welcome new employees.

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 (83 employees moved within the Company in 2014) allowed the Group to satisfy its personnel needs. 188 permanent hires were made to meet the needs of the different business lines. Individual guidance is provided for Managers and key profiles. The 90 promotions granted in 2014 show the importance given by the Group to equal opportunity for all.

Environmental risks

- As detailed in the CSR section of the annual report and registration document, the Group complies with the 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.

(4) See paragraph 9, 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 9, Financial instruments and market risks, of the Notes to the consolidated financial statements (section 3.7 of the registration document).

8.3.3.6. Other risks

(a) Risks of conflicts of interest

Altarea Cogedim has entered into partnerships or protocol agreements with other investors, mainly for carrying out joint property-development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

(b) It-system risk

Every Group operating entity (Altarea France, Cogedim, Altarea Italia and Altarea España) has a data-backup system that allows for secure, remote storage of critical data. Cogedim has a business recovery plan that is tested twice per year. Altarea is implementing a policy of backing up all of the servers hosted at the head office. Servers hosted externally are backed up by the service providers.

RueduCommerce has implemented a data backup plan for both thefront 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 2015

In 2015, the Internal Control Unit will pay particular attention to:

- ensuring implementation of recommendations;
- updating the risk map in the medium term;
- implementing an awareness-raising program for risks of fraud.

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.

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

As set out in Article 14 of the Articles of Association, Management 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 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.

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
Christian de Gournay

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, 2014)

To the Shareholders,

In our capacity as Statutory Auditors of Altarea 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, 2014.

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 all 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 17, 2015

The Statutory Auditors

A.A.C.E. Ile-de-France French member of Grant Thornton International	**ERNST & YOUNG et Autres**
Michel Riguelle	**Jean-Roch Varon**

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