

# ALTITUDE 2013

## ANNUAL AND SUSTAINABLE DEVELOPMENT REPORT



RETAIL | HOUSING | OFFICES & HOTELS | CSR

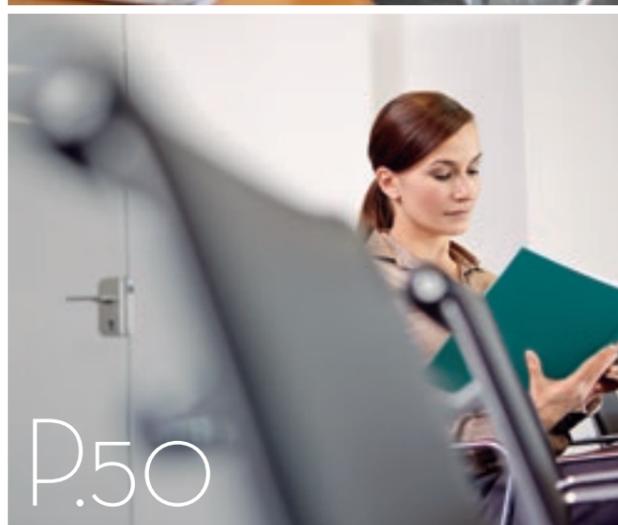




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# PROFILE

**ALWAYS TRUE TO ITS VALUES,** Altarea Cogedim is guided by the firm belief that the products and business of tomorrow will be in the hands of companies that have successfully analyzed their markets as a whole and blended seemingly contradictory approaches (developer – investor, property company – distributor, brick-and-mortar – online, public – private, etc.).

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

Thanks to its combined expertise in retail – both brick-and-mortar and virtual – and its ability to offer smart, creative and customized solutions, the Group is a leader in regenerating the city of today and tomorrow.

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RETAIL  
E-COMMERCE



RESIDENTIAL



OFFICE  
HOTELS

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**REMAINING FAITHFUL  
 TO ITS DNA, WHICH IS  
 SIMILAR TO A STARTUP,  
 ALTAREA COGEDIM CHOSE  
 TO REINVENT ITSELF.**



**INTERVIEW WITH ALAIN TARAVELLA, CHAIRMAN  
 AND FOUNDER OF ALTAREA COGEDIM,  
 CONDUCTED BY FRENCH JOURNALIST AND  
 ECONOMIST PHILIPPE MANIÈRE**

**How would you sum up 2013? Back in 2012, you said it would be a “year of transition” for Altarea Cogedim.**

**Alain Taravella:** 2013 was another good year. It saw sustained activity in all Altarea Cogedim businesses despite an economic environment that was more depressed than expected. This solid performance is a source of great satisfaction. We also achieved our ambitious goals in terms of debt reduction. Overall, Altarea Cogedim once again strengthened its development potential in 2013.

**And yet, for the first time there is a slight drop in both operating cash flow and net attributable income. How do you explain this?**

**A. T.:** Net attributable income per share has indeed gone down, but that is mainly due to the dilutive effect of the initiatives we implemented this year to strengthen equity.

Most importantly, it is perfectly in line with what we announced a year ago: at the end of 2012, Altarea Cogedim deliberately chose to undertake a transformation that will continue until the end of 2014 and that is resulting – as expected – in a decrease in operating income. The transition is a way for our company to adapt to its environment and to reinvent its means of action. At the same time, it will enable us to remain faithful to our DNA, which is similar to a startup, and in any case that of a more creative, agile and dynamic company than our competitors – more oriented towards the long term. Yes! For two years, this means making investments that temporarily impact our operations. However, thanks to this transformation, we will be able to achieve the ambitious goal that we have set (assuming, of course, that the current economic and tax climate remains stable) – specifically, recurring attributable profit (FFO) greater than €200 million by 2018, an increase of nearly 50% compared to 2013.





**Is the transformation you describe in play in all of your businesses? What was the effect on each of them in 2013?**

**A. T.:** In each of our businesses, teams are learning to work differently with the common goal of increasing our development potential. For commercial real estate, which has traditionally been Altarea Cogedim's most important branch – in terms of both fixed capital and contribution to profits –, property investment obviously remains the foundation of our business with the creation and long-term ownership of high-quality shopping centers. In 2013, we recorded a 5% like-for-like increase in rental income in France, due in large part to excellent rental dynamics achieved thanks to the strong performances of our retail clients. In our shopping centers, retail partners' sales grew by 0.7%, in a market down 2.1% nationally. We can clearly see the value created by the quality of our offering. We also actively pursued our property development business in 2013. Leasing of the Quartz regional shopping center in Villeneuve-la-Garenne was

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**FOR  
COMMERCIAL  
REAL ESTATE,  
VALUE CREATION  
STEMS FROM  
THE QUALITY OF  
OUR OFFERING.**  
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completed, and the center opened in April 2014. Cap 3000 saw its way through several important administrative steps, while we added new and promising projects to our portfolio. The pipeline is looking pretty full... At the same time, our partnership with Allianz enabled us to strengthen our equity by more than a third to €1.8 billion, reducing Altarea Cogedim's loan to value ratio from 48% to 42%. This gives us new development prospects that do not require us to relinquish control of our assets.

**Online retail seems to be having more trouble. What about Rue du Commerce's performance?**

**A. T.:** We did record a loss in this segment, but we were expecting it. To my mind, we carried out an R&D investment to establish what Altarea Cogedim believes to be a true vision of the retail of tomorrow. We are convinced that customers are buying more and more both in shopping centers and on the Internet, and this trend is sure to continue. Unlike our competitors, we decided in 2012 not to simply accept the changes that are underway,

but to take part in these developments. That's why we took control of Rue du Commerce. We have since explored the web-to-store concept, for example with Quartz's "E-commerce Campus." This innovation aims to develop an original offering that plays into the complementary nature of these channels and allows the end customer to experiment with e-buying in our shopping centers. It also offers delivery to shopping centers of purchases made at home on the web or even in stores. The device allows our retail partners to enlarge their product offering without physically expanding stores, which is greatly appreciated. We also began to equip rail stations and other high-foot-traffic areas with Rue du Commerce's "Boutique Express" e-commerce terminals. In terms of multi-channel property, we are currently experimenting with the opportunities created by the relationship between online and brick-and-mortar retail. This highly promising phase inevitably leads to additional expenses for a certain period of time. We at Altarea Cogedim fully accept that innovation comes at a price, because innovation is in our DNA.

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THAT INNOVATION  
COMES AT A PRICE,  
BECAUSE IT IS IN  
OUR DNA.**  
\\

**You were considering significant developments in e-commerce in 2013, but they did not come to pass. You were even mentioned related to the takeover of La Redoute. Have you curtailed your ambitions in this sector?**

**A. T.:** Not at all. To be an indispensable player in e-commerce, we undoubtedly need to be bigger than we are today with Rue du Commerce, even though it represents the seventh largest player on the French market. This is why we considered an acquisition to speed up the dynamics. We will likely continue down that path and look into other possible transactions (perhaps through partnerships): the digital space is an important part of tomorrow's retail, and Altarea Cogedim wants to – and must – develop in this sector. But let's be clear: our core business is still brick-and-mortar retail, which works very well and is where we carry out the vast majority of our investments. In 2013, funds invested in e-commerce accounted for a mere 2% of the Group's total investments.



  
**ALTAREA COGEDIM  
KNOWS HOW  
TO MAKE EVERY  
SQUARE METER  
DESIRABLE.**


**What can be said for the Group's other two businesses, residential and office property, in 2013?**

**A. T.:** The transformation that I mentioned above is clearly at work in these two businesses. The main driver of our strong growth in housing (+18%) was Cogedim's admirable breakthrough with institutional investors. Naturally, the prices aren't exactly the same for block sales as opposed to selling to individuals, and this is why the average price of the housing we sold declined slightly, making for a temporary drop in operating income. But again, this represents an investment in Cogedim's future. In 2013, we worked to enlarge our product range, remaining true to our principle of quality for all. This will allow us to keep our promise to double the number of units sold by 2017.

The year was a resounding success for office property. Our results tripled, with buoyant business activity. We delivered the new Mercedes France head offices and signed with first-rate users for two exceptional programs in Lyon and Toulouse. We are pleased to see that our growth strategy through AltaFund, launched in 2011, has borne its fruit, as nearly half of our 2013 business volume came about through this fund. The chance we took when the market seemed down is

  
**ALTAREA COGEDIM IS NATURALLY  
BOUND TO OUTPERFORM THE MARKET.  
THIS IS WHAT OUR ONGOING  
TRANSFORMATION IS ALL ABOUT.**


paying off: we are seeing that the recent significant adjustments in rent prices are now an invitation for investors to return to the market.

**Yet we are still seeing significant vacancy in the French office property market...**

**A. T.:** It all depends on the quality of the offices! Altarea Cogedim knows how to make every square meter desirable, offering modern and sustainable offices – which is generally not the case for the unrented spaces you're referring to. Of course, both building and renovating have a price. But that's where the demand is. You know that we are very advanced when it comes to CSR: we tied for first place in the Novethic ranking of French developers, and placed in the top three property companies. We chose this path because we believe that we have a responsibility to our planet, but also because investors and users today have strict demands when it comes to respect for the environment and energy efficiency. For example, for the Star Center, the head offices of Mercedes-Benz France, our expertise and our ability to meet German standards – stricter than French standards – played an important role in the decision of Mercedes France to call upon us for their new head offices. The Sky program in Courbevoie is another iconic example of transforming offices into homes. We are giving this complex a second life. It will be refurbished with the BBC® Effinergie *Rénovation* label and feature Habitat & Environnement certification.

**How do you see 2014 play out for the market and for Altarea Cogedim?**

**A. T.:** I think cautious optimism is appropriate, provided that we remain highly selective. At this stage, I foresee a FY 2014 similar to 2013 for Altarea Cogedim, marked by satisfactory business levels and strong retail performance. Nonetheless, due to the transformations we have undertaken, we will only see a positive financial impact at the end of the year, and perhaps not until early 2015. All this is in line with the forecasts we made in 2012.

**You have made growth a focus for the future of Altarea Cogedim. Is this objective still reasonable given the persistently morose economic climate in the country?**

**A. T.:** Altarea Cogedim is fundamentally a growth company, as its track record clearly shows. The economic environment is very poor, I know. But I see no reason to change course. Let's not forget that one of the consequences of the gloomy economic outlook is historically low interest rates, which is very positive for our business given the great sensitivity of our counterparties – customers acquiring housing, retail brands and investors in all of our businesses, especially offices – to this key component. Above all, I am convinced that if our Group remains true to its values and continues to go against the grain, it is naturally bound to outperform the market and rise above its competitors. This is what is at stake in our ongoing transformation. We are beginning to see its effects, and 2013 was an important and promising step.

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**THE SOUNDNESS OF OUR  
 FINANCIAL POSITION  
 WAS BORNE OUT IN 2013.**  
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“  
 THIS EFFICIENCY WAS THE  
 RESULT OF OUR OVERALL  
 VISION AND OUR KNOWLEDGE  
 OF THE MARKETS.  
 ”

**JACQUES NICOLET,**  
 CHAIRMAN OF THE SUPERVISORY BOARD

**What lessons have you learned from FY 2013?**

**Jacques Nicolet:** In spite of difficult economic conditions and the structural transformations underway, Altea Cogedim remained true to its commitments. For our Group, 2013 saw strengthening of equity, a substantial effort in terms of debt reduction and establishment of strategic partnerships like the agreement we concluded with Allianz. These highlights illustrate our Group’s momentum and the relevance of our business model.

**What is your approach in terms of risks and commitments?**

**J. N.:** We expect a lackluster market in 2014. Nonetheless, we still have high development potential. To maintain this momentum, we will make selective investments and abide by a highly cautious code of conduct. We owe this efficiency to our multi-business expertise, our overall vision and our knowledge of the retail, e-commerce, housing and office property markets.

“  
**INNOVATION, VALUE  
 CREATION AND AN  
 ENTREPRENEURIAL SPIRIT  
 ARE THE FRUIT OF A  
 COLLECTIVE UNDERTAKING.**  
 ”

AT DECEMBER 31, 2013

**OUR  
 ORGANIZATION**

Out of Altea Cogedim’s total workforce of 1,286 employees, 315 work in shopping center development and management, 601 are devoted to residential and office property development for third parties and 370 to online retail.

Operating primarily in France (the Paris Region and other French regions), teams are also at work in Italy and Spain. 63% are management-level employees. To meet the expansion needs of the three business segments, 310 new employees joined the company in 2013 (including replacements).

**MANAGEMENT**

Alain Taravella, Chairman and Founder of Altea Cogedim, is assisted by three Senior Executive Vice-Presidents representing the Group’s three businesses – Stéphane Theuriau, Senior Executive Vice President in charge of Office Property and Private Equity; Christian de Gournay, Senior Executive Vice President in charge of Residential Property, Regions and Institutional Relations; and Gilles Boissonnet, Senior Executive Vice President in charge of Retail Property – as well as Éric Dumas, Chief Financial Director.

**SUPERVISORY  
 BOARD**

The Supervisory Board is chaired by Jacques Nicolet. Made up of representatives of the major shareholders (ABP Fund and Predica-Crédit Agricole Assurances) and independent members, it carries out permanent oversight of the Company’s management.

It determines the amounts for appropriation of earnings, dividend distributions and dividend payment procedures to be proposed to the annual general meeting. It also rules on all proposals for capital increases or decreases and reviews appointments of Statutory Auditors and appraisers for the property portfolio. Several special committees assist it in the performance of its duties.

1,286

**ALTEA COGEDIM  
 EMPLOYEES**

3<sup>rd</sup>

**LARGEST RETAIL  
 REIT**

3<sup>rd</sup>

**LARGEST REAL ESTATE  
 DEVELOPER (IN VALUE TERMS)**

∞  
**TODAY, WE USE OUR  
 MANIFOLD EXPERTISE  
 TO SERVE LOCAL  
 GOVERNMENTS.**  
 ∞



**CONVERSATION** WITH GILLES BOISSONNET, SENIOR EXECUTIVE VICE PRESIDENT IN CHARGE OF RETAIL PROPERTY; STÉPHANE THEURIAU, SENIOR EXECUTIVE VICE PRESIDENT IN CHARGE OF OFFICE PROPERTY AND PRIVATE EQUITY; AND CHRISTIAN DE GOURNAY, SENIOR EXECUTIVE VICE PRESIDENT IN CHARGE OF RESIDENTIAL PROPERTY, REGIONS AND INSTITUTIONAL RELATIONS.

From left to right: Stéphane Theuriau, Christian de Gournay and Gilles Boissonnet, on December 31, 2013.

**For Altarea Cogedim, 2013 was a year of great achievements, especially mixed-use projects combining homes, retail space and offices. What does this say to you about the changes taking place in cities today?**

**Gilles Boissonnet:** Local authorities rely on Altarea Cogedim to help them provide the best possible response to consumer expectations, both in housing and retail. In addition to classic urban development issues, cities must take into account the ever-changing lifestyles of their populations. Today, the city must be easy to live in and offer new ways of shopping.

**Stéphane Theuriau:** I entirely agree with that analysis, and would add an important dimension: time. The city of today must also “keep up with the times,” i.e. make life easier while being able to adapt to changes to come. The city of tomorrow will be designed intelligently, be built to last and have the ability to constantly renew its offering as needs change.

**Christian de Gournay:** The idea of “thinking ahead” about the city is exactly what I see when working with local authorities. Mixed-use projects can be enormous – and not just in terms of size and cost, but also from a structural and time-based point of view. Purchasers are no longer looking for a mere service provider but for a real partner, one capable of managing complexity and committed to them in the long run. That’s what we offer.

**How do the large urban projects in which you are involved rise to the challenges of the city?**

**C. de G.:** Take the example of Massy: Altarea Cogedim has transformed a bond that was originally formed by our residential teams into a full-fledged strategic

partnership with municipal crews to create this downtown area. We are building 900 homes, a Cogedim Club® senior residence, a convention center, a multiplex cinema, a 150-room hotel and 86,110-ft² (8,000-m²) of local shops. For this high-stakes project, the city’s teams chose a company with manifold expertise, one able to bring together all components necessary to build a mixed-use real estate project – for an optimal return on investment for its stakeholders – and to create a balanced city that looks to the future.

**G. B.:** Massy is an excellent example of the Group’s commitment to putting our cross-cutting abilities at work in our teams, and to ensuring the success of mixed-use projects. As Christian mentioned, we used new business strategies: managing the ground floor of all new projects built by the Group. This initiative illustrates Altarea Cogedim’s complementary approaches. It allows us to best use our expertise to promote these businesses by renting and incorporating them into the project as a whole. This strategy will ultimately ensure that we maximize the value of the spaces, as opposed to simply selling them as “empty shells.” It also guarantees the city long-term support in a relationship of mutual trust.



∞  
**ALTAREA COGEDIM  
 IS A LEADING PLAYER  
 IN REGENERATING  
 THE CITY.**  
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**S. T.:** The trust that everyone mentions here is in my opinion our greatest strength. It is very strong with our financial partners, who constantly renew their support, and of course with our customers. Why? Because of our ability to provide

intelligent, creative and customized solutions, we offer sound and serious projects over the long run. Our expertise in the three real estate businesses combined with our financial strength allows us to create synergies between these four pillars and makes us a leading player in regenerating the city... and a builder of the future.

# OUR MAJOR PROJECTS

THANKS TO ITS EXPERTISE IN A WIDE RANGE OF PRODUCTS, ALTAREA COGEDIM CREATES INNOVATIVE PROJECTS IN BUSINESS AND MIXED-USE DISTRICTS THAT MAKE UP TRUE URBAN HUBS COMBINING HOTELS, SHOPS AND HOUSING. THANKS TO THIS SPECIFIC MODEL, THE GROUP CREATES VERITABLE "PIECES OF THE CITY."



NEW NEIGHBORHOOD

### MASSY PLACE DU GRAND-OUEST

Altarea Cogedim is creating a downtown center in Massy, an important axis in the Greater Paris region. This mixed-use project stretches over 1,076,500-ft<sup>2</sup> (100,000-m<sup>2</sup>) and is being carried out with architects Elizabeth and Christian de Portzamparc. It includes 900 homes, 86,000-ft<sup>2</sup> (8,000-m<sup>2</sup>) of local shops, a hotel, a convention center, parking lots, an elementary school and a movie theatre. —



MIXED-USE DISTRICT  
**NICE MÉRIDIA**

Altarea Cogedim is taking part in the revival of Vallée du Var by creating a new 54-acre (22-hectare) mixed-use district that includes houses, offices, teaching facilities, a student residence and shops. The economic and architectural showcase of the Plaine du Var, Nice Méridia enjoys an ideal location: 500 yards from France's second-largest international airport – only two minutes away by Highway A8. —

“TODAY, THE CITY MUST BE EASY TO LIVE IN AND OFFER NEW WAYS OF CONSUMING.”

GILLES BOISSONNET

THE CITY OF TOMORROW WILL BE DESIGNED INTELLIGENTLY, BE BUILT TO LAST AND HAVE THE ABILITY TO CONSTANTLY RENEW ITS OFFERING.

STÉPHANE THEURIAU



MIXED-USE PROJECT

**CŒUR D'ORLY**

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

MIXED-USE DISTRICT

**CŒUR DE QUARTIER – NANTERRE**

Developed jointly by Altarea Cogedim and Eiffage Immobilier, Cœur de Quartier stands out as a true “piece of the city.” Designed by the Jean-Paul Viguier architecture firm, the program is developing a supermarket, open-market homes, social housing, a private student residence, a subsidized student residence, a tourist residence and offices. ■



NEW NEIGHBORHOOD

**EUROMED CENTER**

A true “piece of the city,” Euromed Center was designed in partnership with Foncière des Régions and Crédit Agricole Immobilier as a natural extension of the Joliette business district, the focus of the Euroméditerranée urban renewal initiative. When imagining this project, Italian architect Massimiliano Fuksas devised a complex that fits seamlessly into its urban environment while affirming a perfectly contemporary identity. A colossal development project with more than 753,500-ft<sup>2</sup> (70,000-m<sup>2</sup>) to be built, Euromed Center combines a variety of urban facilities (offices, shops, hotel, food service, entertainment, etc.) and creates a platform of fusion among the world of culture, the event market and the economy. ■

// OUR CLIENTS ARE LOOKING NOT ONLY FOR A SERVICE PROVIDER BUT FOR A REAL PARTNER, CAPABLE OF MANAGING COMPLEXITY AND COMMITTED TO THEM IN THE LONG RUN. //

CHRISTIAN DE GOURNAY



RETAIL & ENTERTAINMENT PROJECT  
**L'AVENUE 83 – TOULON-LA VALETTE**

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



NEW NEIGHBORHOOD  
**PARIS 7-RIVE GAUCHE: A NEW DOWNTOWN NEIGHBORHOOD IN THE HEART OF PARIS' 7<sup>TH</sup> ARRONDISSEMENT**

Over nearly 10 acres (4 hectares), the Laennec neighborhood will breathe new life into an entire district. With magnificent apartment buildings, a student residence, a senior-citizen facility, social housing, 151,000-ft<sup>2</sup> (14,000-m<sup>2</sup>) of greenery and more, Altarea Cogedim teams worked to revive this prestigious site with passion and the highest standards. Its many facilities will be delivered in early 2014, along with all 191 homes. Work will continue on the restoration of Croix historiques, set to become Kering's head office. ■



COMPLEX REDEVELOPMENT  
**SKY-COURBEVOIE**

Sky (Courbevoie) is an upscale residential program to replace a 15-story office building. This building, located in the city's most dynamic shopping district, enjoys excellent access to public transportation. It will offer a wide range of sizes with spectacular views of Paris and the Seine. Renovated under the BBC® Effinergie *Rénovation* label and enjoying Habitat & Environnement certification, Sky is a fine example of Altarea Cogedim's expertise in complex and exemplary redevelopment. ■



# 2013 HIGHLIGHTS

A YEAR OF PROJECTS, OPPORTUNITIES AND SUCCESS, ALWAYS IN THE SERVICE OF OUR CLIENTS' ESSENTIAL NEEDS.



## 1 OPENING OF QWARTZ, THE REGIONAL SHOPPING CENTER CONNECTED TO ITS CUSTOMERS

Located in Villeneuve-la-Garenne in the *département* of Hauts-de-Seine, Quartz extends over a floor area of 925,600-ft<sup>2</sup> (86,000-m<sup>2</sup>) and is home to 165 retailers and restaurants. This shopping center enjoys an ideal location in the heart of Greater Paris. It is the first connected shopping center in France bringing together services and novel digital innovations (e-commerce campus, digital wall to relay information and visitor reactions, a digital game space for children, etc.).

## 2 SAINT-OUEN DOCKS, PRICES UNDER CONTROL

As part of a major urban renewal program for the docks district of Saint-Ouen, Cogedim was selected by municipal authorities to develop four housing projects. With priority given to Saint-Ouen residents and employees,

225 homes are on offer at very affordable prices, in accordance with the Property Development Charter concluded between Cogedim and the city.

## 3 BREATHING NEW LIFE INTO HÔTEL-DIEU IN MARSEILLES

This past May in Marseille, Altarea Cogedim delivered the 5-star InterContinental to AXA Real Estate. The project involved transforming the former Hôtel-Dieu hospital into a luxury hotel. This flagship project in the Mediterranean metropolis created 194 rooms, two restaurants and a cultural area. It boasts NF-HQE® Hôtellerie certification. In addition, as part of the prolongation of the Panier district, Altarea Cogedim developed 72,000-ft<sup>2</sup> (6,700-m<sup>2</sup>) of homes in the northeastern section of the area.

## 4 RUE DU COMMERCE TAKES TO THE STREETS WITH "MA BOUTIQUE EXPRESS"

Rue du Commerce, the first

digital shopping center, launched the "Ma Boutique Express" concept in six Parisian train stations in December 2013. This pilot program was developed in partnership with Relay France and Gares & Connexions. It offers a selection of products available on the Rue du Commerce site via a dedicated terminal. With easy to use, intuitive touch screens, "Ma boutique Express" terminals create a new link between brick-and-mortar and online retail. In time, we plan to extend the project to other high-traffic areas.

## 5 WELCOME TO THE FIRST COGEDIM CLUB® RESIDENCE

In November 2013, Cogedim Club® opened the doors to its first serviced residence, Jardin d'Aragon. Located in the town of Villejuif, the residence is a mere five miles from Paris in the *département* of Val-de-Marne. This unique concept aims to protect seniors from isolation by offering them a downtown location, a range of *à la carte* services and apartments

designed to make daily life easier (personalized assistance, catering, guest apartment, etc.). The Group ultimately hopes to create 10 serviced residences per year.

## 6 CŒUR D'ORLY: CONSTRUCTION BEGINS!

Built in partnership with Foncière des Régions and Aéroports de Paris, Cœur d'Orly is a vast development project that includes 753,000-ft<sup>2</sup> (70,000-m<sup>2</sup>) of offices spread over three properties. Less than 10 miles south of Paris and connected to the Paris-Orly airport terminals, this mixed-use project will create a green business district and living areas bringing together offices, stores, hotels and assorted services.

## 7 CAP 3000: THE REFERENCE ON THE RIVIERA

Ideally located near Nice and its airport, Cap 3000 welcomes nearly 9 million visitors every year, making it the number one

shopping center on the French Riviera. Panoramic terraces with views over the ocean will soon add to this success, making Cap 3000 the first waterfront shopping center. Regional authorization for a 376,000-ft<sup>2</sup> (35,000-m<sup>2</sup>) extension has been granted, and Cap 3000 is beginning a renewal that will ultimately allow it to offer over 1.07 million-ft<sup>2</sup> (100,000-m<sup>2</sup>) of retail and entertainment.

## 8 1963-2013: COGEDIM CELEBRATES 50 YEARS

Design living spaces suited to individuals' rhythm and lifestyles while demanding the utmost quality and innovation: this has been Cogedim's ambition for 50 years. Over time, the brand's fundamentals have remained unchanged: quality for all, attention to each and every one of its clients, innovation, trust. These exacting standards in property development have allowed us to grow by adapting living spaces to changes in French society. The third

largest developer (in value terms), Cogedim has become a reference in the world of real estate for its ability to extend its principle of quality to all ranges.

## 9 PARIS-RIVE GAUCHE JOINT DEVELOPMENT ZONE: ALTA FUND DEVELOPS AN OFFICE BUILDING

Winner of a competition launched by Semapa, AltaFund acquired lot A9-A1 on Avenue Pierre Mendès-France in Paris. This project, called Semapa-Îlot Austerlitz, will ultimately develop 157,700-ft<sup>2</sup> (14,650-m<sup>2</sup>) of office space including 4,300-ft<sup>2</sup> (400-m<sup>2</sup>) of shops. Easily accessible, the complex is the work of architectural firm Ateliers 2/3/4. It offers stunning views over Pitié-Salpêtrière Hospital and southern Paris. This acquisition is perfectly in line with AltaFund's goal to create new or entirely refurbished buildings combining quality services, user comfort and environmental excellence.

## 10 ENTREPÔT MACDONALD: 345,000-FT<sup>2</sup> (32,000-M<sup>2</sup>) OF RETAIL IN THE HEART OF PARIS

As part of the Major Urban Renewal Project for northeastern Paris, Altarea Cogedim teamed up with the Caisse des Dépôts to develop a 345,000-ft<sup>2</sup> (32,000-m<sup>2</sup>) retail hub on Boulevard Macdonald in Paris' 19<sup>th</sup> *arrondissement*. Easily accessible by public transportation, this retail and leisure center aims to become one of the most popular and unexpected destinations in the French capital.

## 11 DOMAINE DE L'ERDRE: CONSTRUCTION BEGINS

Construction for the Domaine de L'Erdre program got underway in December 2013. Located in the Saint-Joseph de Porterie neighborhood in Nantes, this complex will feature homes and apartments ranging from two to five rooms with large balconies, beautiful terraces and private gardens.

## 12 IN TOULOUSE, SAFRAN CHOOSES ALTAREA COGEDIM

Following a consultation, the aerospace, defense and security group Safran chose Altarea Cogedim and the architect Jean-Michel Wilmotte to build its new site in Toulouse. Located near Toulouse-Blagnac airport, the 269,000-ft<sup>2</sup> (25,000-m<sup>2</sup>) turnkey program composed of three buildings will meet the latest environmental standards. It will also accommodate up to 1,600 workstations.

## 13 WORK LAUNCHED ON PARC EUGÉNIE IN CANNES

With its two swimming pools and 54 apartments, Parc Eugénie will be a truly exceptional residence. Tucked into a historic wooded park, these two- and three-room apartments will feature unobstructed views a stone's throw from the Mediterranean sea.

**14**  
**COSTIÈRES SUD FAMILY VILLAGE® OPENS ITS DOORS IN NÎMES**

Developed by Altarea Cogedim, Costières Sud Family Village® in Nîmes is welcoming 22 consumer brands and several restaurants over 296,000-ft<sup>2</sup> (27,500-m<sup>2</sup>) of quality architecture and environmentally conscious construction. Located on a premium site with a catchment area of 410,000 inhabitants, this Family Village® contributes to the development of the Greater Nîmes area. 2013 thus marked the opening of Altarea Cogedim's fifth Family Village®, an original, high-quality edge-of-town concept.

**15**  
**IN AIX-EN-PROVENCE, JAS-DE-BOUFFAN GETS A MAKEOVER!**

Renovation and extension work is underway at the Jas-de-Bouffan shopping center in Aix-en-Provence. In the heart of a first-rate catchment area, Jas-de-Bouffan is a magnet

for brands and their customers. Carried out in partnership with Casino Développement Group, the construction will allow the site to meet new operational and environmental requirements. The center's customers will enjoy the 53,800-ft<sup>2</sup> (5,000-m<sup>2</sup>) addition as of spring 2014. New brands such as Calzedonia, Yves Rocher and Swarovski are already setting up shop.

**16**  
**SUCCESSFUL SALES FOR INFLUENCE IN BORDEAUX**

Cogedim and Vinci Immobilier are creating Influence, a downtown residential program located between Chartrons, Garonne and Bassins à Flot. The property will offer occupants large hanging gardens, a fitness room, concierge service and two rooftop swimming pools. Sales launched at the end of 2013 already attest to the success of this project and its innovative, contemporary architecture offering exceptional views of the city.

**17**  
**WORK CONTINUES ON BOULEVARD RASPAIL — PARIS, 6<sup>TH</sup> ARRONDISSEMENT**

The office building located at 128/130 Boulevard Raspail, in Paris' 6<sup>th</sup> arrondissement marks AltaFund's first acquisition. Developing a useful surface area of 107,600-ft<sup>2</sup> (10,000-m<sup>2</sup>), this restoration project aims to create a property of exemplary environmental quality. The building targets NF-HQE® Excellent, BREEAM® Excellent and BBC® Rénovation certification and meets Paris Climate Plan standards. Construction began in 2013, for delivery in 2015.

**18**  
**PARIS 7-RIVE GAUCHE: A NEW DOWNTOWN NEIGHBORHOOD IN THE HEART OF PARIS' 7<sup>TH</sup> ARRONDISSEMENT**

Over nearly 10 acres (4 hectares), the Laennec neighborhood will bring new momentum to an entire district. With apartment buildings, a student residence, a senior-citizen facility, social housing, 151,000-ft<sup>2</sup>

(14,000-m<sup>2</sup>) of greenery and more, Altarea Cogedim teams worked to revive this prestigious site with passion and the highest standards. Its many facilities will be delivered in early 2014, along with all 191 homes. Work will continue on the restoration of Croix historiques, set to become Kering's head office.

**19**  
**IN PARIS, NOUVELLE VAGUE IS RECOGNIZED FOR EXCELLENCE**

After receiving the Île-de-France regional grand prize, the Nouvelle Vague program took home the special jury prize at Pyramides de Vermeil 2013. This award, organized by the French Federation of Property Developers, recognized the project's outstanding aesthetics, comfort and sustainable development considerations. The program features 73 open-market homes and 70 social housing units facing the Seine and Jardin des Plantes. Nouvelle Vague features the innovative architecture of Finn Geipel (LIN firm), with triple glazing on 60% of the glass surfaces.

**20**  
**ALTAREA COGEDIM BLENDS EXPERTISE IN MASSY**

Altarea Cogedim is creating a downtown center in Massy, an important axis in the Greater Paris region. This mixed-use project stretches over 1,076,500-ft<sup>2</sup> (100,000-m<sup>2</sup>) and is being carried out with architects Elizabeth and Christian de Portzamparc. It includes 900 homes, 86,000-ft<sup>2</sup> (8,000-m<sup>2</sup>) of local shops, a hotel, a convention center, parking lots, an elementary school and a movie theatre.

**21**  
**ALTAREA COGEDIM AND ALLIANZ REAL ESTATE INITIATE A LONG-TERM PARTNERSHIP**

Concluded with Allianz Real Estate in 2013, this partnership involves a portfolio of five "core" retail assets in France that are held and managed by Altarea Cogedim: Bercy Village, Toulouse Gramont, Boutiques Gare de l'Est, Espace Chanteraines in Gennevilliers, and L'Avenue 83 in Toulon-La Valette. This minority stake allows the Group to strengthen its investment capacity and pursue potential development opportunities.

**22**  
**IN ROMAINVILLE, SALES CONTINUE FOR GRAND'PLACE**

The second phase of sales for the Grand'Place program in Romainville was launched in 2013. There, Altarea Cogedim is developing a property program that will ultimately consist of apartments ranging from studios to five-bedroom units. The residence is located near schools, athletic and public facilities, and numerous services.

**23**  
**L'AVENUE 83: WORK ZONE AHEAD!**

In the second half of the year, demolition of existing structures at the Famille Passion site in La Valette-du-Var began in order to make way for a new shopping and leisure center: L'Avenue 83. The 549,000-ft<sup>2</sup> (51,000-m<sup>2</sup>) site designed by the architecture firm Wilmotte & Associés was imagined as an open air shopping street. It features a Pathé multiplex cinema, 14 mid-sized stores, 60 boutiques and kiosks, 20 themed restaurants with outdoor terraces, a fitness center and kids' area. This center is part of a large-scale mixed-use urban revitalization project. It will be inaugurated in 2015.

**24**  
**CŒUR DE QUARTIER: BIRTH OF A NEW DOWNTOWN HUB!**

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

**25**  
**ALTAREA CREATES THE MERCEDES-BENZ FRANCE HEAD OFFICE**

Altarea Cogedim has just delivered the future head offices of Mercedes-Benz France in Montigny-le-Bretonneux (78). This program, designed by the architecture firm Urban Act, will allow Mercedes-Benz France to relocate its French head offices to a single site. The business complex extends over a net floor area of 211,370-ft<sup>2</sup> (19,637-m<sup>2</sup>) and was built in partnership with CFC Développement. It combines a

mainbuilding, a training academy and 750 parking spaces, all positioned around a landscaped forum dotted with terraces. The program complies with the requirements of HQE® Excellent certification, BREEAM® Excellent certification and the BBC® Effinergie label.

**26**  
**MUTOPIA, THE FUTURE HEAD OFFICES OF THE MUTUELLE DES MOTARDS...**

In 2013, Altarea Cogedim won a competition to develop the new head office of Mutuelle des Motards. Located in Péroles (in Hérault) in the urban development zone nearby the airport, this made-to-measure project comprises three office buildings spanning 94,500-ft<sup>2</sup> (8,780-m<sup>2</sup>), including an 8,700-ft<sup>2</sup> (810-m<sup>2</sup>) business center and 150 underground parking spaces. Designed by Jacques-Ferrier Architectures, the complex will offer the site's workers a welcoming and flexible working environment.

MAJOR PROJECTS TO REGENERATE THE CITY OF TODAY AND TOMORROW.



14



15



17



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# LIVING & SHOPPING

**SHOPPING CENTERS LIKE QWARTZ BREATHE NEW LIFE INTO THE AREAS AROUND THEM AND PROMOTE ECONOMIC DEVELOPMENT,** points out Arnaud Vincent, Deputy Chief Executive Officer in Charge of Operations for Altarea Commerce, in his interview (page 35). For Blandine Charvériat-Louis, Marketing Director of Altarea Commerce (page 30), the main strength of these centers is their ability to offer both shopping and an experience that goes above and beyond the act of purchasing. Ludovic Castillo, Managing Director of Altarea Commerce, shares this opinion and talks about the Group's expertise in entertainment and leisure (page 28). Meanwhile, the digital transformation is a major challenge to which the Group must rise. Albert Malaquin, Managing director of Altarea Commerce and Chairman and CEO of Rue du Commerce, and Sylvie Latour, Deputy Managing Director of Rue du Commerce, offer their analyses (pages 32 and 33).

# 120

MILLION PEOPLE VISIT OUR SHOPPING CENTERS PER YEAR (EXCLUDING TRAIN STATIONS)

# 38

SHOPPING CENTERS ARE CONTROLLED BY THE GROUP, FOR AN AVERAGE VALUE OF €79 MILLION PER CENTER

# 56

THE NUMBER OF SHOPPING CENTERS MANAGED BY ALTAREA COGEDIM



# THE CHALLENGE

## BUILDING THE CITY TOGETHER

**Sociologist Jean Viard is the director of research for CNRS at CEVIPOF, the Center for Political Research at Sciences-Po.** With a masters-level degree in economics (Aix-en-Provence) and a doctorate in sociology (EHESS, Paris), Mr. Viard specializes in social time (holidays, 35-hour workweek), space (development, agricultural issues), mobility and politics. A lecturer, he has also authored a number of works including *“La France dans le monde qui vient (France in the World to Come)”* in which he posits that “non-working and pleasure time” dominate our society. Jean Viard talks to us about the role of shopping, leisure and retail in “building society together.”

**YOUR WORK HIGHLIGHTS  
A NEW ALLOCATION OF WORK VS.  
NON-WORKING TIME THAT  
HEAVILY FAVORS THE LATTER.  
WHAT ARE YOUR VIEWS?**

Today we dedicate 10 to 12% of our existence to work, as opposed to 40% a century ago. Work is no longer as predominant as it was in previous years, and free time that involves “doing things” – forging social links, taking advantage of cultural offerings, traveling, shopping, etc. – is rising sharply. This considerable amount of time spent outside work stimulates the brain and increases productivity. What good would it be to hire someone who has never traveled or watched television; he would be unemployable! Equal access to quality free time is one of the main challenges of building integrated societies.

**IS THIS INCREASE IN NON-WORK  
TIME GOOD FOR RETAIL?**

Today we have time to take a walk and shop for groceries; that is because free time has gone up... Nowadays, we create social links through collective endeavors outside of work. Purchasing is a major part of what we

do together – or at least side by side – especially when considering all of the activities surrounding the act itself. The goal of shopping is not only to buy, but also to walk around, people watch, window shop, experience the life of the area... really to “build a society” around the activity.

**“We must no longer consider peri-urban retail spaces as serving a single purpose: to shop and eat.”**

**JEAN VIARD**

**SUBURBAN AREAS ATTRACT A  
POPULATION LOOKING FOR A  
DIFFERENT QUALITY OF LIFE THAN  
THAT OFFERED IN THE CITY CENTER.  
DO CURRENT URBAN AND  
COMMERCIAL DEVELOPMENTS MEET  
THESE NEW NEEDS?**

We have recently turned to reconquering the very heart of the city, where we successfully incorporated this society built around free time, through development of bike shares,

public spaces, natural areas, etc. We’ve made the city a cross between Haussmann and a vacation spot! But we have not yet mastered “neighborhoods” and peri-urban spaces. In this immense peripheral area, superstores and other large commercial centers are often the main structures, and are at once a kind of “non-place” and spaces where people build bonds and collective memories. It’s almost like the village church on a Sunday or the meeting halls that used to dominate social and political life around Paris! We have to rethink these areas from that angle.

**HOW EXACTLY CAN WE  
REDESIGN PERI-URBAN RETAIL?**

We can no longer consider these places as serving a single purpose: to shop and eat. In the last 50 years, we have gone too far in fragmenting our activities; we must now bring them back together and reject the separation of locations and experiences, just as we can no longer design a city where people live on one side and work on the other. We could organize art exhibitions or a circus in supermarkets... rethink the music played in our stores, imbue it with emotion and authenticity... in short, bring a society built around free time and creativity into these far too standardized retail circuits.



**IN A SOCIETY IN WHICH SPATIAL,  
TEMPORAL AND PROFESSIONAL  
MOBILITY MAY AFFECT OUR ABILITY  
TO LIVE TOGETHER, WHAT IS THE  
ROLE OF A PROPERTY COMPANY  
LIKE ALTAREA COGEDIM?**

At the city level, a company must understand the plurality of uses. There, it can create modular spaces for individuals whose future paths we cannot yet predict. At this time of hastening social change, all stakeholders have a role to play. Developers, architects, scholars, artists and technicians must work together to build flexible structures that can adapt to the times – and guarantee their staying power. The greatest strength is understanding how to proceed in the face of this uncertainty. The other priority is designing areas in which we combine uses, invent new diversity and make the city available to all. We must think about the big picture and ensure that the habitat (living), economy (working) and transportation (getting around) are designed to be complementary and coherent. All players are responsible for accommodating a variety of uses – housing, shops, services, companies – and social diversity in the same urban mechanism to create a dynamic, fully inhabited city built on solidarity.

**JEAN VIARD,**  
DIRECTOR OF RESEARCH AT CNRS



# OUR SOLUTION

## OFFER A UNIQUE BUYING EXPERIENCE

**Shopping centers fared well in 2013**, especially those in large cities. In this environment, Altarea Cogedim also continued to perform well. Its strategy consisted of refocusing on two types of assets – large regional shopping centers and retail parks, with the Family Village® concept – and developing a multichannel offering adapted to changes in consumer needs. The Quartz regional shopping center brings together all of Altarea Cogedim's varied expertise. When it opened its doors in April 2014, it became the first shopping center connected to the desires of its customers.



1 Quartz in Villeneuve-la-Garenne (92) 2 "Ma Boutique Express" - Rue du Commerce, gare de l'Est in Paris (75) 3 Bercy Village in Paris (75) 4 Cap 3000 in Saint-Laurent-du-Var (06)

### COMBINE OFFLINE AND ONLINE RETAIL

Witness to the heightened growth in internet sales, the Group has strengthened its click-and-mortar strategy and its cross-channel approach following the takeover of Rue du Commerce in 2012. This is the basis for its web-to-store concept. The goal? Encourage retailers to design their stores as part of a combined offering with the worldwide web. From this starting point, the possibilities are endless, and what better place than Quartz to help illustrate the trend. Several such experiments were carried out in 2013: interactive "Ma Boutique Express" terminals featuring a selection of Rue du Commerce products were installed in RELAY stores in rail stations; the e-commerce campus was set up at Gramont in Toulouse. These innovations demonstrated that consumers are highly adaptable to changes when the latter are coupled with new ways of buying and an original quality of service.

### HEIGHTEN OUR CENTERS' APPEAL BY RENEWING THE OFFER

Altarea Cogedim innovates to continually renew the offering in its shopping centers and seeks to combine retail and entertainment, as evidenced by L'Avenue 83 in Toulon-La Valette, for example. At the same time, the Group has extended the offering of the Family Village® in Aubergenville, which will welcome a Brand Village in partnership with Marques Avenue.

A perfect match: the mass-market offering of the Family Village® and the Marques Avenue offering with its prices and national and international brands fit perfectly into the outstanding architecture and environment of the site. In addition, Quartz in Villeneuve-la-Garenne offers an experience store presenting customers with new brands, new designers and exclusive collections throughout the year. Fashion, beauty, decoration, high-tech products – themes vary from month to month. Each week, activities and contests give customers the chance to receive exclusive offers and win prizes.

### CONSOLIDATE OUR ACHIEVEMENTS IN 2014

With a number of projects underway, Altarea Cogedim has a pipeline of 3,519,800-ft<sup>2</sup> (327,000-m<sup>2</sup>) GLA (Group share) under development. This strategy comes alongside solid partnerships with institutional investors such as Orion Capital Managers (Quartz), ABP and Predica (Cap 3000), Caisse des Dépôts (program on Boulevard Macdonald to create a 344,000-ft<sup>2</sup> or 32,000-m<sup>2</sup> retail hub in Paris) and Allianz for five Group assets (Toulon-La Valette, Espace Chanteraines, Espace Gramont, Boutiques Gare de l'Est, and Bercy Village). The Group plans to extend its cross-channel approach to other shopping centers. It will continue to develop a number of economically viable experiments in this area.

In addition, for the past five years, Altarea Cogedim has been committed to developing its business of shopping center management for third parties, which today represents nearly a billion euros in assets. Altarea Cogedim begins 2014 with major strengths: retail expertise, a portfolio of quality projects announced with first-rate partners and a well-established commitment to innovation when it comes to designing centers, choosing retailers and services for customers, and pairing e-commerce with brick-and-mortar retail.



French assets display very strong operating performances.

**GILLES BOISSONNET**,  
SENIOR EXECUTIVE  
VICE-PRESIDENT  
IN CHARGE OF RETAIL  
PROPERTY IN FRANCE.

## OUR COMMITMENTS

# MAKE THE SHOPPING CENTER A FUN DESTINATION

Since its creation, the Group has developed shopping centers that combine traditional retail with entertainment concepts. This highly original model has proven effective. After Bercy Village and Carré de Soie near Lyon, the Group has made developing retail and entertainment combinations a strategic focus, with L'Avenue 83 in Toulon-La-Valette and Ponte Parodi in Genoa.



At Altarea Cogedim, we have long believed that shopping centers should be living spaces, places where culture, entertainment and pleasant moments combine.

**LUDOVIC CASTILLO,**  
MANAGING DIRECTOR  
OF ALTAREA COMMERCE  
AND DEPUTY CEO  
OF ALTAREA ITALIA

### What does the leisure dimension bring to shopping centers?

It translates to a desire to please, to create life. With leisure and entertainment, we play with what makes a center attractive to visitors, multiplying and superimposing drivers of visits. If it too “commercial,” we alienate a potential clientele instead of enlarging it. For example, what works well in Europe aside from subsidized facilities (pools, etc.) is movie theaters. Consumers are turning away from “constraint” purchases (food, basic needs) and towards entertainment: game and fitness rooms, etc. Today shopping must be fun. Shops are becoming showrooms... We pay close attention to presentation and packaging. But keep in mind that the element of fun does not necessarily mean adding something. Shopping centers are transforming into spaces that combine activities geared and not geared towards leisure. If it is done right, the consumer should not notice the transition. Visitor numbers are a good gauge of success.

### What does the leisure offering in an Altarea Cogedim shopping center include?

What makes us unique is not the offering itself – composed of movie theaters and restaurants mainly – but the way in which we create shopping centers. We try to create a space that

offers the customer things he or she likes but also one with innovative services, like at Qwartz. Altarea Cogedim has real expertise in leisure activities and in transforming the shopping center into an exciting destination thanks to artful staging and presentation. Take the example of Ponte Parodi in Genoa, Italy. This iconic redevelopment spans from the old port to the center of the magnificent Gulf of Genoa and over to the tourist harbor. It will give way to a multipurpose leisure and shopping hub with an exceptional location and featuring a marina, a large square, a museum dedicated to the ocean, an aquarium and more. Our project includes a long outdoor promenade where visitors can stop at sidewalk cafés and highly original flagship stores. While Genoa is a rather closed city with narrow streets and small shops, Ponte Parodi offers large open spaces that invite visitors to linger. The entertainment offering is ours to create, and this is where the Group shines in its ability to adapt to new patterns of shopping and leisure. This type of project encourages people to meet in a friendly place, makes them want to go out to eat, to join friends on a terrace...

### How does the Group build this offering?

Each shopping center is a prototype and takes part in the creative process. There is no single solution. We use a lot of trial and error to achieve the

desired results, and made-to-measure concepts can rarely be duplicated. That said, there is of course a company behind the activities offered, and we excel in enlisting the right people in a project. If we have the right chemistry, we’ve got success. In Genoa, all of the right “ingredients” are in place; the challenge now is to find the right recipe...

### What are the development prospects in this area?

“Leisure” creates social links, for example with the opening of a movie theater in the middle of a residential complex. In managing ground floor spaces, we plan to recreate a downtown “village square” atmosphere that whets residents’ appetite to go out. We once feared that television would bankrupt movie theaters; more recently, we say that the Internet will empty local shops. However, each time a new technology threatens tradition, social bonds prevail and create new desires. We’ve gone from entertainment to marketing to the final consumer. We are looking for greater and greater visitor traffic. Why are we interested in train stations? Because of the number of people who pass through them each day! That’s what motivates us in our current projects such as Toulon-La Valette, Ponte Parodi, Gramont in Toulouse or even in Chartres, where we are building entirely from scratch.

## RETAIL-ENTERTAINMENT PANORAMA

**ALTAREA COGEDIM HAS BEEN INNOVATING SINCE ITS INCEPTION, DEVELOPING SHOPPING CENTERS THAT COMBINE RETAIL AND LEISURE. REAL LIVING SPACES, THESE CENTERS OFFER A NEW SHOPPING EXPERIENCE.**



1 L'Avenue 83 shopping and leisure center in Toulon-La Valette will be home to a multiplex cinema, department stores, boutiques and kiosks, a fitness center and a kids' area over 549,000-ft<sup>2</sup> (51,000-m<sup>2</sup>).

2 A multipurpose retail and entertainment hub, Ponte Parodi in Genoa offers visitors trendy shopping areas alongside recreational and cultural activities.

3 With Bercy Village, Altarea Cogedim invented a retail-leisure concept that offers visitors an authentic living space based on a festive offering in which entertainment, culture, relaxation and retail join forces.

4 Located in a first-rate catchment area near Lyon, Carré de Soie combines shopping and entertainment over nearly 700,000-ft<sup>2</sup> (65,000-m<sup>2</sup>).

# OUR COMMITMENTS OFFER OUR CUSTOMERS ENTIRELY NEW EXPERIENCES

The Quartz regional shopping center in Villeneuve-la-Garenne, in the *département* of Hauts-de-Seine opened its doors in April 2014. The center offers an exceptional backdrop for national and international brands, as well as for customers who enjoy a unique shopping experience that combines brick-and-mortar and online retail. Connected to a number of innovations, Quartz symbolizes the next generation of shopping centers: real living spaces and shopping destinations were pleasure, emotions and leisure mix. One of the most attractive retail hubs in Greater Paris.



## WHAT SETS QWARTZ APART

**QWARTZ INNOVATES FOR ITS CUSTOMERS BY INCORPORATING A NUMBER OF NOVEL FEATURES: THE E-COMMERCE CAMPUS, EXPERIENCE STORE, SOCIAL WALL AND MORE. THE GOAL? CREATE A LIVING SPACE THAT ENCOURAGES EXPERIENCES, EMOTIONS AND RELATIONSHIPS!**



The idea is to create the mall of the 21<sup>st</sup> century by offering a digital space accessible to all and equipped with interactive installations that allow visitors to enjoy games and exciting emotions.

**BLANDINE CHARVÉRIAT-LOUIS,**  
MARKETING DIRECTOR  
AT ALTAREA COMMERCE

### What does Quartz bring to customers that sets it apart?

A unique social experience that creates an opportunity to come back. Today, customers want more than a product or service. They want an experience. They want to be surprised by new offers, original attractions, and a seamless visit, especially through personalized experiences.

### What makes this shopping experience so appealing?

At Quartz, we offer an entirely seamless visit based on experiences and creating a long-lasting relationship. It begins with two unprecedented retail spaces in which the offering is constantly renewed. First, the e-commerce campus brings together the best of the web and the hottest deals on touch screens that the customer can use to discover new products and complementary brands, all while relaxing in a "cocoon" and a friendly area with a hostess. Secondly, the experience store was specifically designed to offer new brands that

change regularly. It is also in the quality services offered, such as the premium welcome service (stroller, tablet, charger rental, etc.), a free-access kids area, comfortable and well-equipped resting places, spaces suitable for working in a group, etc. On busy days a bellman is available to collect purchases, and on Saturdays a personal shopper offers customized purchasing assistance. Lastly, the experience is lived through the variety of digital entertainment offered on weekends and during school vacations.

### How do you go above and beyond in terms of digital experiences?

A fun and interactive journey in the center takes customers through a dozen installations that challenge and encourage them to play. This is part of a trend we are seeing in society, where the visitor seeks to be an actor or hero in this journey. The customer can share his or her adventure on social networks and communicate with the center on Facebook or via the digital social wall at the welcome desk – a hotspot for digital life at the center with a variety of content and news.

### What role did the marketing team play in inventing new services?

The marketing team identified a unique positioning that creates value for brands, meets the needs of customers in terms of fluidity and customization, and is in line with overarching trends. To do this, it conducted a thorough benchmarking of living spaces and analyzed the main aspects of digital culture to anticipate changes: technological innovation (geolocation), digital uses (web, smartphones) and interactive experiences like Quartz Move, which transmits visitors' movements onto a giant chandelier.



**1 THE E-COMMERCE CAMPUS**

A friendly area that invites visitors to discover interactive terminals with hot deals, new products and brands that complement the center's offering.



**2 THE EXPERIENCE STORE**

A store that offers new brands never before seen in shopping centers. The offering changes regularly throughout the year.



**3 PREMIUM WELCOME SERVICE**

Stroller, tablet and charger rental – everything is designed to make life easier for customers.



**4 CENTRAL DISPLAYS**  
Two large displays in the center of the common area are modeled after large department store windows, with astonishing visual presentations. Renewed every two months, these displays illustrate the rich offering of the center's brands in every season.



**5 DIGITAL ARTWORK**  
Quartz's digital itinerary includes six interactive digital works of art chosen from among the works of world-famous artists. This program is the fruit of a partnership with Cube, a center for digital creation.



**6 A PERSONAL SHOPPER**  
For even more personalized service, customers enjoy a personal shopper every Saturday. They can try on clothing virtually or get advice from a designer.



With “Ma Boutique Express,” rail stations are going digital with an innovative product offering. Consumers are often in a hurry, and offering a wide range of products that cannot necessarily be found in the station may be a way to respond to new consumer trends.



**SYLVIE LATOUR,**  
DEPUTY MANAGING  
DIRECTOR OF  
RUE DU COMMERCE

## OUR COMMITMENTS TAKE PART IN THE TRANSFORMATION OF CONSUMER PATTERNS

**Altarea Cogedim, the first multi-channel real estate company, seeks to invent a new distribution model** to offer retail solutions in tune with the times and heightened digital mobility. Strengthening the synergies between Rue du Commerce and its shopping centers, the Group takes advantage of complementary online and offline business models.

### What are online buyers looking for above all else?

Before purchasing, customers compare and go back-and-forth between the web and brick-and-mortar retail. This behavior is increasing as purchasing power diminishes, which means that consumers must be reassured. While the main driver for in-store purchases is seeing the product and having it immediately available, several criteria are taken into account when buying on the web: price, ease, choice and time saved.

### How does Rue du Commerce meet these criteria?

In becoming the first digital shopping center in France in 2013, Rue du Commerce created a marketplace generation based on big-name brands from brick-and-mortar retail. With 250 new retailers already on the site, today Rue du Commerce represents the equivalent of ten shopping centers. It is strengthening its positioning,

revamping its product and service offering and selecting the best home goods and fashion retailers. It has also strengthened its commitment to quality service: the best offers on the web and from brick-and-mortar retailers; personalized advice; purchase and delivery when and where the user chooses, especially thanks to applications (iPhone, Android and iPad); and 24-hour customer service to guarantee an optimum level of service. Today with “Ma Boutique Express,” Rue du Commerce is taking to the streets and heading to the train station, where it will offer a new experience of quick and simple purchasing with the help of touch-screen terminals.

### What exactly is this new shopping experience?

It's a brand new distribution channel that generates traffic. Already installed in RELAY stores in six Parisian rail stations, “Ma Boutique Express” terminals are an example of a web-to-store service. Each offers a hundred ...



The combination of online and offline retail makes for a new seamless and instantaneous buying experience for our customers. We truly offer a digital shopping center, a next-generation marketplace with big-name brands to meet the needs and desires of our customers.



**ALBERT MALAQUIN,**  
MANAGING DIRECTOR  
OF ALTAREA COMMERCE  
AND CHAIRMAN AND CEO  
OF RUE DU COMMERCE

... of our star products that rotate frequently for different seasonal events (biannual sales, promotions, etc.). "Ma Boutique Express" is easy to use: its intuitive touch screen makes navigating a breeze so that the entire purchase – from selecting the product to payment – takes less than five minutes. And the customer can choose when and where the product will be delivered.

**What are the most highly prized solutions today?**

Cross-channel models in which the customer can shop day

or night, 24/7, through different channels (internet, mobile, store) and can choose the place of delivery. M-commerce is also important, as smartphones and tablets are playing an ever greater role in customers' multi-channel purchases, whether in preparing or carrying out the purchase, checking a price at home or directly in the boutique. Lastly, web-to-store services bring added value to the purchasing process. For example, click-and-collect allows the user to pay for a product online and pick it up in the store.



1 A new positioning, a new identity... In 2013, Rue du Commerce was revamped to better satisfy its customers and their needs!

2 With "Ma Boutique Express," Rue du Commerce is heading to the train station! This initiative attests to a successful e-commerce experience in physical points of sale.



**NEW ONLINE WEB-TO-STORE BUYING BEHAVIORS**

**WEB-TO-STORE**

**70%** of internet users prepare their purchases online before buying in a brick-and-mortar venue.

**40%** of tablet users use their tablet to prepare purchases.

**22%** of those using in-store pickup buy new products in the store.

**CLICK-AND-COLLECT**

The link between "click" and "mortar," click-and-collect is a service that meets the needs of users (immediacy and convenience) and increases traffic at points of sale, customer loyalty and attachment to the brand.

**70%** of major French brands offer this service.

**24%** of internet users buy online and pick up their order in the store.

**40%** of those using in-store pickup buy new products in the store.

The **3** most popular click-and-collect segments are fashion, small electronics and decorative accessories.

**20%** of French people use "drives" for their grocery shopping.



**OUR COMMITMENTS  
BE A DRIVING FORCE  
FOR LOCAL EMPLOYMENT**

In the coming years, Altarea Cogedim plans to continue actively participating in regional development, including in job creation. Opening large shopping centers like Qwartz is an excellent opportunity for the Group to build privileged partnerships with local authorities and stakeholders in the economic dynamics of the region.

**What does the opening of Qwartz bring to Villeneuve-la-Garenne and more broadly to the département of Hauts-de-Seine?**

Villeneuve-la-Garenne is changing rapidly: new jobs, new neighborhoods, new transportation, etc. The entire life of the city is immersed in a dynamic that residents will fully enjoy as of 2014. In choosing the La Bongarde urban development zone, we sought to revitalize a neighborhood and an entire city. The urban development zone has an undeniable effect on the development of an entire area. Qwartz – and this is a first in the world of shopping centers – also aims to transcend the traditional conflict between superstores and local shops, fostering meaningful dialogue on the developments that are affecting retail structures of all sizes and providing shared solutions that take into account the commercial fabric of the city.

**Did the center's location affect its design?**

Integrating a shopping center into its urban environment means taking into account traffic patterns and the architectural image. Qwartz receives traffic from the A86 and RD7 highways and anticipates new roadways that will be created in the La Bongarde development zone in years to come. It is therefore necessary to connect pedestrian entrances to the future district and, of course, to downtown. We must also consider the footfall that will be created 10, 15 and 20 years into the future by the development of La Bongarde and the surrounding areas. Pedestrian and urban connections will be essential, and a close partnership with public stakeholders to develop the area is therefore of the utmost importance. What's more, Qwartz is a true flagship project that is over 400 meters (1,300 feet) long and 25 meters

(80 feet) high, with lively facades; it will require architectural integration.

**How did you work with local partners?**

With Orion, our joint investor, we committed to promoting economic development in the area by supporting local retail and local job creation. We signed a local employment commitment Charter that is annexed to leases and involves two commitments: during the construction phase, 5% of positions were offered to residents of Villeneuve-la-Garenne and 5% of hours worked to companies promoting social integration; while in operation, one out of every two positions will be reserved for local workers. Qwartz ultimately represents a potential of 1,500 jobs in retail sales, supermarkets and services. Having employees that live near the site is a valuable asset for retailers and local actors alike.



By embarking on major structural projects such as the revitalization of the La Bongarde neighborhood with the creation of Qwartz, all of the center's partners transform their desire to reduce development gaps among regions into concrete action.

**ARNAUD VINCENT,**  
DEPUTY CHIEF EXECUTIVE  
OFFICER IN CHARGE  
OF OPERATIONS FOR  
ALTAREA COMMERCE



# LIVING & FLOURISHING

**TO RESPOND TO THE NEEDS OF BUYERS, COGEDIM DIVERSIFIES ITS RANGE OF RESIDENTIAL PROPERTY.**

Yet always with a focus on quality for all, as Chief Executives Christophe Bacqué and Patrick Mazières point out (page 42), and with a view to aligning the supply of housing with demand as Philippe Ulivieri and Manuel Colleaux, Co-Chairmen for Regions, explain (pages 44 and 45). To do this, the Group is developing a Cogedim “spirit of service” that makes all the difference, according to Christian Musset, President of Cogedim Vente (page 46). In tune with changes in society, Cogedim was also able to rapidly respond to issues facing a new generation of “active” seniors. Managing Director of Cogedim Résidences Services Alexis Moreau describes the advantages of Cogedim Club® residences (page 48).

€883

MILLION:  
GROUP RESIDENTIAL  
REVENUES IN 2013

3,732

HOMES RESERVED  
IN 2013

€1.016

BILLION (INCL. TAX)  
IN TOTAL RESERVATIONS  
IN 2013



# THE CHALLENGE

## BUILD PERMEABLE CITIES

**Architect and doctor of urban planning, honored with the *La Ville à Lire* prize for his book *La Ville Franchisée*, winner of the competition for the redevelopment of Les Halles in Paris:** David Mangin has a more than a few accomplishments under his belt with the firm Seura. From public spaces to new neighborhoods, reorganization of road networks to better foster development and designing new cities in Asia, Mr. Mangin is living proof that mastering many fields allows an expert to continually re-examine and reinvent.

**YOU PIONEERED THE IDEA OF JUXTAPOSING A “FRANCHISE CITY” WITH A “PERMEABLE CITY.” COULD YOU TELL US A LITTLE BIT MORE?**

For many years, I have been interested in the planning of large areas, which I call “franchise cities.” These fragmented cities, with their private enclaves, secure environments, residential segregation and dwindling public spaces, did not just happen by chance; they were carefully calculated and willfully imposed. By contrast, a “permeable city” – sustainable and mixed – can change to adapt to new economic, social and ecological conditions. It is based on reduced dependence on automobiles, highly heterogeneous architecture and genuine diversity of use. It allows for daily access to basic services such as schools, shops and public transportation without having to get in the car.

**HOW DO YOU RECOMMEND CREATING THESE “PERMEABLE CITIES” IN A WAY THAT HELPS US LIVE TOGETHER IN GREATER HARMONY?**

Today’s traffic systems produce huge closed-off pockets: shopping, areas parks, housing developments... To rid ourselves of this “pocket” planning we have inherited, we must focus on land reserves in areas that

are already urbanized or to be urbanized. Yet we also must create an intermediate network that allows us to create density and promote mixed-use projects combining housing, shops and businesses. One challenge will be to invest in secondary roadways: people are willing to walk if they encounter diverse offerings along their way. We must also invent progressive

“Today, developers, architects and elected representatives form a tripod. Together we must find new ways of working that are less rigid and more inventive.”

DAVID MANGIN

densification systems, and start building extension capacities into new structures from day one...

**HOW HAS THE RELATIONSHIP BETWEEN THE CITY AND HOUSING CHANGED IN RECENT YEARS?**

The relationship between housing and the city is very interesting because we all try to avoid isolated mass housing production and to make both work without creating isolated

neighborhoods, private residences or other urban products that tend to “clubify” the city. This leads to the question of the size and shape of the lots, how we will find depth, create a variety of heights and situations and break free from average run-of-the-mill urban planning. For example, we can build vertically as long as we respect a relative height that allows for both large and small volumes.

**ISN’T THIS AVERAGE RUN-OF-THE-MILL URBAN PLANNING MORE PLEASANT FOR INHABITANTS?**

We cannot create projects solely for the inhabitants because all of us are at once residents, tourists, visitors, employees, consumers, etc. Our work is therefore to resolve these paradoxical demands, to create more enriching situations that reflect the identity of the place, where diversity is honored – not to develop mechanical projects.

**DO YOU BELIEVE IN MIXED-USE PROJECTS?**

Yes, because the concept is linked to new ways of life. Take for example the development of communal laundries, car sharing, community centers, etc. Beyond the idea of combining offices and housing in a single group of buildings, other mixed uses should be created, especially in the area of services: maintenance, management.



These types of uses are tied to forms of collective housing, and provide interesting gateways to intelligent functional diversity. The same challenge exists for the suburban fabric we are weaving, because by preventing densification, we are unable to diversify and create local services.

**IS THERE AN ACTUAL DEMAND FOR MODULAR SENIOR AND INTERGENERATIONAL HOUSING?**

People are living longer and facing more challenging situations. We must therefore promote a living architecture and develop construction systems that incorporate greater flexibility, transformation and transmission. With the economic crisis, many people have adopted a do-it-yourself attitude and constantly ask themselves, “Can I finish it later?” Allowing owners to work on their property is a positive thing; it is a way to encourage densification. It also allows us to plan for the future. When

everything is finished and set in stone – as is too often the case in priority development zones – it is difficult to bring about change. In this sense, long live the crisis!

**DO YOU HAVE ANY ADVICE FOR DEVELOPERS?**

Today, developers, architects and elected representatives form a tripod. Together we must find new ways of working that are less rigid and more inventive. We must fully understand the challenges and constraints faced by each and most importantly, must work more proactively with elected officials upstream to reduce self-censorship. It is the uses and changes in society that move the city forward, and we must constantly change our paradigms.

**DAVID MANGIN,** ARCHITECT-URBAN PLANNER. WINNER OF THE 2008 GRAND PRIZE FOR URBAN PLANNING



## OUR SOLUTION

# OFFERING EVERYONE LIVING SPACES SUITED TO THEIR NEEDS

For several years, Cogedim has been diversifying its residential ranges to meet the needs of purchasers of entry-level and midscale products. Cogedim has developed managed residences for active seniors, students and business people, while strengthening its cooperation with cities to develop “new neighborhoods.” The Group is also an active partner for institutional investors and stakeholders involved in social housing. It remains highly dynamic in the high-end sector, its traditional business.



1 Domaine de l'Erdre near Nantes (44) 2 Place du Grand-Ouest in Massy (91) 3 Cogedim Club® Résidence in Bénodet (29) 4 Nice Méridia in Plaine du Var (06)

### CONTINUING TO DIVERSIFY PRODUCT RANGES

In 2013, Cogedim continued expanding its offering in entry-level and midscale ranges while maintaining its principle of quality for all, an integral part of its DNA. These market segments accounted for 56% of reservations in value terms in 2013, while high-end programs stood at 33% and managed residences at 11%. As for new programs incorporated into the property portfolio in 2013, two-thirds concerned entry-level and midscale properties. The Group's activities have thus changed considerably, with a product offering well suited to purchasers' creditworthiness: Cogedim has truly become an all-around developer.

### DEVELOPING SALES TO INSTITUTIONAL INVESTORS

The French government has adopted measures intended to generate a significant intermediate housing supply. These measures include implementation of a specific tax system to encourage institutional investors to return to the new housing market: VAT reduced by 10%, 20-year exemption from land taxes on built-up properties. Having predicted this initiative, in 2013 Altarea Cogedim carried out more than a third of its reservations in value terms as open-market housing sales to institutional investors and social landlords. Cogedim is thus well positioned to take up the challenges of intermediate housing with these actors.

### ROLLING OUT SERVICED RESIDENCES

Under the Cogedim Club® brand, Altarea Cogedim develops a unique serviced residence concept for active seniors, with vibrant downtown locations and a broad range of high-quality à la carte

services. The Group also offers residences for students and business people with services tailored to their needs. In 2013, the first serviced residence for seniors – Jardin d'Aragon – was launched in downtown Villejuif. Other residences will soon be opening their doors to tenants in Arcachon, Sèvres, Cannes-Pégomas, Chambéry and Bénodet. The goal is to quickly market 10 residences per year, i.e. more than 1,000 homes annually.

### CREATING “NEW NEIGHBORHOODS”

In the Paris Region and other major metropolitan areas, Altarea Cogedim works with local governments looking to redevelop their territory, either by creating “new neighborhoods” from scratch or by building residential areas within large-scale urban projects. Featuring a new urban and architectural identity, these neighborhoods are designed to provide populations a diversified offering: family homes, serviced residences, offices, hotels, shopping centers, entertainment, public facilities, etc. Characteristic of the Group's ability to apply its expertise to diverse sectors, a dozen products of this type are currently underway, including Bassins à flot in Bordeaux, Nice Méridia, Carré de Soie in Lyon and Place du Grand-Ouest in Massy, which stood out for the sale of 232 open-market homes to Crédit Agricole Assurances.

### STRENGTHENING PARTNERSHIPS WITH SOCIAL LANDLORDS

As part of the nationwide program to build 150,000 social housing units per year, Altarea Cogedim works closely with national and regional social landlords. The Group offers both properties with 100% social housing and buildings or sections that comply with the 25% mandatory minimum level of social housing in cities.



With €1.016 billion in reservations in 2013, the Group's new housing sales rose by 18% in a nationwide market down 7% compared to 2012. With the enhanced housing offering called for by French public authorities, our goal is to increase new housing reservations from 4,000 to 7,500 per year by 2015, demand permitting.

**CHRISTIAN DE GOURNAY,**  
SENIOR EXECUTIVE VICE PRESIDENT  
IN CHARGE OF RESIDENTIAL  
PROPERTY, REGIONS AND  
INSTITUTIONAL RELATIONS



## OUR COMMITMENTS

# DEMANDING QUALITY FOR ALL

In 2013, Cogedim turned 50 – 50 years of attention, innovation, confidence, high standards and, more than ever, quality for all. This principle – applied to all price ranges – makes Cogedim a brand apart, entirely devoted to living pleasure.



We have the same quality ambitions for all our products. This demand is part of our DNA.



**CHRISTOPHE BACQUÉ,**  
CHIEF EXECUTIVE  
OF COGEDIM, MEMBER  
OF THE MANAGEMENT  
BOARD

### What does “quality for all” mean?

It means that our Group must be capable of providing a quality property solution, in all regions and all product ranges. We must have the same ambition for all our products. This principle starts with site selection – locations close to public transportation – and continues with durable facades, home layouts, outside living spaces, a choice of materials and solutions to promote safety, comfort and energy savings, etc.

“Quality for all” criteria include quality for use, landscapes, architecture and services, with a similar focus on quality guidance for clients through the purchasing process and quality delivery, when we keep the promises made to clients. Lastly, our common areas (hallways, floor landings, etc.), which are living spaces shared by our customers and their visitors, must be of high quality. They are therefore systematically designed – regardless of the range – with original decorations, including whenever possible a work of art. More broadly, to achieve this quality, we work with pioneers in architecture today, big names such as Christian de Portzamparc, Finn Geipel and many more.

### How do you apply the principle of quality for all to all ranges and regions?

First and foremost, we have rooted our project management system in quality. Today, we are a leader in the field. Cogedim’s technological and environmental monitoring is another essential lever for increasing quality, as it allows us to anticipate changes in society. And when it comes to working on site, quality means respect and understanding of local specificities. We have been able to win important projects like the Docks in Saint-Ouen, Massy Place du Grand-Ouest, Bassins à flot in



Thanks to our standards for quality, our purchasers take pleasure in living in the homes we build, and our investors know that they have made a wise investment.



**PATRICK MAZIÈRES,**  
CHIEF EXECUTIVE  
OF COGEDIM, MEMBER  
OF THE MANAGEMENT  
BOARD

Bordeaux and Nice Méridia because we kept our “quality promise” for previous local programs, meeting the specific needs of these areas. Lastly, quality is a team effort. It is through the dedication of each and every person that we are able to make this principle a reality and strike a balance between quality housing and market prices.



### NOUVELLE VAGUE, AN EXEMPLARY PROJECT RECOGNIZED FOR EXCELLENCE

Facing the Seine and just a stone’s throw from the Jardin des Plantes, the Nouvelle Vague residential program features a geometry inspired by the flow of the river. Architect Finn Geipel (LIN architectural firm) provided for triple glazing of 60% of its glass surfaces. The program, which offers 73 open-market homes and 70 social housing units, was awarded twice for its aesthetics, comfort and consideration of sustainable development. It won the regional Grand Prize in Île-de-France as well as the Special Jury Prize at Pyramides de Vermeil 2013.



OUR COMMITMENTS

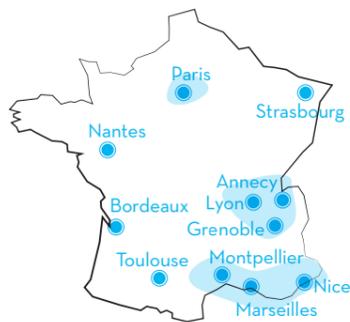
**PROMPTLY RESPOND TO THE HOUSING SHORTAGE**

**French residents are finding it increasingly difficult to find affordable housing.** Among the main reasons are a quantitative shortage in supply along with discrepancies between real estate prices and household resources. We must also keep in mind the widening gap between rents in social housing and those for open-market properties. Amidst these concerns, aligning the supply of housing with demand has become a key issue for Altarea Cogedim.

**How would you analyze the need for housing in France today?**

Many regional metropolises today face strong demographic growth and new housing needs, related in particular to the evolution of the family. These large urban communities must also offer more rental options for people who are not yet definitively established and who do not wish to become homeowners before getting settled. These markets thus have a strong demand for housing but are not in a position to ensure a supply adapted to the means and expectations of their potential customers.

**HONING IN ON HIGH-NEED AREAS**



With offices in ten French cities – Nantes, Bordeaux, Toulouse, Strasbourg, Montpellier, Marseilles, Nice, as well as in the Rhône-Alpes region in Lyon, Grenoble and Annecy –, Altarea Cogedim offers its multifaceted expertise to respond to these new requirements.

**What do you do specifically to provide housing for the greatest number of people?**

In the past several years, we have shifted our offering towards entry-level and mid-range products. In 2013, nearly 75% of family homes offered by outside the Paris Region were in these categories. We have also strengthened our relationships with social landlords and set up a trans-regional platform to assist them in their development policies and with expanding into new areas. We are regularly in contact with landlords such as SNI, I3F, Domofrance, Eriila, Novedis, etc. In the Nantes area, we offer our expertise to several social landlords to help them develop their supply of social residences for students and young professionals. We also develop housing at controlled prices in several regions; criteria for these properties are defined by the cities according to the needs of their populations. This is the case,



Our ambition for the past 50 years: design living spaces suited to the budgets and lifestyles of each of our customers, with the highest standards of quality, service and continuous innovation.

**PHILIPPE ULIVIERI,**  
CO-CHAIRMAN FOR REGIONS

for example, in Nice and Marseilles. Lastly, to take into account the aging population and new requirements of active seniors, regional governments are taking part in the development of Cogedim Club® residences, for example in Bénodet, Crouesti, Pégomas and Chambéry.

**What are you doing to develop your products and adapt to the needs of your customers?**

Our customers want both the best prices and the best services. To meet this challenge, we are developing our internal processes to improve productivity. More than ever, we ensure effective design of our buildings – a poor structure from the start can generate significant additional costs down the road – and the spaciousness of our apartments, with funds being used where they lead to gains in surface areas, comfort and customer satisfaction. Lastly, a more aggressive procurement policy with our suppliers allows us to offer more and better for less.



We diversify our offering to respond to the needs of all populations and every investor – institutional and individual.

**MANUEL COLLEAUX,**  
CO-CHAIRMAN FOR REGIONS



**75%**  
OF FAMILY HOMES OFFERED BY ALTAREA COGEDIM OUTSIDE THE PARIS REGION WERE IN ENTRY-LEVEL AND MID-RANGE PROPERTIES.

**← THE DOCKS IN SAINT-OUEN, KEEPING PRICES UNDER CONTROL**

The homes in this new neighborhood are offered at attractive prices, pursuant to the development charter signed by Cogedim and the city.

**225**  
the number of open-market homes offered by Cogedim.

Sell **10%** under market price – the commitment made with the municipality.



## OUR COMMITMENTS

# ASSIST FUTURE BUYERS FROM START TO FINISH

**Realty advisors, financial consultants, customer service agents, consulting architects, etc.** Altea Cogedim employees guide and accompany prospective buyers – from the first contact to the handing over of the keys – before passing the baton to the After-Sales Quality service. Because quality real estate means quality service.

### Is the idea of service present in all ranges?

Absolutely! Regardless of the range, it all starts online, where we offer simulations for the purchase and explain the regulatory environment. Then, our financing assistance department works with our prospective customers – residents, investors, first-time homebuyers – to complete their mortgage applications and offers them special advantages with our partner banks. At this stage, potential buyers can also benefit from negotiated bank rates – another service

offered by Cogedim – allowing them to get the best possible rates and fee waivers. Thanks to agreements with major national managers, we also offer services such as rent management and guarantees. With our Cogedim Club® residences for active seniors, we are going to go even further by guaranteeing investors maximized rentals. Finally, a resale guarantee is being established in 2014. Cogedim's file managers ensure that the process functions smoothly at each stage of the sale, guaranteeing that deadlines are met

and making sure that all files are in order up to the signature of the deed before a notary. It is important to reassure our customers!

### Does this service offering have an effect on sales?

Monitoring buyers' financing options has a real impact on sales. This service allows us to sit down with a prospective buyer, analyze whether his plan is feasible and build trust, thus making it easier to close the sale. The Rental Management service is also very important because it reassures



Quality service means offering rapidity, security, follow-up, understanding and proximity.

**CHRISTIAN MUSSET,**  
CHAIRMAN  
OF COGEDIM VENTE

← Sales office for the Paris 7-Rive Gauche (Laennec) operation.

potential buyers. In addition, our films, videos, digital simulations and 3D ground planes (which demonstrate how a building will fit into its surroundings) play a major role in triggering the purchase, as they allow our customers to better visualize and take ownership of the site. We are looking in to the possibility of 4D visions that would provide our prospects the opportunity to see themselves in their apartment as though they were actually inside!

### Do new regulations have an impact on your offering of services?

Like our competitors, we are subject to various regulations: BBC®, RT 2012, new standards for people with disabilities, etc. Addressing these issues naturally leads us to provide new related services.

### What services do you offer most often?

In entry-level ranges, the services mentioned above are available, even if price comes first. We even offer

a catalogue of options for personalizing homes. Mid-range and upscale properties include made-to-measure services, such as the ability to modify the blueprints. We provide investors a tool called Top Invest that performs a customized simulation. Lastly, in the services that make up our DNA, we strive to give our buildings' common areas a soul and offer apartments that are easily furnished regardless of the range and surface area. Our competitors do not necessarily do this. That's the Cogedim spirit of service!

↓ Real Estate trade fair – Cogedim stand.





## OUR COMMITMENTS

# REINVENT RESIDENCES FOR SENIORS

**Today, seniors are living longer and in better health:** only 10% of people in their 80s and 30% of people in their 90s are dependent. Experts agree that this trend will continue. A new population group is thus emerging: seniors over 70 who are autonomous and eager to maintain their independence and dynamic lifestyle. This raises the question of housing for this new generation of “active” seniors. And Altarea Cogedim has an answer.



Every aspect of our Cogedim Club® residences is designed to offer a comfort that rises to the expectations of seniors who want only the best.

**ALEXIS MOREAU,**  
CHIEF EXECUTIVE  
OF COGEDIM  
RÉSIDENCES SERVICES

### What are today's active seniors looking for?

They have many desires and one common goal: to continue to enjoy an active lifestyle that is connected and open to the rest of the world. This means prolonging their independence, preventing isolation, recreating friendly environments and building new social bonds. Being able to see family and friends is also very important. Finally, living peacefully in a new home close to all amenities and services that make daily life easier is one motivation for older adults. In response, we are offering a new type of housing: senior residences, built and operated by our Group under the Cogedim Club® brand.

### In what ways do senior residences satisfy these changing needs?

They are located in the heart of the city, just a stone's throw from shops and local services. They offer high-quality new homes, from large studios to three-room units, and a wide range of à la carte services. Seniors thus maintain their independence in a dynamic environment that fosters social links. All at a reasonable cost

– another advantage! The Cogedim Club® concept is therefore worlds apart from traditional retirement or nursing homes, which are often viewed as places of confinement far removed from the rest of society.

### What are the main advantages of these residences?

Our residences offer more than just apartments. The spaces are bright, arranged in a way that anticipates changes in mobility, and designed according to the latest environmental standards. The apartments come furnished yet allow for residents to bring their own furniture, especially in the case of reduced mobility. The residences are open to the outside world but feature the necessary security. Living areas promote conversation and relationships: a restaurant, lounge with fireplace, fitness room, terraces, gardens, etc. Finally, they offer quality services such as a reception and concierge available 24/7, personalized assistance with household chores, grocery delivery, computer help, cultural activities, a health/well-being club, food service suited to residents' wishes and more. Everything is designed to offer a comfort that rises to the expectations of seniors who want only the best.

## JARDIN D'ARAGON, THE FIRST COGEDIM CLUB® RESIDENCE

**COGEDIM CLUB® SENIOR RESIDENCES** offer homes specifically designed for the comfort, well-being and security of active seniors. In November 2013, the first residence opened in Villejuif, in the *département* of Val-de-Marne. Altarea Cogedim ultimately hopes to create 10 serviced residences per year.



1 High-end, customized apartments.

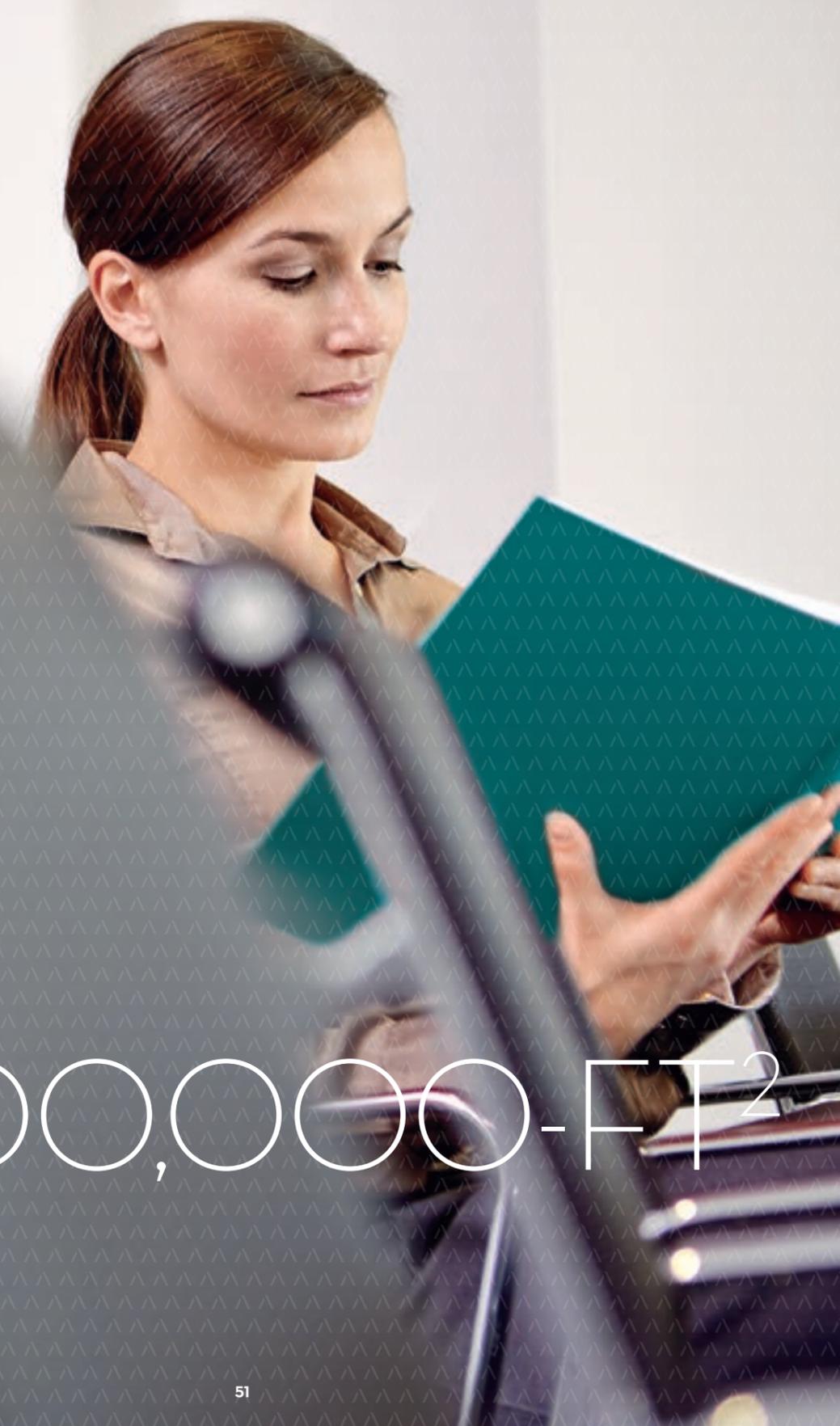
2 Common areas that are at once open, intimate and friendly.

3 Like a big house – warm yet refined.



# LIVING & WORKING

**ALTAREA COGEDIM'S BUSINESS MODEL FOR OFFICE PROPERTY IS DISPLAYING ITS INITIAL ACHIEVEMENTS**, both in terms of the Group's expertise in designing premium made-to-measure head offices, analyzed by Thibault Lauprêtre, Deputy CEO of Altarea Cogedim Entreprise (page 56), and its high standards for environmental certifications, which Jean-Frédéric Henry, CEO of Altarea Cogedim Entreprise, describes on page 58. For high-end hotels, Altarea Cogedim continues to open iconic and profoundly historic sites such as Hôtel-Dieu in Marseilles. Jean-Yves Raimond, Senior Executive Vice President in charge of commercial property in French regions, examines the transformation of this hospital into a 5-star hotel (page 59). Finally, the growing strength of its fund AltaFund is giving rise to remarkable programs described by Laurian Douin, Deputy CEO of Altarea Cogedim Entreprise (page 63).



€110.8 +40%

MILLION:  
2013 OFFICE  
PROPERTY SALES

SALES GROWTH  
IN THIS SEGMENT  
COMPARED TO 2012

4,900,000-FT<sup>2</sup>

(457,000-M<sup>2</sup>)  
OF PROJECTS SECURED  
OR UNDERWAY



THE CHALLENGE

# MOVING FORWARD FROM CONSTRUCTION TO SUSTAINABLE CITIES

**Alumnus of the École Polytechnique and General Engineer in the French Corps of Bridges and Roads,** Alain Maugard served as president of the *Centre scientifique et technique du bâtiment* (CSTB) from 1993 to 2008. Since September 2008, he has chaired the Risks, Safety and Security division of the General Council for the Environment and Sustainable Development (CEGDD). He has also been Chairman of Qualibat since September 2009. Alain Maugard shares with us his vision of the building of tomorrow in sustainable cities and how the profession of property developer will change. Selected excerpts.

**IN YOUR OPINION, WHAT ARE THE MAJOR CHALLENGES FOR PROPERTY DEVELOPMENT?**

Property developers work on buildings in the city. Today, cities are undergoing a profound transformation. Homes, offices and shops are all part of this vast structural movement, which is embracing growth and development with a lesser impact on our planet's resources. In an age when 80% of developed countries have an urban way of life, cities are truly at the heart of this social metamorphosis. For developers, this means looking well beyond the surface area built: they must also focus on how cities will change in the future and promote a community-based lifestyle.

**CAN REAL ESTATE CONTRIBUTE TO CHANGES IN THE CITY — AND IN OUR URBAN LIFESTYLE — BY ADDING SPICE AND APPEAL?**

One of the primary responsibilities of real estate professionals is to make this urban civilization attractive and appealing. Today we can see a strong will to link different dynamics together in a single space or

among several connected sites. We are witnessing a powerful drift towards interweaving different facets of urban life, towards mixed uses, sharing, etc. In this context, developers must dispense with single-use products. If they want to create appeal, which — let's be practical — encourages purchasing, they must offer mixed-use programs, space-sharing and

**“The question is not about designing cities differently, but bringing them to life in a new way.”**

**ALAIN MAUGARD**

services that promote exchanges and closer connections. From this perspective, interweaving shops, homes and offices is a good idea. Isn't the joy of living together about being in the center of these different movements? Otherwise, why was the city invented to begin with! It is crucial for a developer that wants to stand out on its market to sense and anticipate these trends. The real estate of tomorrow is not for sedentary people!

**YOU SAY THAT “CLOSE DISTANCE” IS AT THE HEART OF URBAN ISSUES. IN YOUR VIEW, WHAT ARE THE CONSEQUENCES FOR THE WAY PROJECTS WILL BE CONCEIVED?**

A sustainable city is a city of compact distances. Real estate projects must therefore contribute to “dezoning” cities and making them denser, creating areas of microdensity, recreating microcentrality, fighting against the sprawl that results from excessive land prices, etc. One of the challenges is to add “pebbles and grains of sand” — like neighborhood shops — among the existing “boulders,” to enhance territories' urban intensity. In that sense, the question is not about designing cities differently, but bringing them to life in a new way, with a new form of measuring their various facets. Developers must know how to create these pebbles that give cities the power to create sustainable land value. With this rationale, a debate on buildings necessarily leads to one on mobility. Convenient public transportation is indeed fundamental, as the ultimate urban equation is “construction + mobility = city,” and these two aspects account for three-quarters of worldwide energy management.



**YOU TALK ABOUT URBAN INTENSIFICATION AS PROGRESS FOR THE CITY. DON'T YOU THINK THIS CONCENTRATION CAN BE FRIGHTENING?**

Not as long as concentration entails doing things together, rather than having more people in a single space. The principle of intensifying the use of a given site is a good one that many people applaud. Developers are responsible for doing away with single-product models to anticipate this dream and make it reality.

**HOW CAN WE PRESERVE A BUILDING'S PROPERTY VALUE OVER TIME?**

A real estate developer can only create value by anticipating social transformations. As such, one challenge is appreciating complexity and diversity of use. We can no longer think in terms of silos, but rather systems. Any developer must therefore explore its building's adaptability and the new functions it can serve. Excessive unifunctional optimization does not preserve value in the long term. Likewise, public spaces must henceforth be analyzed in terms of diversity of use. Before, there was simply the street market twice a week, but today public spaces can be used for sports, outside dining, etc. Real estate must serve to facilitate these potential use-based transformations in the city by enhancing the adaptability of buildings. Anything that prevents premature obsolescence creates value.

**ALAIN MAUGARD,**  
CHAIRMAN OF QUALIBAT

## OUR SOLUTION

# ROLLING OUT A NEW BUSINESS MODEL

**The French commercial real estate market revealed a paradox in 2013:** on the one hand, a continued drop in rents (5 to 10% in actual economic value) and a sharp decline in surface areas leased (-25%); on the other hand, lower capitalization rates, as investors continued to value the French market, particularly in the Paris Region. For Altarea Cogedim, the market presents encouraging prospects for 2016-2018, with a strong recovery in 2013. Its main strength is having recognized this “new” market as of 2009.

### INITIAL ACHIEVEMENTS OF THE NEW BUSINESS MODEL

Having amassed significant investment resources, particularly through the creation of AltaFund in 2011, the Group waited until 2013 for a more proactive roll-out. Moreover, this year the Group enjoyed real success in made-to-measure operations for users, making new investments in unique locations and in projects in which it believed strongly. It was also able to monetize projects for which value creation had been reached. All while maintaining the highest-quality service.

### ALTA FUND TAKES FLIGHT

When Altarea Cogedim raised funds to constitute AltaFund, limited visibility in the market did not prevent AltaFund from investing in high-quality sites in 2013, Semapa/Paris-Rive Gauche and “Neuilley” to name a few. AltaFund wagered rationally that these operations – to be delivered around 2017-2018 – would meet a market of scarcity with a focus on quality locations. This patience and selectivity should produce handsome returns on investment. Since the end of FY2013, AltaFund has already initiated the sale of its first acquisition to a buyer-user.

### MADE-TO-MEASURE EXPERTISE MOVES UP-MARKET

Altarea Cogedim continued to win contracts with high added value for third-party users. For example, the Group is building the new Safran site in Toulouse. For the new head offices of Mutuelle des Motards in Montpellier, Altarea Cogedim called upon the expertise of renowned architect Jacques Ferrier to imagine a building that meets the expectations of employees and where members will feel at home. Lastly, Altarea Cogedim delivered the Mercedes-Benz France Star Center in Montigny-le-Bretonneux in January 2014. This new real estate complex spans 211,370-ft<sup>2</sup> (19,637-m<sup>2</sup>) and was sold off-plan to Assurances du Crédit Mutuel. It meets international standards for offices, efficiency and flexibility requirements for a large user and the criteria for HQE<sup>®</sup> and BREEAM<sup>®</sup> certifications, as well as the BBC<sup>®</sup> Effnergie label.

### A STRONG COMMAND OF COMPLEX REDEVELOPMENT PROJECTS

In 2013, Altarea Cogedim continued to work as a service provider, such as for the redevelopment of the historical portion of the Laennec Hospital (Paris, 7<sup>th</sup> arrondissement) into office space for Allianz Vie and SNC Laennec-Rive Gauche. Some of these buildings were delivered in October. In addition, the Group obtained a building permit for the largest commercial complex in the Marais neighborhood, 236,800-ft<sup>2</sup> (22,000-m<sup>2</sup>) on Rue des Archives (Paris, 3<sup>rd</sup> arrondissement), for General Electric. It also won a research contract for the redevelopment of a 129,200-ft<sup>2</sup> (12,000-m<sup>2</sup>) building in the 8<sup>th</sup> arrondissement of Paris for AXA and Norges Bank.

### ADDED VALUE IN HOTEL PROJECTS

Altarea Cogedim focuses on hotel operations requiring real added value. Whether the task is to weave an urban fabric in major projects – such as Place du Grand-Ouest in Massy – where the Group is harnessing its multifaceted expertise to assist the community in establishing retail, housing and hotels, or to create new neighborhoods, such as the Euromed Center in Marseilles. With the April 2013 delivery of the InterContinental Marseilles – Hotel-Dieu, a five-star hotel, Altarea Cogedim created a landmark project that was recently recognized at the 2014 Mipim Awards. Finally, the Group has partnered with the chain OKKO, a new concept that broke into the hotel industry in 2013. The idea: four-star rooms and areas dedicated to guests’ well-being. It focuses on quality of service and minimizing administrative procedures; guests receive a QR-code upon booking online, and everything is included in the starting price (a sort of “all-inclusive package” for the hotel industry). The concierge service will be paramount (theater tickets, dry-cleaning service, etc.).

### HEIGHTENED GROWTH IN ALL SEGMENTS IN 2014

Business is expected to increase in all segments in 2014, with heightened market coverage with users and investors, through a revamped team. To introduce strong cross-cutting abilities in its businesses, Altarea Cogedim is looking to speed up projects that aim to transform offices into housing, both acquired and existing assets. Today, the Group has a larger portfolio of projects under review throughout France than ever before. More than ever, the company has proven its leadership in



Enjoying sound profitability, 2013 was the year for the Group to implement its new business model for office property, deftly combining investment and service providing activities for institutional investors and major companies.

**STÉPHANE THEURIAU,**  
SENIOR EXECUTIVE VICE-PRESIDENT  
IN CHARGE OF OFFICE PROPERTY  
AND PRIVATE EQUITY



1 InterContinental Hôtel-Dieu in Marseilles (13)  
2 Mercedes-Benz France head offices in Montigny-le-Bretonneux (78)  
3 Semapa - Austerlitz lot in Paris (75)  
4 Paris 7-Rive Gauche in Paris (75)  
5 Safran head offices in Toulouse (31)



We act as partners for companies for whom we design turnkey operations; we strive to offer them customized solutions and attractive financial proposals.

**THIBAULT LAUPRÊTRE,**  
SENIOR EXECUTIVE  
VICE-PRESIDENT OF  
ALTAREA COGEDIM  
ENTREPRISE

## OUR COMMITMENTS

# OFFER PREMIUM AND TURNKEY SOLUTIONS

For several years, Altarea Cogedim has been developing solid expertise in designing head offices adapted to meet users' every need. Following on Philips, Servier and Pomona, programs created in 2013 confirm the Group's commitment to service and quality locations – essential criteria for users.

### What are companies beginning to expect when it comes to an office building?

In an uncertain economic environment, companies focus first and foremost on optimizing property fees, but that is not all. Companies are also looking for flexibility in terms of a building's features and surface areas, and of course to promote the well-being of their employees. Employee welfare is ensured not only through quality workspaces but above all in the building's environment, location and proximity to public transportation. For us, this means offering property in mixed-use neighborhoods that are easily accessible and feature pleasant surroundings. Hence the tendency to return to downtown locations, aided by decreasing economic rents. At Altarea Cogedim, we firmly believe in putting office campuses back in the center of town.

### How do you successfully create a made-to-measure building?

We first must fully understand the needs of the company. This starts with the desired location, which must be ideal and perfectly satisfy employees' expectations. Along with the user, we must then identify the scope of the real estate project, the stakes, the technical constraints and the schedule. Our job is to offer a range of related services and to help users find a solution if necessary. Another challenge is making the most of our unique expertise as both a developer and investor by offering a single point of contact as not only a developer but also a lessor. But we cannot make truly made-to-measure properties without building a strong relationship of trust with the client. This requires seamless communication throughout the project. The Mercedes-Benz France campus is a perfect example of this partnership and mutual trust.

### How do these new buildings contribute to employee well-being and performance?

Three criteria are essential. In order of importance: travel time, quality of the outside environment, and layout of workspaces. By focusing on unique sites such as Boulevard Raspail and the Gare d'Austerlitz area in Paris or Avenue Charles-de-Gaulle in Neuilly, Altarea Cogedim fully meets the first two criteria. For the third, we adapt our buildings to changing uses. For example, we create more and more areas for employees to meet, talk and exchange. We also separate relaxation areas and work areas. And let's not forget environmental considerations, for which Altarea Cogedim often goes above and beyond what is required by

regulations, as was the case for the Mercedes-Benz France campus.

### How do companies approach their real estate projects?

They all have one priority in common: reduce costs and make employees feel comfortable. These two major challenges prompt them to call upon consulting firms. Today, companies understand rents, projects and the market as a whole. Another trend we are seeing is that companies make their turnkey project a company-wide endeavor, an opportunity to rethink their organization and the way their employees work together. Lastly, they have fully integrated the idea of environmental responsibility and require buildings that excel in this area.

### How do you adapt your offering?

By being selective in our choice of location and rigorous when it comes to the quality of our projects. If we look at the two most recent projects developed by Altarea Cogedim for its investment fund AltaFund – Lot A9-A1 (161,500-ft<sup>2</sup> or 15,000-m<sup>2</sup>) near Gare d'Austerlitz in Paris and the 272,300-ft<sup>2</sup> (25,300-m<sup>2</sup>) office building on Avenue Charles-de-Gaulle in Neuilly-sur-Seine – it is clear that the Group aims to create new or redeveloped core assets that combine exceptional locations, exemplarity in terms of functionality and architecture, easy access through quality public transportation and environmental excellence.



- 1 Mercedes-Benz France head offices in Montigny-le-Bretonneux (78).
- 2 The new Mutuelle des Motards head offices in Montpellier will be developed over nearly 96,800-ft<sup>2</sup> (9,000-m<sup>2</sup>) and targets HQE<sup>®</sup> certification and the BBC<sup>®</sup> Effnergie label upon delivery in 2015.
- 3 Located close to the Toulouse-Blagnac airport, at the heart of the Andromède neighborhood, Safran's new site will be developed over 269,000-ft<sup>2</sup> (25,000-m<sup>2</sup>).



## OUR COMMITMENTS

# CULTIVATE “GREEN” INSPIRATION

A reference in the commercial real estate market, Altarea Cogedim has created some of the finest office buildings in Paris, including the First tower, the head offices of Canal+ and the Fondation Cartier. These buildings all combine technological innovation, comfort of use and high environmental quality because the Group did not wait for the new Grenelle Round Table regulations to establish a sustainable development strategy. All of its projects are certified and meet the strictest environmental standards.



New environmental regulations clearly spurred innovation and creativity from all stakeholders in the construction industry.



**JEAN-FRÉDÉRIC HENRY,**  
CHIEF EXECUTIVE  
OFFICER OF  
ALTAREA COGEDIM  
ENTREPRISE

### How do you incorporate new certification and label requirements?

Our role as developer is to organize the best possible conditions for all those who work on this type of project – public works and industrial companies, architects, engineers and developers – while at the same time striving for excellence and focusing on the quality of use of our buildings. Today, we see that certification provides a powerful tool for monitoring projects throughout their design and creation, and is thus a quality operational instrument.

### How do users react to new standards?

Large users no longer consider moving into buildings that ignore environmental and energy requirements.

They are nevertheless – and for good reason – extremely focused on the quality of use of their office buildings, both in terms of comfort for users, quality of life and buildings’ efficiency. Environmental performance must not come at the expense of quality of use.

### How do you make obsolete office buildings efficient?

First, we must be extremely selective in the choice of buildings to redevelop. Some obsolete buildings are impossible to put back in working order. Others, meanwhile, others could easily have a second chance, which is a responsible choice in terms of the carbon footprint. That is why we call upon experts as of the preliminary analysis of existing buildings. In addition, our teams

constantly work to put the most innovative construction solutions to work in our redevelopment projects.

### Is architecture a friend or foe when it comes to sustainable development?

Sustainable development initiatives have incited architects, technicians and developers to take a fresh look at the way they design projects. Programs such as the First Tower in La Défense – one of the largest HQE®-certified projects –, Green One in the Pajol urban development area in Paris – the first new BBC® building in Paris – and the new Semapa-Îlot Austerlitz project – which may achieve the HQE® “Exceptional” passport – are concrete evidence of the compatibility between sustainable development and quality architecture.



## OUR COMMITMENTS

# MAKE CITIES SHINE THANKS TO A HIGH-END HOTEL OFFERING



The Hôtel-Dieu project responds to the city’s desire to enlarge its accommodation capacities and strengthen its appeal as a tourist destination. Completely in line with the city’s current hotel offering, Hôtel-Dieu will allow Marseilles to rebalance its hotel offering with a hotel chain and upscale property.



**JEAN-YVES RAIMOND,**  
MANAGING DIRECTOR OF  
CORPORATE REAL ESTATE  
FOR FRENCH REGIONS

Transforming a place that is steeped in history is a complex undertaking. It requires restoring, enhancing and preserving all of the remarkable features of the former structure. Altarea Cogedim’s expertise in high-end hotels is demonstrated through the repurposing of classified “historical buildings” into luxury hotels: the Nantes courthouse and more recently, the Hôtel-Dieu hospital in Marseilles are the two best examples.

### Why transform a former hospital into a five-star hotel?

A hospital is also a type of accommodation. This kind of building, even if it dates from the 17<sup>th</sup> and 18<sup>th</sup> centuries, is therefore easily adaptable to the needs of a hotel. While all interior constructions were demolished, the facades, roofing, monumental staircases – listed in the supplementary classification of historical monuments – and sections of flooring were preserved, offering the complex a mark of prestige.

### What added value does the city get from the project?

The project enriches the city’s offering of upscale hotels. Beyond that, Marseilles now boasts an internationally renowned hotel backed by a global brand, the InterContinental Hotels Group (IHG), which brings a new international clientele to the city. At the same time, its local roots remain strong. For example, we chose a locally renowned chef to head the restaurant, to pique the curiosity of Marseilles residents eager to discover how we revived a landmark that had been in a state of disrepair for several years, the hospital having closed in 2001. ...

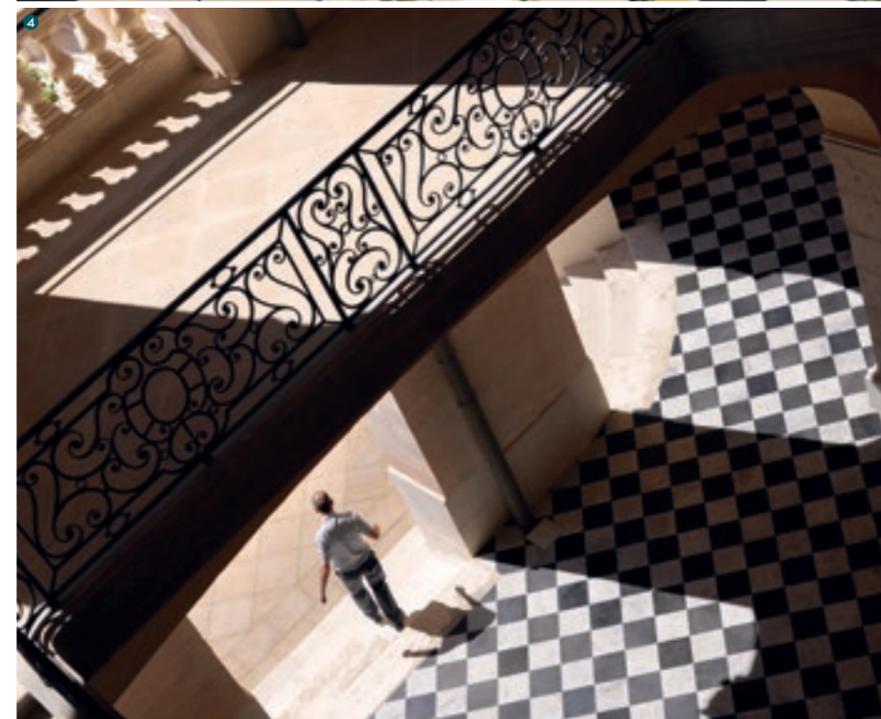


**...What challenges did you face in restructuring the building?**

The most difficult aspect was preserving the classified portions of the structure while building to the standards of a luxury hotel in terms of acoustics, aesthetics (designing replicas of 18<sup>th</sup> century woodworking), energy performance (taking into account guests' comfort in both summer and winter) and NF-HQE® Excellent certification. We had to do all of this within a set budget and timeframe, as we were working under a property development contract with AXA Real Estate. To rise to these challenges, we carried out numerous assessments throughout construction: geotechnical engineers, surveyors, structural engineers, specialists in historical structures, stone experts, acousticians, furnishing experts (Furniture, Fixtures & Equipment, FF&E), and more. Our priority was to satisfy the investor but also – and above all – the user, IHG, bearing constantly in mind that this hotel had to be truly exceptional for guests.

**What have you learned from this experience?**

This type of project takes time, but it is a fantastic reference for the Group. From the competition launched at the end of 2005 to the inauguration in May 2013, it was an extraordinary experience for all employees involved. Today, they are proud to have participated in building what should become the first palace in Marseilles.



- 1 The visitor is immediately bathed in both the history of the site and the refinement of the hotel thanks to carefully chosen decorations in the rooms and suites. Exceptional views from the windows and private terraces allow guests to rediscover the city.
- 2 The entryway from the plaza was redesigned and the lobby was placed under the main terrace, transcended by a glass canopy through which guests can admire the architecture of the building.
- 3 The majestic 8,070-ft<sup>2</sup> (740-m<sup>2</sup>) terrace overlooking the old port, where international visitors and local clients can mingle.
- 4 Between monumental staircases, vaulted passageways and gardens overlooking the city, the building's architecture embodies the essence of Marseilles.



## OUR COMMITMENTS

# PRODUCE “CORE” PROPERTY ASSETS WITH HIGH ENVIRONMENTAL ADDED VALUE

**AltaFund, the commercial property investment fund sponsored and operated by Altarea Cogedim, is the first vehicle of its kind in France. Created in 2011, it brings together French and international institutional partners, including pension funds and sovereign wealth funds in the Pacific region. Its discretionary investment capacity – €1.3 billion – makes it one of the leading commercial property companies in the Paris Region.**

### **What was the rationale behind the creation of AltaFund?**

First and foremost, it was intended to develop a commercial property investment management platform with an eye to producing core assets with high environmental added value. At the same time, it was based on Altarea Cogedim Entreprise’s

traditional expertise for developing and renovating office buildings in the Paris Region.

### **How does it correspond to the Group’s strategy?**

First of all, through the financial partnerships it has brought about. AltaFund gives concrete expression to the Group’s ability to attract

capital from prestigious international institutional financial investors: life insurance companies, pension funds and sovereign wealth funds. This was made possible through a co-investment by Altarea Cogedim, as well as thanks to the Group’s unique skills in Paris, be they operational, financial, legal, etc. By investing €100 million in equity in this fund, AltaFund makes it possible for the Group to reinforce its investment capacity with €1.3 billion, generate “matter” and apply its development expertise to land or assets for which it has a strong vision. AltaFund also takes part in the Group’s strategy through its positioning as an operator/investor. Altarea Cogedim was able to raise such a large amount of capital thanks to various competitive advantages such as an ability to procure opportunities and pursue them directly, with no middleman,

by leveraging all its in-house skills. The Group’s unquestionably successful track record as an investor and developer also contributed to this achievement.

### **What have been its most iconic programs?**

To date, AltaFund has three emblematic programs in its portfolio. The first, “Raspail” (Paris, 6<sup>th</sup> arrondissement) – 107,500-ft<sup>2</sup> (10,000-m<sup>2</sup>) of offices close to the Luxembourg Garden and Montparnasse –, is a corner building designed by Cogedim in the late 1970s. It will be entirely renovated as a head office, featuring exemplary environmental quality, targeting “Excellent” NF-HQE® and BREEAM® certifications and the BBC® Rénovation label, and meeting Paris Climate Plan standards. The second transaction, concluded in 2013 in partnership with the City of Paris and Semapa (neighborhood development organization), deals with the construction of an office building in the Paris-Rive Gauche Joint Development Zone (Paris 13<sup>th</sup> arrondissement), consisting of 161,500-ft<sup>2</sup> (15,000-m<sup>2</sup>) of new offices. The building will feature a bold architectural design and be located a stone’s throw from the Gare d’Austerlitz rail hub with stunning views over the gardens of Pitié-Salpêtrière Hospital and the Seine. Finally, “Neuilly” offers 269,000-ft<sup>2</sup> (25,000-m<sup>2</sup>) of offices to be renovated in an exceptional location, facing La Défense at the corner of Avenue Charles-de-Gaulle – one of Europe’s most traveled roadways – and the banks of the Seine. This building is easily accessible

by public transportation and features visibility unique in the Paris Region.

### **What are AltaFund’s prospects for the future?**

Although it already has three iconic assets in its portfolio, AltaFund has only committed half of its funds. We will therefore continue focusing on our search for first-class office property investment opportunities in the Paris Region, as well as on bringing to life the excellent projects currently being studied.



In 2013, AltaFund became the number one investment vehicle dedicated to renovating office property assets in the Paris Region.

**LAURIAN DOUIN,**  
DEPUTY CEO OF  
ALTAREA COGEDIM  
ENTREPRISE

Boulevard Raspail, a project spanning nearly 107,500-ft<sup>2</sup> (10,000-m<sup>2</sup>).





**ALTA FUND MOVES INTO THE PARIS-RIVE GAUCHE JOINT DEVELOPMENT ZONE**

In July 2013, AltaFund was selected following the call for tenders launched by the neighborhood development organization Semapa for the construction of a 161,500-ft<sup>2</sup> (15,000-m<sup>2</sup>) office complex, including 4,300-ft<sup>2</sup> (400-m<sup>2</sup>) of shops, on lot A9-A1, Avenue Pierre-Mendès-France in the Paris-Rive Gauche Joint Development Zone (Paris, 13<sup>th</sup> arrondissement). Located between the Seine and Gare d'Austerlitz, this lot offers exceptional accessibility and will feature stunning views over the gardens of Pitié-Salpêtrière Hospital and southern Paris. Following an architectural competition, AltaFund, the City of Paris and Semapa selected Ateliers 2/3/4 for the quality of its vision. This project includes a central atrium as a unifying feature for the complex – an indoor garden awash in greenery, bathed in natural light and perfectly translucent when looking towards the dome of Pitié-Salpêtrière Hospital from the road – as well as a key social and artistic venue that promises future exchanges and sharing with the city. Thanks to this program, AltaFund is consolidating its position as an investor in programs with very strong potential for value creation.



# LIVING & GETTING INVOLVED

**THROUGH ITS ALTAGREEN® APPROACH, ALTAREA COGEDIM AIMS TO PROMOTE A MORE SUSTAINABLE LIFESTYLE AND MORE RESPONSIBLE DEVELOPMENT FOR ITS STAKEHOLDERS.** The Group's number one priority is setting out the most significant CSR initiatives for 2014-2017 using a "Materiality Matrix." Maxime Lanquetuit, Head of Sustainable Development, explains the purpose of this new tool (page 72). Professional development and employee fulfillment is another priority for the Group, as presented by Bruno Poulain, Director for Sustainable Development, Communication and Human Resources (page 76). Strong employee involvement is crucial to rise to the challenge of achieving certification for Altarea Cogedim's entire property portfolio. Vincent Couty, Operations Manager of Altarea Commerce, expands on this theme (page 78).



98%

OF NEW COMMERCIAL PROJECTS (SHOPS, OFFICES AND HOTELS) ARE CERTIFIED OR UNDERGOING THE ENVIRONMENTAL CERTIFICATION PROCESS

1,286

ALTAREA COGEDIM SUPPORTS 1,286 DIRECT JOBS AND 13,000 INDIRECT JOBS

31.3

GWVH OF PRIMARY ENERGY SAVED BETWEEN 2010 AND 2013, EQUIVALENT TO €1.35 MILLION



## THE CHALLENGE

# DEVELOP SOFT LAW

**Philippe Pelletier is the co-founder and partner in the law firm Lefèvre Pelletier & Associés.**

A long-standing construction specialist, he chaired the National Real Estate Property Union before becoming President of the National Housing Improvement Agency (Anah) from 1998 to 2008. He then led the Operations Committee for the Grenelle Environment Round Table on renovation of existing buildings. With buildings now required to comply with heightened environmental requirements, Philippe Pelletier shares with us his vision of current changes and initiatives that companies today must implement to rise to these challenges.

### WHAT CHANGES AND GENERAL TRENDS DO YOU SEE TODAY IN SUSTAINABLE DEVELOPMENT?

Fifteen years ago, the real estate market had little concern for the environmental aspects of its assets. Buildings' energy consumption was rarely monitored and was never set forth as an argument for buying or leasing a property. Today, buildings must satisfy ever more requirements in terms of energy and environmental performance to meet investors' and users' new expectations. Demand for guarantees and construction work safety is also on the rise. There are several reasons for this gradual change: greater awareness that real estate is the most energy intensive sector in our country and that the energy transition is a vital issue; development of labels and certifications; increasing regulations, both on new construction and now on renovation; the inevitable impact on the valuation and attractiveness of property assets; and growing expectations of market players – investors and users alike.

Today, environmental performance is mainly measured at the level of the building. Tomorrow, as positive energy constructions and smart grids become the norm, profound transformation of entire neighborhoods is on the horizon. Because it is changing the way we live in our homes and work in business premises, sustainable development is becoming a powerful lever for transforming urban spaces.

### HOW CAN WE INVEST, BUILD AND RENOVATE REAL ESTATE IN WAYS THAT TAKE INTO ACCOUNT ECONOMIC REALITIES AS WELL AS SOCIAL WELL-BEING AND ENVIRONMENTAL CONCERNS?

That is what sustainable development is all about. With regard to new construction, the 2012 French Thermal Regulations have been in force for over two years now. This legislation was anticipated long before its adoption, which has allowed us to maintain an economic balance. In terms of renovation,

**“We must promote a living architecture and develop construction systems that incorporate greater flexibility, transformation and transmission.”**

**PHILIPPE PELLETIER**

market players must take into account three levers: work on the building itself, improved management of operations and maintenance and user involvement to guide behavior. All this while ensuring that the steps taken are economically viable! Initial studies both in France and abroad already demonstrate that energy performance has an impact on assets' value. This market logic will lead to more and more low-energy buildings. Moreover, with the development

of corporate social responsibility, investors and users are becoming more demanding and quality-oriented. To me, this trend looks irreversible.

### WHAT MUST COMPANIES DO NOW TO PROVE THAT THEY ARE GENUINELY COMMITTED?

Companies must of course respect regulatory obligations, especially in terms of energy audits, reporting requirements and environmental commitments appended to leases. They can also show signs of voluntary commitment, which are becoming increasingly important. The challenge is to develop the “soft law” method. In this regard, I applaud Altarea Cogedim's strong and immediate commitment to the charter for energy efficiency in public and private commercial buildings supported by *Plan Bâtiment Durable*. This approach reflects the Group's resolve when it comes to anticipating regulatory constraints for its employees, clients and market watchers alike.

It is also an ambitious collective undertaking. Through their actions, signatories to the charter work to develop a method that is set to grow, one that qualifies as “soft law” by which those involved together determine the rules that shall guide them. This is a very modern approach, and it ensures the effectiveness of the standards put forth.

**PHILIPPE PELLETIER,**  
ATTORNEY AND CHAIRMAN  
OF PLAN BÂTIMENT DURABLE

**“Because it is changing the way we live in our homes and work in business premises, sustainable development is becoming a powerful lever for transforming urban spaces.”**

**PHILIPPE PELLETIER**



## OUR SOLUTION

# MAKE CSR A VECTOR OF CROSS-CUTTING EXPERTISE IN THE SERVICE OF VALUE CREATION

The social and environmental context is changing, and Altarea Cogedim is turning sustainable development issues into an opportunity to go ever further in fulfilling stakeholders' needs. Looking ahead to new regulations, the Group is constantly structuring its environmental, social and societal approach to promote a more sustainable lifestyle and more responsible development. In 2013, Altarea Cogedim took a new step forward, launching an initiative to prioritize key CSR topics. The result of these efforts, presented in the form of a "Materiality Matrix," makes it possible for Altarea Cogedim to set out priority CSR undertakings for 2014-2017.

### GUIDING OUR CSR APPROACH

The "Materiality Matrix" was born from a collegiate initiative involving the Sustainable Development Department and the Executive Management Committee. Its strength is prioritizing the Group's key CSR undertakings around three factors: economic impact on the Company's business model; perception of internal and external stakeholders' expectations; and finally the degree of control. A complex exercise for a group that operates on several markets, this approach naturally strengthens Altarea Cogedim's multi-business strategy. A testimony to the Group's CSR maturity, this matrix makes it possible for Altarea Cogedim to convey a unifying and cross-cutting message within the Company, while explaining to its stakeholders and economic entourage its CSR choices and priorities for the coming years.

### STEPPING UP OUR SOCIETAL MODEL

Working to create "pieces of the city," the Group makes architectural design and prime locations for its programs a central strategic focus. Indeed, aware of the economic and environmental pressure that dissuades people from using their cars,

proximity to eco-friendly low-carbon modes of transportation is part of the Group's DNA for every project. In 2013, 99% of residential projects and 100% of commercial projects were located less than 500 meters from a public transportation network. In an uncer-

tain economic context, Altarea Cogedim chooses to take on a social role by quantifying and increasing its positive contribution to direct and indirect job creation. In 2013, the Group supported 13,000 indirect jobs at 100% in France, 1,270 more jobs than in 2012.



- 1 Impasse Marie-Blanche in Paris (18<sup>th</sup> arrondissement)
- 2 Quartz in Villeneuve-la-Garenne (92)
- 3 Sky in Courbevoie (92)
- 4 InterContinental Hôtel-Dieu in Marseilles (13)

### CONSOLIDATING OUR SOCIAL MOMENTUM

Employee expertise is one of the Group's major strengths when it comes to carrying out innovative and high-performance projects. In 2013, we thus stepped-up our training policy in business line courses and efforts dedicated to training management. In addition, an innovative office skills e-learning platform was made available to all as part of the internal Alterego training program. Internal mobility remained buoyant, as 13% of employees on open-ended contracts benefited from a move within the company and/or promotion in 2013. A signatory of the 2013 Diversity Charter, Altarea Cogedim has continued its efforts to promote diversity: inter-generational contracts to create employment opportunities for young people and seniors and an in-depth advisory assessment to establish a long-lasting disability policy.

### MAINTAINING OUR ENVIRONMENTAL STANDARDS

For both new projects and its shopping center portfolio, the Group maintains all-encompassing environmental standards through the choice of differentiated environmental or qualitative certifications suited to each project category and each stakeholder. As evidence of this commitment, 100% of its retail projects and 97% of its office and hotel projects earned environmental certification in construction in 2013. Regarding property investment, in 2013 Altarea Cogedim renewed its commitment to controlling its environmental footprint.



A testimony to the Group's CSR maturity, the "Materiality Matrix" naturally guides Altarea Cogedim's multi-business strategy.

JACQUES GALVANI,  
GROUP CHIEF  
OF STAFF

This can be seen in the rise of its performance indicators and its gradual certification approach for shopping centers. At the end of 2013, 30% of the portfolio featured BREEAM® In-Use environmental certification, perfectly in line with the goal of 100% certification by 2015.

## 2013 CSR AWARDS



TIED FOR 1<sup>st</sup> PLACE AMONG DEVELOPERS and 3<sup>rd</sup> place for Property companies in the Novethic ranking. For the 3<sup>rd</sup> straight year, the Group ranked among the top three in the property developer and property company categories.



1<sup>st</sup> PLACE IN FRANCE and 9<sup>th</sup> place worldwide (out of 276) in the GRESB New Construction ranking.



1<sup>st</sup> RETAIL REIT in France, scoring 90% for transparency and achieving a B for performance in the 2013 Carbon Disclosure Project.



## OUR COMMITMENTS



# DEVELOP OUR SOCIETAL FOOTPRINT

Since 2010, Altarea Cogedim has been committed to a sustainable development policy through **Altagreen®**, which helps the Group's employees take account of CSR issues in their businesses. In 2013, Altarea Cogedim undertook to structure this progress-based approach around its most significant CSR issues, putting the Group's desire to strengthen its efforts on societal issues into action.

### How would you summarize 2013 in terms of CSR?

Four years after the launch of Altagreen®, the Group has reached a new milestone in understanding the risks and opportunities presented by sustainable development issues. This year, Altarea Cogedim established its first CSR matrix, which sets out fifteen priority areas for CSR initiatives. The work was carried out with members of senior management based on an evaluation of stakeholders' expectations and the impact of each issue on the Group's activities. It clearly defines priorities for the coming years. In addition, Altarea Cogedim maintained one of the highest CSR reporting coverage rates in the market relative to its financial scope. Lastly, positive development of our main CSR indicators is another source of satisfaction, demonstrating the mobilization of Group employees on these topics and sound operational implementation in line with our objectives.

expectations and the impact of each issue on the Group's activities. It clearly defines priorities for the coming years. In addition, Altarea Cogedim maintained one of the highest CSR reporting coverage rates in the market relative to its financial scope. Lastly, positive development of our main CSR indicators is another source of satisfaction, demonstrating the mobilization of Group employees on these topics and sound operational implementation in line with our objectives.

Client relations, integration of our projects into their environment and a positive contribution to job support will be key topics for 2014.

**MAXIME LANQUETUIT,**  
HEAD OF SUSTAINABLE DEVELOPMENT

### What are your CSR priorities for 2014?

The CSR materiality matrix is a mean for us to have a unifying policy within the company, one that is aligned with our strategic priorities, especially in social matters. While we are maintaining our commitment to social and environmental issues, customer relations, integration of our projects into their surroundings and the Group's indirect positive contribution to the areas it develops, in particular in terms of job creation, will be the key topics in 2014.

### How do you measure the indirect impact of your activities on employment?

In 2013, we undertook for the first time to quantify the Group's indirect contribution to employment. To do so, we used the definition provided

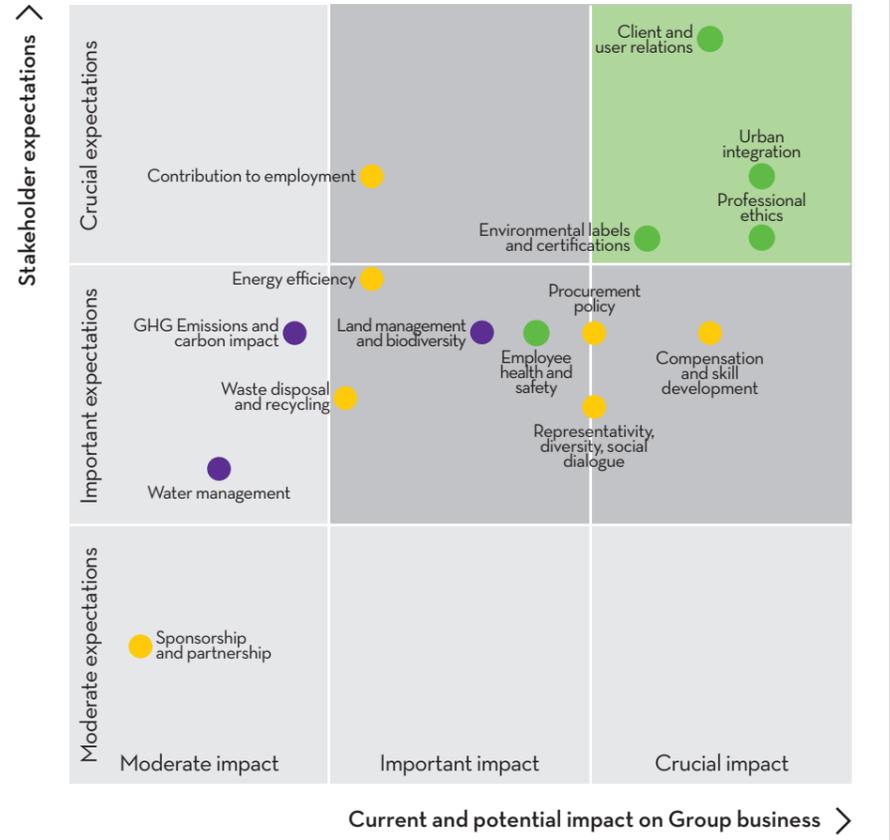
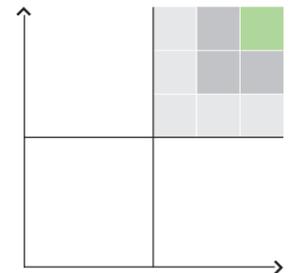
by INSEE, which counts indirect jobs based on the amount of Group purchases. This method allows us to accurately quantify the number of indirect jobs supported at 100% by Altarea Cogedim's activities, thus providing the strongest connections with the Group's businesses. Within the same scope of calculation, Altarea Cogedim's multi-business strategy enjoys a better direct/indirect jobs ratio than that of a traditional property company. This is not only a sign of our Group's economic health; it is above all a testament to our pride in contributing positively to employment in a difficult economic climate.

49.3%

OF ASSETS ARE COVERED BY GREEN LEASES, I.E. 699 OUT OF A TOTAL OF 1,418 LEASES.

### ALTAREA COGEDIM'S CSR MATERIALITY MATRIX

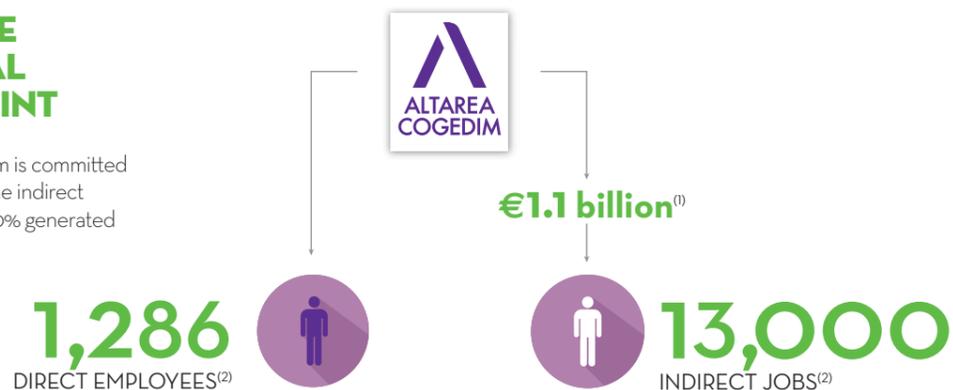
- Excellent response to the challenge
- Good response to the challenge
- Moderate response to the challenge



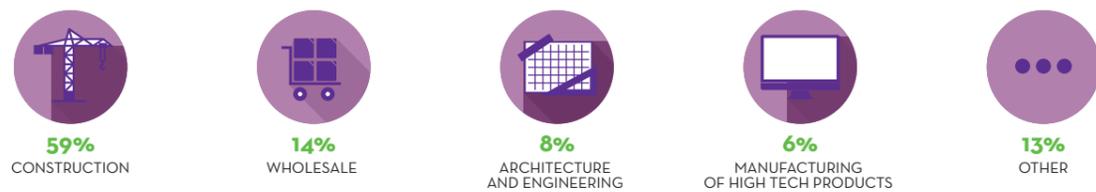


## POSITIVE SOCIETAL FOOTPRINT

Altarea Cogedim is committed to quantifying the indirect jobs that are 100% generated by its activities.



### BREAKDOWN OF INDIRECT JOB SUPPORTED BY ECONOMIC SECTOR



(1) Total Altarea Cogedim purchases.  
(2) Jobs 100% supported in France - indicators verified by Ernst & Young (EY).

## FOCUS ON CUSTOMER SATISFACTION

Altarea Cogedim's traditional quality principle partially motivates the particular attention given to supporting Group clients throughout projects. Future homebuyers enjoy personalized assistance during the purchasing process. Coordinating with the program manager, the customer

service agent is the dedicated point of contact from the signing of the contract to the handing over of the keys. Customer services informs and advises the client as to the possibility of making structural and decorative changes, the options available, terms of payment, progress made at the construction

site, pre-delivery visit and delivery itself. At the same time, the head of delivery quality in the After-Sales department works with the project manager to lift reservations and ensure that the apartments delivered respect the standards applicable to them during warranty periods.

99% OF HOUSING PROJECTS AND 100% OF RETAIL, OFFICE AND HOTEL PROJECTS ARE LOCATED LESS THAN 500 METERS FROM A PUBLIC TRANSPORTATION NETWORK.

## DURABLY INTEGRATE PROJECTS INTO THE SURROUNDING ENVIRONMENT

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 harmoniously into their environments and connecting various living spaces. Conscious of the economic and ecological impacts of travel, the Group strives to promote the use of more practical and most-effective modes of transportation with lower CO<sub>2</sub> emissions.





## OUR COMMITMENTS

# PUT PEOPLE AT THE HEART OF OUR STRATEGY

Altarea Cogedim is firmly rooted in a controlled and sustainable growth dynamic, driven by the commitment of its employees. Our conviction: an entrepreneurial spirit and skills development are a means of improving performance and fostering the collective success on which we capitalize.



In 2013, the Group continued to grow, hiring 310 employees in our various businesses.

**BRUNO POULAIN,**  
DIRECTOR OF SUSTAINABLE DEVELOPMENT, COMMUNICATION AND HUMAN RESOURCES

### In today's sluggish economy and depressed labor market, how do you handle employee development within the Group?

With unemployment at an all-time high in France, Altarea Cogedim continues to create jobs. The Group saw growth in 2013, hiring 310 employees in our various businesses. In residential property, diversifying our offering towards entry-level and mid-range products required supporting the development of regional subsidiaries. In retail property, teams were put together for new regional shopping centers such as Qwartz in Villeneuve-la-Garenne in the département of Hauts-de-Seine (92). Individuals were also recruited to assist in the development of Rue du Commerce, particularly for its IT teams. In 2013, we actively hired employees, especially through a growing number of work-study contracts and an intergenerational agreement between each Group entity and its representatives. The goal is to facilitate lasting integration of young people while helping older workers find and maintain jobs.

Lastly, we strengthened our commitment to diversity of skills and talents, which we intend to make a source of added value for our Group. We signed the Diversity Charter in 2013, demonstrating our will to fight against all forms of discrimination.

### What actions have you undertaken to promote the professional development of your employees?

For several years now, the Group has been making investments that go above and beyond what is required by law. In 2013, 1.84% of payroll expenses went towards vocational training. Three types of training are offered: individual training, cross-cutting collective training and specific offerings structured on a case-by-case basis. As in 2012, one out of every two employees enjoyed at least one training session in 2013. This year, we established an e-learning platform for office-skills training available to all Group employees on the intranet. The advantage? Access to over 1,000 5-minute teaching modules, offering practical exercises, assessments and certifications to measure knowledge and progress.

Lastly, 920 annual interviews were conducted by our managers and processed by our HR teams. The coverage rate has now reached 80%. This allows us to better understand the expectations of our employees and help them build their careers.

### What are your priorities for 2014?

We will continue offering training programs to enhance the employability of our employees and help them develop their skills. Professional advancement and skill development are naturally a priority. In addition, we will be launching broader initiatives to highlight the appeal of our brand. Our Group has a number of strengths that should be promoted among young graduates and experienced professionals alike. We would like to offer a new perspective on our company and its business. Well-being is another crucial topic. In 2013, we entirely redesigned the Rue du Commerce head offices and made the premises on Avenue Delcassé (Paris, 8<sup>th</sup> arrondissement) more functional, creating a dozen meeting rooms. This year, we will be taking other actions to ensure the well-being of employees at the workplace.

## OUR LABOR MODEL IN NUMBERS



**1,286**  
EMPLOYEES,  
56% FEMALE AND 44% MALE  
(DISTRIBUTION UNCHANGED  
FROM 2012).



**310**  
EMPLOYEES WERE HIRED  
ON FIXED-TERM OR  
OPEN-ENDED CONTRACTS  
(INCLUDING REPLACEMENTS).



**95%**  
OF CONTRACTS  
SIGNED WITH EMPLOYEES  
ARE OPEN-ENDED.



**1.84%**  
OF PAYROLL  
WAS USED FOR  
VOCATIONAL TRAINING.



**1 OUT OF EVERY 2**  
EMPLOYEES  
ENJOYED AT LEAST  
1 TRAINING SESSION.



**10,678**  
HOURS OF TRAINING  
WERE PROVIDED IN THE GROUP,  
ALL EMPLOYEES COMBINED.

Figures at December 31, 2013

## OUR COMMITMENTS

# PUT ENVIRONMENTAL REQUIREMENTS AT THE CORE OF OUR BUSINESSES

As an owner of commercial property assets, Altarea Cogedim must protect the value of its portfolio by limiting its environmental impact as well as technical and energy obsolescence. The challenges to which it must rise include developing action plans for energy, carbon emissions, water and waste material. Meanwhile, the Group has committed to standardizing BREEAM® In-Use certification to harmonize and guarantee the use of best operating practices in all of its assets.



To obtain environmental certification for our property assets, our teams must make sustainable development part of their daily tasks.

**VINCENT COUTY,**  
OPERATIONS MANAGER,  
ALTAREA COMMERCE

### **What are your CSR goals for the portfolio?**

We aim to certify 100% of our assets by the end of 2015. We would also like to reduce energy consumption by 22% in kWhep/m<sup>2</sup> and by 24% in CO<sub>2</sub>/m<sup>2</sup> over the next five years. Fully integrating

sustainable development considerations into our shopping centers currently in operation means upgrading buildings, equipment and facilities. This type of initiative requires significant financial investment, which must be approved by the owner if the Group simply manages the center. One of the biggest challenges for operations teams is obtaining this approval and incorporating "sustainable development" investments into the accounts each year without weighing too heavily on the center's overall budget. In addition to all of the other best practices commonly used in building management, these large-scale projects should enable us to maintain a dynamic CSR policy when it comes to buildings in operation and to reduce the environmental footprint of our assets, thus demonstrating the Group's commitment to a responsible approach.

### **How does certification affect your businesses?**

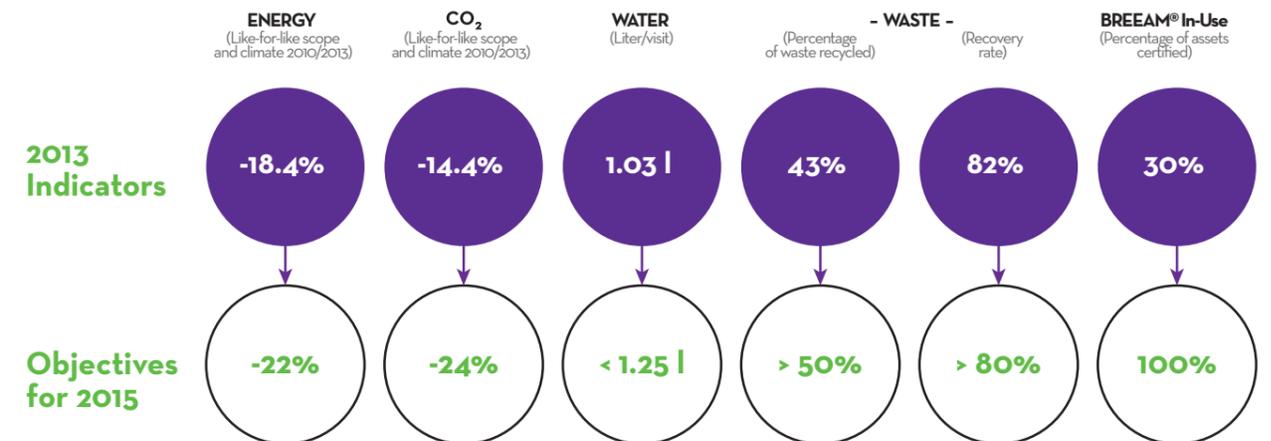
To obtain environmental certification for our shopping centers, our teams must make sustainable development part of their daily tasks. For this, awareness is paramount. In addition to special tools,

training to accelerate skill development and encourage good management reflexes along with action plans and targeted improvements are necessary. In 2013, the Group received its first six certifications, a testament to its strong commitment to achieving its CSR goals.

### **What tools are required for the certification of Altarea Cogedim's assets?**

In 2014, we must certify 18 of our shopping centers, reexamine six sites certified in 2013 and conduct four biodiversity audits. Among the tools at our disposal, the Altagreen Patrimoine guide covers nine themes (energy, health and well-being, transportation, etc.) and makes the certification reference system more understandable so we can share best practices among sites. It is a real management tool, helping us assess and value our assets and formalize action plans to enhance their environmental performance.

## DYNAMIC MANAGEMENT OF OUR ASSETS



## DESIGN OUR PROJECTS WITH THEIR ENTIRE LIFECYCLE IN MIND

Two years after the RT 2012 regulations entered into force, the Group is already thinking ahead to the future 2020 responsible building regulation (RBR 2020) by taking into account the health quality, comfort and sustainability of its projects, as well as reasonable use of natural resources.

In addition to its carbon assessment, Altarea Cogedim has given considerable thought to a multi-criteria analysis of buildings' life cycles. The Group has already conducted three additional HQE® Performance tests on its office and residential projects, including the head

offices of Mercedes-Benz France in Montigny (78). This initiative gives Altarea Cogedim's teams greater insight into a building's total environmental impact throughout its life, from design to demolition and including operation, successive renovations and recyclability.

## REDUCING THE IMPACT OF OUR CONSTRUCTION SITES

Altarea Cogedim systematically uses a low-nuisance charter for its commercial programs (retail, office and hotel property). This approach has been strengthened since January 1, 2014, as the Group has standardized the initiative for all housing projects.

For the Quartz shopping center in Villeneuve-la-Garenne, this charter had an impact on all lots, requiring selective sorting of at least 70% of waste produced. The policy lead to sorting of over 93% and recovery of 95% of waste throughout the duration of the project.

## ENVIRONMENTAL CERTIFICATION, A PILLAR OF THE ALTAGREEN® APPROACH

For all new projects and assets in its portfolio, Altarea Cogedim selects environmental or qualitative certifications suited to the type of project and expectations of its stakeholders. These certifications guarantee that the building will be designed with respect for the environment, energy efficiency, health and comfort in mind.

**The InterContinental Hôtel-Dieu in Marseilles** was one of the first hotel redevelopment projects in France to receive NF-HQE® *Hôtellerie* certification. In 2014, the project won the MIPIM Award for “best renovated building.”



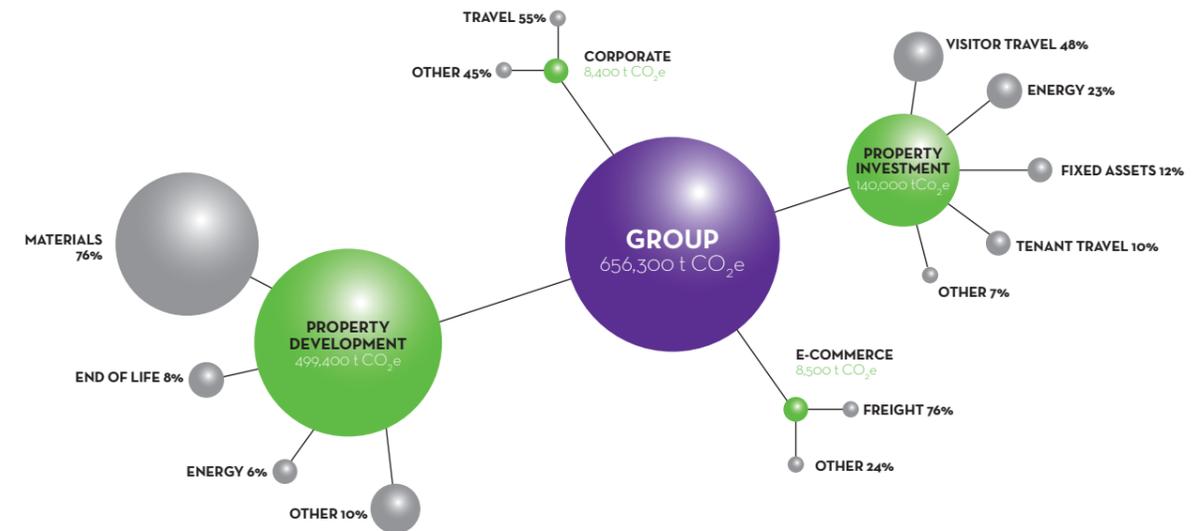
## LIMIT OUR CARBON FOOTPRINT

Since 2012, Altarea Cogedim has quantified its overall carbon footprint (scopes 1, 2 and 3) and updated this information annually for all of its businesses. With regards to the Group's real estate activities, which account for over 98% of its carbon footprint, this comprehensive approach has provided an idea of a building's greenhouse gas emissions over

its entire lifecycle. Altarea Cogedim uses action plans to control and reduce the largest sources of emissions:

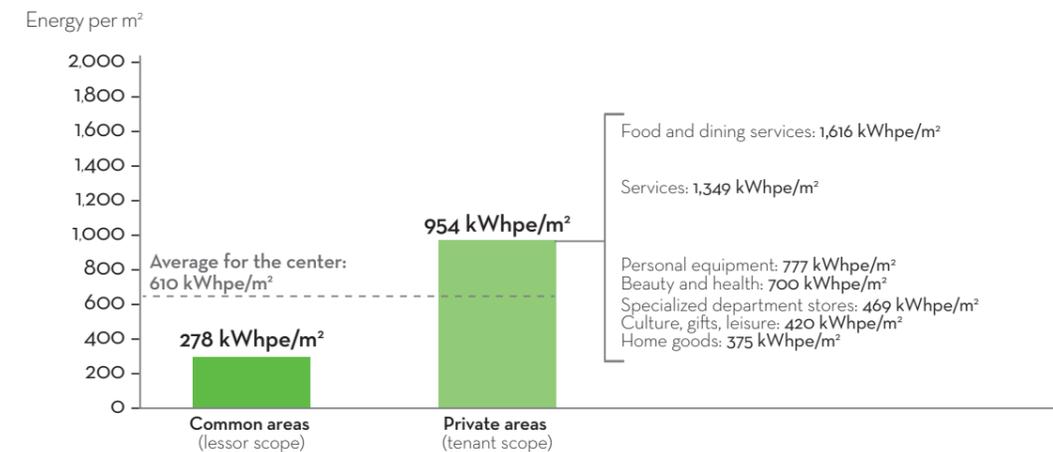
- commitment to reducing CO<sub>2</sub> emissions related to energy consumption (lessor scope) by 24%;
- green leases for all new leases and lease renewals from the first square meter (tenant scope);

- systematic use of Bilan Carbone® construction assessments for 100% of retail, office and hotel projects with a surface area of over 107,600-ft<sup>2</sup> (10,000-m<sup>2</sup>);
- systematic selection of land located within 500 meters of public transportation.



## BIG-PICTURE THINKING

In 2013, Altarea Cogedim launched – in partnership with EDF – a pilot project in Okabé (Kremlin-Bicêtre), the first NF-HQE® certified shopping center with 100% green leases. Thanks to this project, the Group now enjoys a consolidated view of common and private areas that allows it to work with retailers to control the site's environmental footprint.



# BEING EFFECTIVE & MEASURING ACHIEVEMENTS

41.7%    €142.2    €1.4912

LOAN TO VALUE (LTV)    MILLION FUNDS FROM OPERATIONS (FFO – GROUP SHARE)    BILLION EPRA NNAV – LIQUIDATION NAV

## A SOUND FINANCIAL POSITION THAT OFFERS SIGNIFICANT LEEWAY



ÉRIC DUMAS,  
GROUP CHIEF FINANCIAL DIRECTOR

### What should we take away from the 2013 financial results?

**Éric Dumas:** Our 2013 financial results were in line with the goals we set, and the indicators are up in all of our businesses. Continuing the strategy initiated several years ago, our Group recorded a particularly marked decline in its debt in 2013, which paved the way for extremely solid balance sheet ratios. Our loan to value (LTV) ratio dropped to 41.7%, compared to 49.3% in late 2012. Meanwhile, ICR came to 4.5x (coverage of financial expenses by cash flows from operations). This success was made possible by the signature of a strategic partnership with Allianz, part of a policy to strengthen consolidated equity, which rose from €1.1 billion to €1.8 billion in two years. Our Group now enjoys significant leeway.

Our 2013 financial results were in line with the goals we set and the indicators are up in all of our businesses.

ÉRIC DUMAS,  
GROUP CHIEF FINANCIAL DIRECTOR

### What are the strengths of your financial model?

**É. D.:** Altarea Cogedim has gradually developed in all major real estate markets – shopping centers, housing, hotels and offices – but the bulk of the Group's equity is allocated to commercial real estate, which involves 88% of capital assets. Our risk profile is clearly that of a retail property

company, a business that is highly resilient with rental income that steadily increases over time. The other businesses – mainly development – involve 12% of capital allocations. Their income profile is more cyclical, but they represented 35% of the operating income generated by the Group in 2013. This unique financial model offers an overall risk profile that provides both security and optimized profitability.

### What are the advantages or special features of Altarea Cogedim shares?

**É. D.:** First of all, Altarea Cogedim shares offer diversified exposure to the property sector, which tempers cyclical effects. Secondly, they offer high returns; the 2013 dividend of €10 per share represents a 7.8% return. Lastly, they harbor a potential for medium-term growth in net asset value (NAV), based on

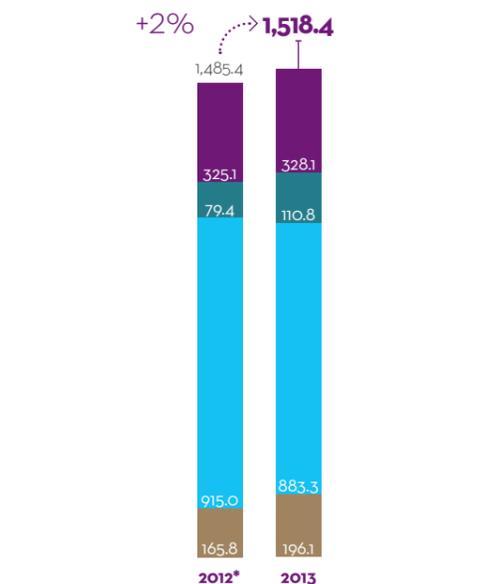
the extensive portfolio of projects under development. In an environment in which economic growth forecasts remain low, our Group and has an attractive market profile, combining performance in the short/medium term with long-term value creation.

# KEY FIGURES

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

## GROUP REVENUE €1.518.4 BILLION (+2%)

In 2013, Group consolidated sales were up 2% and FFO (within and outside the Group) rose 6% to €167.7 million thanks to sound performances in the retail property segment and the growing contribution of office property. These figures confirm the strategic relevance of a multi-activity positioning, which partially offsets our repositioning of the residential segment.



■ Online retail ■ Offices ■ Residential ■ Brick-and-mortar retail

\*The Group applied IFRS consolidation standards 10, 11 and 12 for the first time on December 31, 2013. 2012 figures have been restated to facilitate comparison.

## FFO (€M)

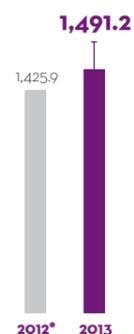
In 2013, FFO<sup>(1)</sup> (Group share and other) rose 6% to €167.7 million. On a Group-share basis, FFO was down slightly to €142.2 million, due in part to the retail partnership signed.



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

## NAV (€M)

At December 31, 2013, Altarea Cogedim EPRA NNNNAV<sup>(2)</sup> stood at €1,491 billion, up 4.6% from December 31, 2012.



## DIVIDEND (€)

A dividend of €10.00 per share in respect of 2013 will be proposed at the Annual General Meeting of May 7, 2014. This is the same dividend as was offered the year before.



# A BALANCED GROWTH MODEL

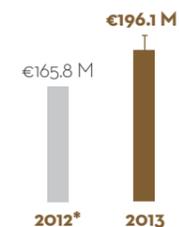
## RETAIL

€196.1 MILLION (+19%)

### REVENUE

Revenue from brick-and-mortar retail included rental income<sup>(3)</sup> of €174.4 million (21%) and €21.8 million from services provided to third parties. This also includes €14.4 million relating to sales in connection with property development programs (chiefly the off-plan sale to Carrefour for the Qwartz shopping center in Villeneuve-la-Garenne).

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



### RENTAL INCOME

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

\*The Group applied IFRS consolidation standards 10, 11 and 12 for the first time on December 31, 2013. 2012 figures have been restated to facilitate comparison.

## ONLINE RETAIL IN 2013

€429 million in business volume  
+1%

€9.6 million in commissions generated by the Galerie Marchande

340 new merchants recruited (including 35 brands from brick-and-mortar retail)

188 million visitors over the year

(1) Recognized according to standard IAS 17 "Leases."

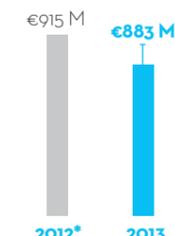
## RESIDENTIAL

€883.3 MILLION (-3%)

### REVENUE

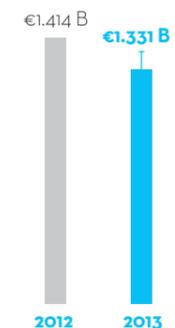
Residential property sales represent €883 million, compared to €915 million in 2012. Property development revenue is recognized according to the percentage-of-completion method<sup>(3)</sup> in proportion to the percentage of actual completion (costs incurred / total budgeted costs excluding land) and the pre-letting rate (actual sales relative to the total for budgeted sales) of programs.

The impact of application of IFRS standards 10, 11 and 12 on residential revenue came to -€38.5 million.



### BACKLOG

At the end of 2013, the residential backlog<sup>(4)</sup> amounted to €1.331 billion, equal to 17 months of business. This level provides the Group with excellent visibility as to its future residential development income.



(2) According to standard IAS 18 "Income from ordinary activities" and of IFRIC interpretation 15 "Agreements for the Construction of real Estate."

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

## OFFICES

€110.8 MILLION (+40%)

### REVENUE

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

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



### BACKLOG<sup>(4)</sup> OFF-PLAN AND PROPERTY DEVELOPMENT CONTRACTS

The off-plan and property development contract backlog amounted to €78 million at December 31, 2013, compared with €177 million the previous year.



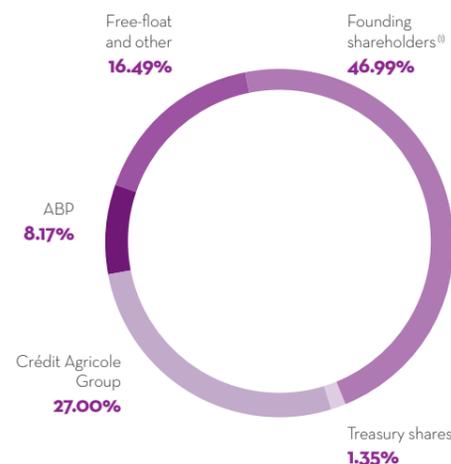
(4) The backlog comprises notarized sales to be recognized according to the percentage-of-completion method, take-ups (excl. tax) not yet subject to a notarized deed and fees owed by third parties on contracts signed.

# SHAREHOLDERS' PAGE

## SHAREHOLDING STRUCTURE

December 31, 2013

The ownership of share capital and theoretical voting rights of Altarea are as follows:



(1) In their own name (or that of their relatives) or through entities they control; the founding shareholders are Mr. Alain Taravella and Mr. Jacques Nicolet, acting in concert.

## SHARES

**Eurolist Market:**  
Compartment A

**Securities exchange:**  
NYSE Euronext Paris

**Code:**  
ALTA

**ISIN:**  
FR0000033219

**Indices:**  
CAC AllShares, IEIF SIIC France, CAC Immobilier, CAC Sociétés Financières, eligible for the SRD deferred settlement system

**Number of shares:**  
11,592,805  
12/31/2013

**Market capitalization:**  
€1.484 billion at 12/31/2013

## CHANGE IN SHARE PRICE

December 31, 2013

Change in the price of Altarea shares compared to IEIF SIIC France (from 01/01/2013 to 12/31/2013, base 100)



## ATTRACTIVE RETURNS AND A POTENTIAL FOR SIGNIFICANT MEDIUM-TERM VALUE CREATION

Altarea Cogedim shares have two advantages. They present a both significant potential for medium-term growth and offer high returns. True to its distribution policy, the Group proposed a dividend of €10 per share for FY2013.

Equivalent to the amount offered the year before, this dividend represented a return of 7.8% with respect to the share price at December 31, 2013 and a payout rate of 79% of FFO per share. Subject to the approval of the General Meeting of May 7, 2014, shareholders will receive the following per share held:

**€0.35**  
/SHARE  
corresponding to the refund of the issue premium

**€2.58**  
/SHARE  
of tax-exempt income (SIIC scheme)

**€7.07**  
/SHARE  
of taxable income

After strengthening its equity in 2013, Altarea Cogedim again offered shareholders the opportunity to reinvest in the company through a dividend payment in shares equal to 90% of the average ex-dividend market price over the 20 trading days preceding the General Meeting, less the amount of the dividend (€10).

This option attests to the Group's determination to continue strengthening equity. By doing so, it aims to have the liquidity necessary to accelerate development of the operational synergies between brick-and-mortar and online retail so fundamental to its unique positioning as a multi-channel property company.

## A GROUP THAT LISTENS

Year after year, Altarea Cogedim nurtures ties with institutional and individual shareholders – both current and potential – by offering them services and documentation to help them better understand its development strategy. In 2013, several initiatives were set up for its shareholders:

An entirely redesigned registration document facilitating access to content, for a better understanding of the Group's businesses and synergies.

An online frequently asked questions (FAQ) area for shareholders that addresses queries related to the payment of the dividend in shares and changes to dividend taxation. This document will be available for your convenience on the shareholders' page.

Direct access from the homepage to the shareholders' page, a toll-free telephone number and a special email address to facilitate contact between shareholders and the Group and answer any questions.

### ALTAREA IEIF SIIC FRANCE SHAREHOLDER CONTACT

[Investisseurs@altareacogedim.com](mailto:Investisseurs@altareacogedim.com)  
+33 08 05 020 149  
(toll-free from a landline phone)

### SECURITIES SERVICES

Caceis Corporate Trust  
[ct-contact@caceis.com](mailto:ct-contact@caceis.com)  
Tel.: +33 1 57 78 34 44

## BALANCE SHEET at December 31, 2013

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

(i) The Group applied IFRS consolidation standards 10, 11 and 12 for the first time on December 31, 2013. 2012 figures have been restated to facilitate comparison.

## COSTING-BASED PROFITABILITY ANALYSIS at December 31, 2013

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

(i) The Group applied IFRS consolidation standards 10, 11 and 12 for the first time on December 31, 2013. 2012 figures have been restated to facilitate comparison.

## NET ASSET VALUE at December 31, 2013

GROUP NAV	12/31/2013				12/31/2012	
	In € millions	Change	€/share	Change/share	In € millions	€/share
<b>Consolidated equity, Group share</b>	<b>1,151.3</b>		<b>99.3</b>		<b>1,023.7</b>	<b>93.8</b>
Other unrealized capital gains	317.6				381.9	
Restatement of financial instruments	71.5				177.1	
Deferred tax on the balance sheet for non-SIIC assets (international assets)	23.4				38.0	
<b>EPRA NAV</b>	<b>1,563.9</b>	<b>(3.5)%</b>	<b>134.9</b>	<b>(9.2)%</b>	<b>1,620.7</b>	<b>148.6</b>
Market value of financial instruments	(71.5)				(177.1)	
Fixed-rate market value of debt	(2.3)				-	
Effective tax for unrealized capital gains on non-SIIC assets <sup>(1)</sup>	(32.1)				(50.3)	
Optimization of transfer duties <sup>(1)</sup>	48.7				48.3	
Partners' share <sup>(2)</sup>	(15.4)				(15.7)	
<b>EPRA NNNNAV (liquidation NAV)</b>	<b>1,491.2</b>	<b>4.6%</b>	<b>128.7</b>	<b>(1.6)%</b>	<b>1,425.9</b>	<b>130.7</b>
Estimated transfer duties and selling fees	63.6				86.2	
Partners' share <sup>(2)</sup>	(0.7)				(0.9)	
<b>Diluted Going Concern NAV</b>	<b>1,554.1</b>	<b>2.8%</b>	<b>134.1</b>	<b>(3.2)%</b>	<b>1,511.2</b>	<b>138.5</b>
(1) Varies according to the type of disposal, i.e. sale of asset or of securities						
(2) Maximum dilution of 120,000 shares						
Number of diluted shares	11,590,807				10,909,159	

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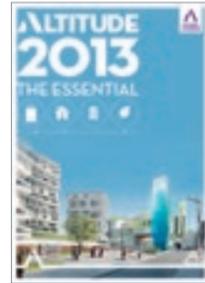
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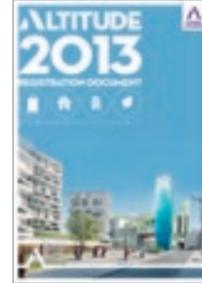
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