Building up French Metropolises

2015 REGISTRATION DOCUMENT
ALTAREA COGEDIM

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ALTAREA

Société en commandite par actions (limited partnership) with share capital of €194,147,172.46
8, avenue Delcassé – 75008 PARIS
335 480 877 RCS PARIS
FR0000033219 ALTA

REGISTRATION DOCUMENT 2015

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This registration document was filed with the Autorité des Marchés Financiers on March 24, 2016, in accordance with Article 212-13 of the AMF General Regulation. This document may be used in support of a financial transaction only if it is supplemented by an offering circular (note d'opération) approved by the Autorité des Marchés Financiers. In accordance with Article 222-3 of the AMF General Regulation, this Registration document includes the annual financial report for 2015. This document has been drawn up by the issuer and is the responsibility of its signatories.

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

- The consolidated financial statements and corresponding audit report provided on pages 47 and 116, the annual financial statements and corresponding audit report provided on pages 119 and 137, as well as the management report provided on page 25 of the 2014 registration document filed with the Autorité des Marchés Financiers on March 25, 2015 under number D 15-0203.
- The consolidated financial statements and corresponding audit report provided on pages 43 and 123, the annual financial statements and corresponding audit report provided on pages 125 and 143, as well as the management report provided on page 21 of the 2013 registration document filed with the Autorité des Marchés Financiers on March 21, 2014 under number D 14-0188.

This English version has been prepared for the convenience of English language readers. It is a translation of the original French Document de Référence 2015. It is intended for general information only and in case of doubt the French original shall prevail.

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ALTAREA COGEDIM TAKES ON THE CHALLENGE OF FRANCE'S METROPOLISES

Because they are where France is growing most demographically and economically. Because it is there that the buildings of tomorrow are taking shape and the **"City of the Future"** is being built. Because the Group has a unique model for anticipating new urban challenges and meeting people's consumption, **housing and work environment needs.**

Retail, residential, offices and hotels: Altarea Cogedim is the only Group that is active throughout the real estate value chain and that has the know-how in each of its businesses to design, develop, market and manage tailor-made real estate products. No other market player boasts such a complete and integrated model. As a **multi-specialist serving communities,** the Group also owes its success to its ability to leverage its areas of expertise against one another in order to offer intelligent, creative and made-to-order solutions. It has the know-how **to design mixed-use projects and even complete neighborhoods, taking new behaviors and quality-of-life expectations into account.**

Altarea Cogedim is mindful of the impact of its activities; therefore, the Group is **committed** and **responsible,** working to reduce its environmental footprint, benefit the surrounding community, **satisfy its customers and align employees' interests with the company's success.**

A new era, new challenges

“Altarea Cogedim participates in the dynamic of the metropolis”

IN THE WORDS OF:

Stéphane Theuriau
Co-General Partner
Chairman of the Cogedim Supervisory Board

Alain Taravella
Chairman and Founder of Altarea Cogedim

Gilles Boissonnet
Co-General Partner
Chairman of the Altarea Commerce Supervisory Board

“More than 23 million people currently live in France’s metropolises, out of a total national population of 66 million. This urban concentration of the population inspires us to imagine new ways of living in response to societal changes and to rethink the real estate options offered to residents. At the same time, we remain committed to creating quality housing for everyone and to satisfying our customers.”

• • •

“More than 45% of French businesses are created in 10 of France’s major cities. We design office space for these businesses that meet environmental standards and are open to the city, serving both business performance needs and the well-being of employees.”

• • •

“50% of young people expect the city to provide them with everything they need, in an appealing environment. This is why we offer innovative, lively and experiential commercial space. We are conscious of the transition from an economy of location to an economy of connection. This is why we inject pleasure, leisure and connection into our shopping centers.”

Why support this movement?

BECAUSE FRANCE'S METROPOLISES ARE POCKETS OF STRONG GROWTH

Their average demographic growth rate is higher than in the rest of France.
Their residents have annual income that is more than 16% higher than the average income of residents in the rest of the country.

BECAUSE THE METROPOLISES ARE "PARENT CITIES"

They have the ideal critical mass to design entire city sections.
The 10 metropolises where Altarea Cogedim is active today represent 70% of GDP in 10% of the country.

BECAUSE THE METROPOLISES ARE THE VERY ESSENCE OF OUR BUSINESS MODEL

Altarea Cogedim is the only French real estate Group with developer know-how across all asset categories: retail, housing and assisted living, offices and hotels. It is therefore poised to meet the great urban challenges of our cities.

+700,000
residents in five years
(cumulative total of the 10 largest cities between 2008 and 2013)

1/3
of the French population
lives in an area covering 10% of the country

Average income
16.4%
higher than the national average

70%
of GDP
concentrated in 10% of the country

UNIQUE

PARTNERING WITH METROPOLISES

Altarea Cogedim's **strong position** in France's largest cities demonstrates the effectiveness **of its approach** in each of its activities in responding **to changes in the urban landscape.**

We conduct 100% of our business in the 10 largest French cities. Founded in 1994, the Group supports these cities in developing their land to improve cohesion and competitiveness and to improve communal life.

We manage one of the largest real estate project portfolios in France's cities. The pipeline represents almost 2.7 million square meters altogether, or the equivalent of €12 billion in market value.

BUILDING UP FRENCH METROPOLISES

2.7
million square meters
in the pipeline

100%
of the Group's business
in the largest cities

€12
billion
in market value

BREAKDOWN OF PROJECTS IN DEVELOPMENT, BY CITY

Greater Paris	Marseille	Toulouse	Nice	Greater Lyon	Grenoble-Annecy	Nantes	Bordeaux	Strasbourg	Montpellier
52.7%	11.3%	8.1%	6.1%	5%	3.5%	3.2%	2.9%	2.3%	0.4%

UNIQUE

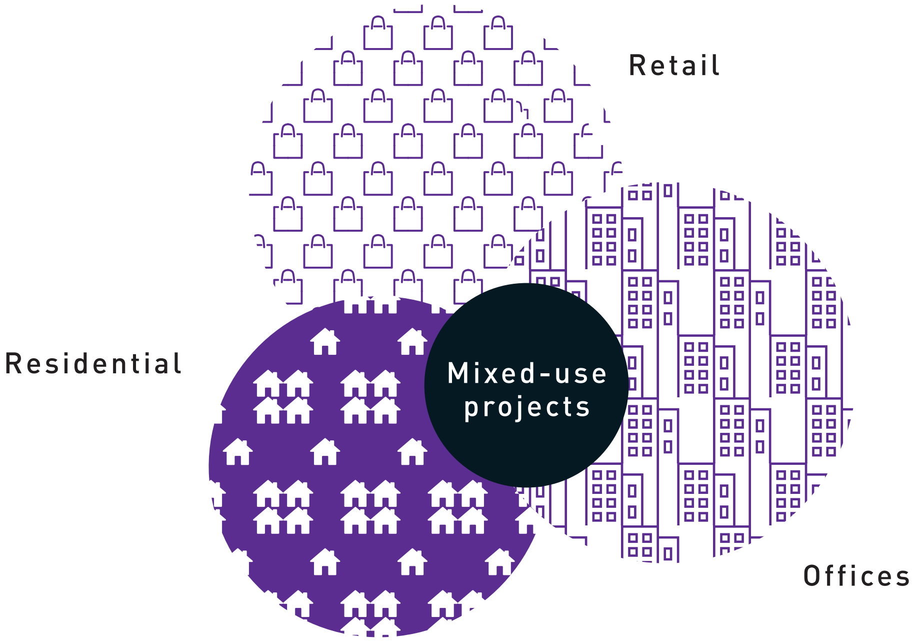
DESIGNING TOMORROW'S REAL ESTATE

AN INTEGRATED VALUE-CREATING MODEL

Our model captures the entire real estate value chain and makes everything possible. Altarea Cogedim is a leading property group and a multi-product management company. Through its three classes of property assets -retail, residential and offices- it offers tailor-made real estate solutions and creates mixed-use projects to generate urban cohesion.
As an investor, developer, asset manager, marketer and third-party manager, the Group is active throughout the real estate value chain. It is the third-largest retail REIT company and the third-largest property developer in France.

RETAIL REIT COMPANY AND PROPERTY DEVELOPER

An integrated model



Businesses that span the entire value chain

Leasing – Investor – Operator/manager – Asset manager

Project manager – Third-party manager – PDC/Off-plan sales

/ PURSUE A CUSTOMER-CENTRIC APPROACH

In every area, Altarea Cogedim centers its strategy on its customers. In the residential division, the Group works to put customers at ease throughout the buying process. It supports them in personalizing their apartments, advising them and guiding them in their choices. Altarea Cogedim pursues the same goal in retail, where the Group offers its clients (retailers and customers) innovative spaces providing enjoyment and a connected, vibrant shopping experience. In offices, the Group anticipates changes in practices and uses by designing tailor-made, flexible, scalable spaces that are open to the city.

A MULTI-SECTOR PLAYER WITH STRONG CONVICTIONS

RETAIL

Design retail environments that are appealing, lively and experiential, to re-create relationships between customers and transform the shopping experience.

RESIDENTIAL

Anticipate continually evolving residential needs and design quality housing that keeps pace with societal changes.

OFFICES

Create flexible offices that are open to the city, meeting the highest standards in terms of environmental performance, while keeping pace with changes in the use of space.

MIXED-USE PROJECTS

Offer livable neighborhoods that combine retail, housing and office space. As a multi-sector player, we design complete city neighborhoods to respond to new urban issues and promote a better quality of life.

/ A BUSINESS THAT UNDERSTANDS NEW PRACTICES

OFFERING A UNIQUE SHOPPING EXPERIENCE

Confident in its outlook, Altarea Cogedim creates new retail formats for its retailers and consumers. The Group is constantly striving to innovate and thinking about the retail of tomorrow that combines consumer expectations, retailer requirements and territorial needs.

REGIONAL SHOPPING CENTERS

The Group continues to work on its commitments by developing regional scale projects in strategic areas. In particular, it is continuing to expand and renovate Cap 3000, the largest shopping center in the Côte d'Azur.

RETAIL AND LEISURE

Since its beginnings, the Group has innovated by developing shopping center projects that bring together retail and leisure. This original model, which is embodied by L'Avenue 83, in southern France at La-Valette-du-Var, responds to our customers' aspirations.

TRAVEL RETAIL

A year after being selected to be a partner in the transformation of the Paris-Montparnasse railway station, Altarea Cogedim was chosen in 2015 for the modernization of the Paris-Austerlitz railway station. This success reaffirms the Group's expertise in the area of travel retail.

CONNECTED RETAIL

Aware of changing practices and increasing digitalization, Altarea Cogedim offers its customers a connected experience. The QWARTZ is the first retail center equipped with Digital Factory functionalities. There are plans to introduce this digital ecosystem to other centers that are currently managed by the Group.

FAMILY VILLAGE®

This concept provides original retail spaces at town entrances with a strong environmental component, carefully detailed architecture and a "mass market" qualitative offering. In 2015, Altarea Cogedim reinvented its existing Family Village® in Aubergenville, opening an outlet village next to it, Marques Avenue A13.

ALTAPROXIMITÉ

AltaProximité develops ground-floor retail in residential buildings to respond to the specific needs of elected officials, local decision-makers and institutional customers.

SATISFYING THE NEEDS OF ALL LIFESTYLES

As our society changes, Altarea Cogedim designs living spaces suited to the style and experience of every individual. With its wide range of offers, the Group can provide a solution that fits any lifestyle and any family.

DIVERSIFIED PRODUCT LINES

Altarea Cogedim offers its buyers a broad range of choice in residential properties. Successfully launched in 2015, the Exaltis project in Auteuil (Paris) is the perfect example of the Group's historical presence in the high-end real estate business. While maintaining its insistence on quality, Altarea Cogedim designs entry-level and mid-range housing that matches families' needs, the wishes of investors or the determination of local communities seeking to build more developments at controlled prices.

SUBSIDIZED SOCIAL- AND INTERMEDIATE HOUSING

Altarea Cogedim and its partners develop subsidized social- and intermediate housing inside cities in order to respond to widespread needs. In 2015, a five-year partnership was entered into with SNI (Caisse des Dépôts Group).

RÉSIDENCES SENIORS COGEDIM CLUB®

The Altarea Cogedim Group designs serviced housing for independent seniors under the Cogedim Club® brand, located in city centers where they foster social ties. Close to shops, transport and medical and cultural centers, these housing units also offer a wide range of services to rental customers. In 2015, a Cogedim Club® serviced residence was inaugurated in Sèvres on the Paris outskirts, bringing the number of residences opened to date to seven.

COGEDIM PATRIMOINE

Since 2015, the Cogedim Group has been offering programs under the Cogedim Patrimoine brand, where the different attributes of ownership are held separately. Such investments enable bare ownership (similar to "freehold") to be acquired at an attractive price, while transferring management of the letting to a social partner for 15 to 20 years, thus freeing the investor from all concerns over management of the letting and its costs. These solutions respond to demand from local authorities and investors in towns suffering from a shortage of property.

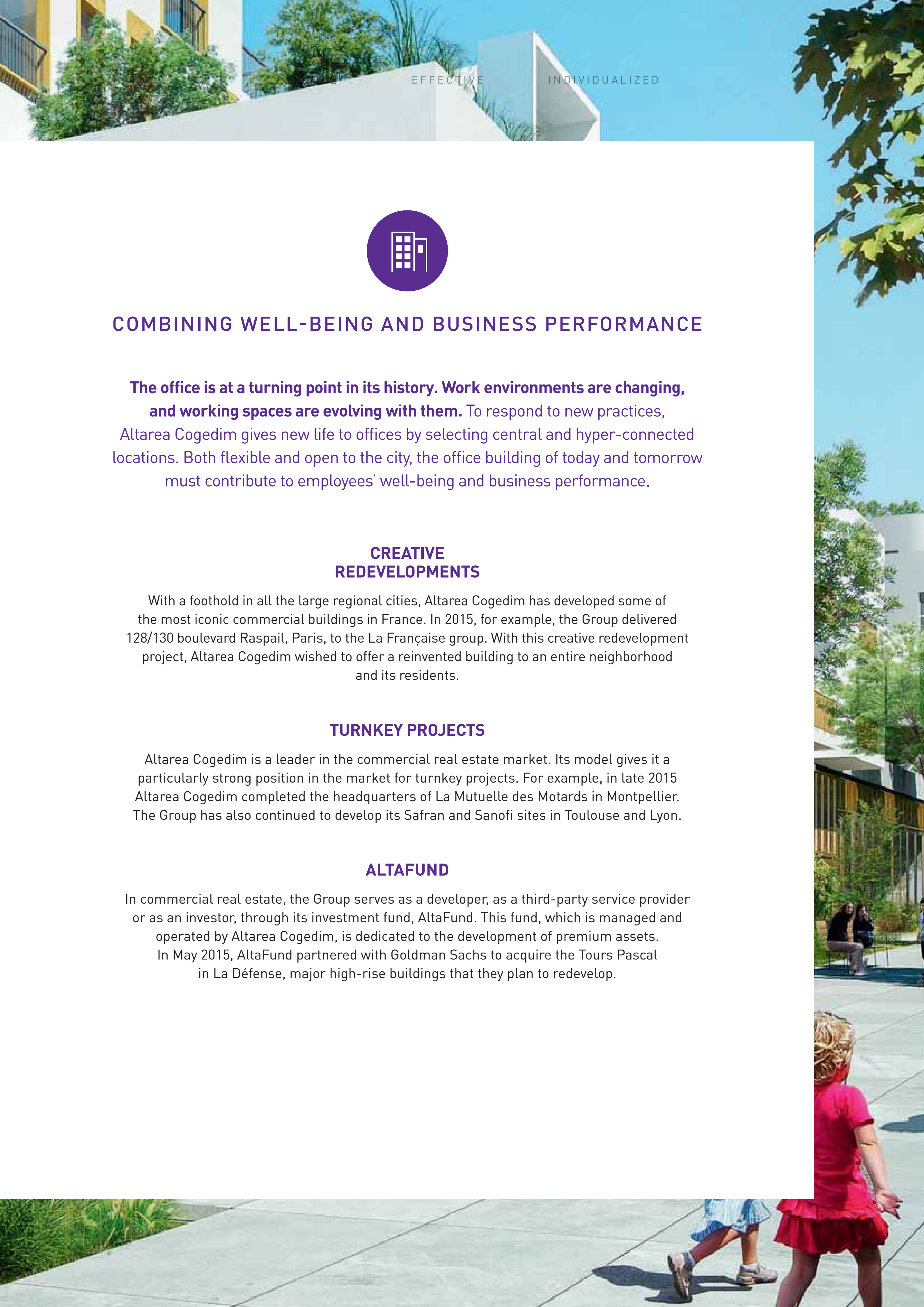
RENOVATION OF HISTORICAL SITES

With Histoire & Patrimoine, Altarea Cogedim now has offerings that complete its product range. The cooperation being developed today with Histoire & Patrimoine enables Altarea Cogedim to offer local governments solutions for the renovation of their heritage sites, for the benefit of the local residents.

HISTOIRE & PATRIMOINE

MIXED-USE PROJECTS

Altarea Cogedim leads innovative projects in mixed-use neighborhoods: **urban hubs containing offices, hotels, and residential and retail property.** This specific model enables the Group to create complete **city neighborhoods.** In 2015, construction continued on the **Atlantis Place du Grand Ouest** in Massy, a project that covers nearly 100,000 square meters. In the same year, progress was also made on a mixed-use project of more than 65,000 square meters, called "Cœur de Ville" (Heart of the City), **in Bezons** in Greater Paris, and of a vast project to reconvert the former Heineken site in Schiltigheim at the heart of the **Eurometropolis of Strasbourg.**



COMBINING WELL-BEING AND BUSINESS PERFORMANCE

The office is at a turning point in its history. Work environments are changing, and working spaces are evolving with them. To respond to new practices, Altarea Cogedim gives new life to offices by selecting central and hyper-connected locations. Both flexible and open to the city, the office building of today and tomorrow must contribute to employees' well-being and business performance.

CREATIVE REDEVELOPMENTS

With a foothold in all the large regional cities, Altarea Cogedim has developed some of the most iconic commercial buildings in France. In 2015, for example, the Group delivered 128/130 boulevard Raspail, Paris, to the La Française group. With this creative redevelopment project, Altarea Cogedim wished to offer a reinvented building to an entire neighborhood and its residents.

TURNKEY PROJECTS

Altarea Cogedim is a leader in the commercial real estate market. Its model gives it a particularly strong position in the market for turnkey projects. For example, in late 2015 Altarea Cogedim completed the headquarters of La Mutuelle des Motards in Montpellier. The Group has also continued to develop its Safran and Sanofi sites in Toulouse and Lyon.

ALTAFUND

In commercial real estate, the Group serves as a developer, as a third-party service provider or as an investor, through its investment fund, AltaFund. This fund, which is managed and operated by Altarea Cogedim, is dedicated to the development of premium assets. In May 2015, AltaFund partnered with Goldman Sachs to acquire the Tours Pascal in La Défense, major high-rise buildings that they plan to redevelop.

“LABS” SERVING THE CITIES OF TODAY AND TOMORROW

Altarea Cogedim partners with France’s cities to design the buildings of the future, with and for them. To respond to changing uses and the digitalization of society, which has revolutionized the way people live, its “Labs” help it design the solutions of tomorrow.

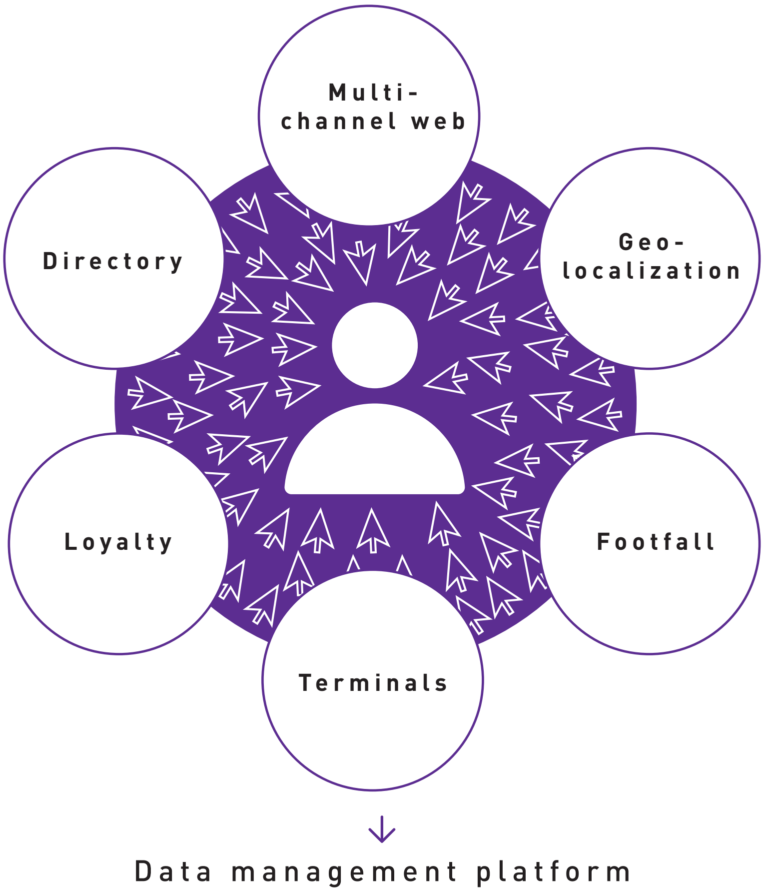
INNOVATION WITH ALTAFUTURE

Broadening the innovation culture – **Developing** open innovation and partnerships

Helping to develop new concepts – **Benchmark** / Intelligence gathering – **Prospective** studies

AltaFuture is dedicated to innovation. It studies changes in all aspects of the real estate market in order to better serve France’s cities and their residents, and to respond creatively to new urban challenges. For example, AltaFuture helps the Group develop structural partnerships with incubators such as Paris&Co and Immowell Lab.

CONNECTION WITH DIGITAL FACTORY



Altarea Cogedim has implemented the "connected retail" concept. Digital Factory, a digital ecosystem coupled with a Data Management Platform (DMP), is a large database designed to collect information of every kind about the bricks-and-mortar shopping process and buying behavior. This innovation helps the Group to come up with new ideas to better satisfy its customers, while complying with regulations on the protection of personal data. Deployed at QWARTZ, the first connected shopping center (in Greater Paris), the Digital Factory will be set in Cap 3000 (close to Nice) and will soon come to L'Avenue[83] in southern France also, as well as the Parisian shopping center of Boulevard Macdonald and Bercy Village.

EFFECTIVE

MOBILIZING ENERGY AND DEVELOPING AN ENTREPRENEURIAL SPIRIT

Motivating and involving employees and sharing the fruits of growth are embedded in Altarea Cogedim's DNA.
That is, **100% of the Group's employees are now also shareholders,** thereby making the company **a true company of entrepreneurs.**

Everyone is committed

In order to respond to the formidable challenges of city life today and tomorrow Altarea Cogedim is accelerating the transformation of its businesses and organization. This goal expresses its strong belief in each of its businesses and demonstrates its commitment to serving France's large cities and their residents.

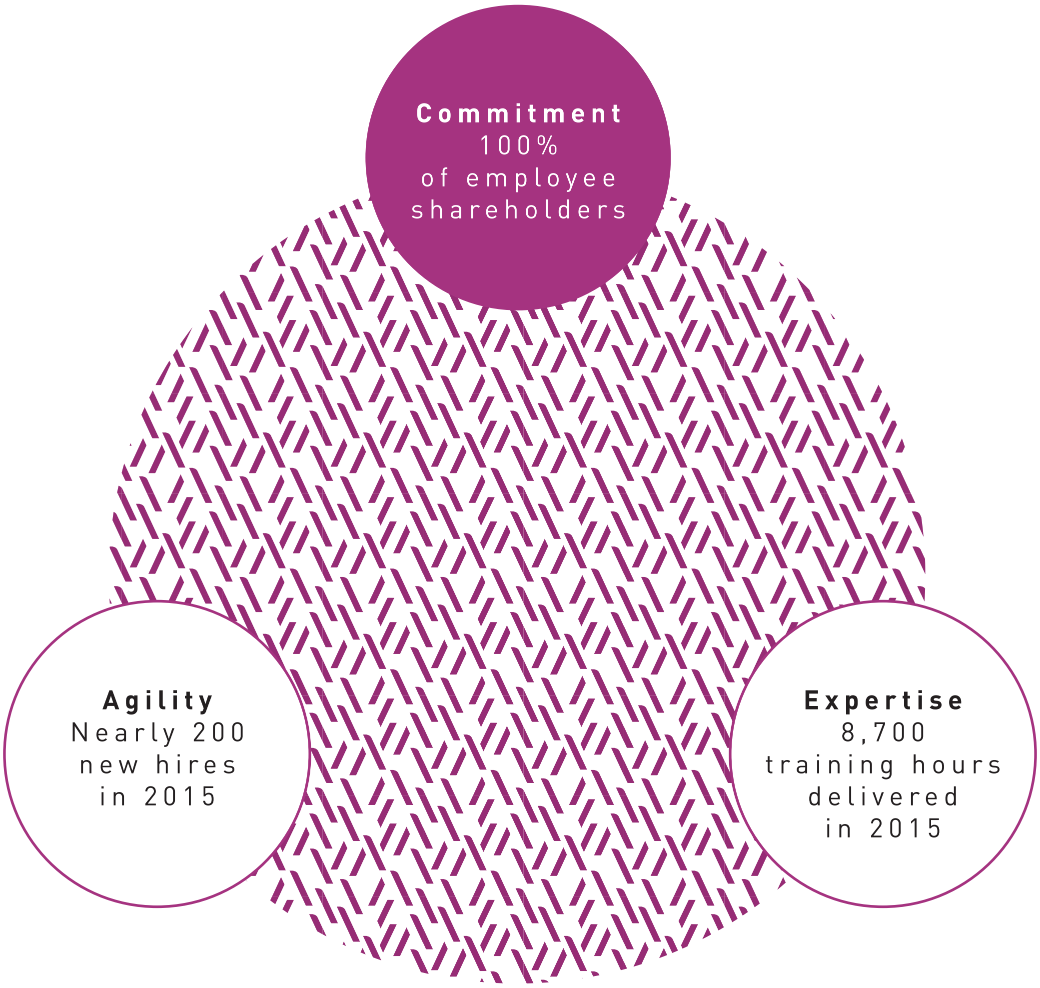
Everyone is an expert

In 2015, the Group continued to deploy an ambitious recruitment plan and to train its employees to provide them with the most relevant expertise and skills.
In doing so, the Group is ensuring it has the resources it needs to design agile, creative projects.

ALL IN ACTION! *(Tous en actions !)*

The Group's 1,000 employees are all involved in contributing to the Company's growth, thanks to an employee stock ownership program that forms the basis of a new corporate contract. This is an original way to further mobilize and empower people.

EMPOWERING PEOPLE, PROMOTING ENTREPRENEURSHIP



EFFECTIVE

ACTING AS A RESPONSIBLE AND SUSTAINABLE COMPANY

As a real estate company and urban developer, Altarea Cogedim remains **conscious** of its business's impact. As a result, the Group deploys a Corporate Social Responsibility (CSR) policy that is fully integrated into its operational activities. Its cross-sectional approach allows it to offer innovative solutions to the major sustainability issues.

Controlling the environmental footprint

In light of their economic and demographic growth, France's cities seek to offer their residents a high-quality, sustainable living environment. In response, Altarea Cogedim creates large-scale projects with very long lifespans, involving the design and operation of buildings that are economical throughout their life cycles and comfortable to inhabit, and that can be adapted to other uses over time.

Serving the country

In addition to its own 1,000 employees, the Group benefits from an expanded employment footprint of 22,000 indirect jobs nationwide. In 2015, one Altarea Cogedim job corresponded to more than nine indirect jobs (in the form of purchases of goods and services) or related jobs (in the form of consumption by the direct and indirect employees), as well as more than 10 jobs located in its shopping centers. Committed to the fight for employment on a national scale, Altarea Cogedim works with *Pôle emploi* in connection with the development and operation of some of its shopping centers.

Participating in innovative community projects

Altarea Cogedim is committed to building both neighborhoods and lives. The Group has been helping **Habitat et Humanisme,** a non-profit organization, to provide housing for families and individuals in difficult circumstances. As an official partner and founding member of the **Institut Palladio,** it contributes to reflection about building the city of tomorrow and the places where people will live.

SOCIAL FOOTPRINT

1,000
employees

22,000
jobs
indirectly supported
and hosted by the Group

ENVIRONMENTAL FOOTPRINT

-36.5%
of greenhouse gas emissions
by Group-managed properties compared to 2010

BREEAM

Altarea Cogedim, No. 1 real estate developer
100%
certified BREEAM In-Use

GRESB

1st
place in Europe
in the "New Development" category

CDP

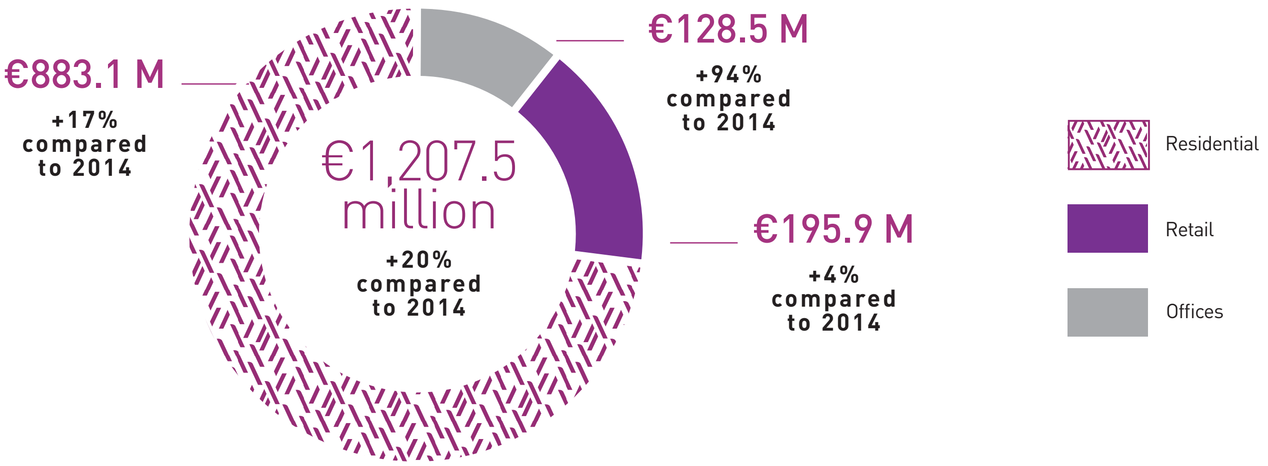
99A-
(99/100 transparency and A- performance)
ranked 1st among developers and **ranked 2nd** in French real estate companies

Paris Action Climat

Signing of the Paris Climate Action Partnership Agreement with the City of Paris

KEY FIGURES

2015 revenue



Key indicators

€161.2 million
FFO*
(Group share) 2015

FFO (Group share) is up significantly, increasing **27.8%** compared with 2014. On a per-share basis, FFO increased **23.8%** (7.2% at constant scope of consolidation) after the dilutive impact of the stock dividend paid in 2014, which affected the full year in 2015.

* Funds From Operations

€1,718 million
2015 Diluted Going-Concern NAV*

The Group's NAV shows real estate value creation of **€293 million.**

* Net asset value

€1,980 million
in investments
(property development)

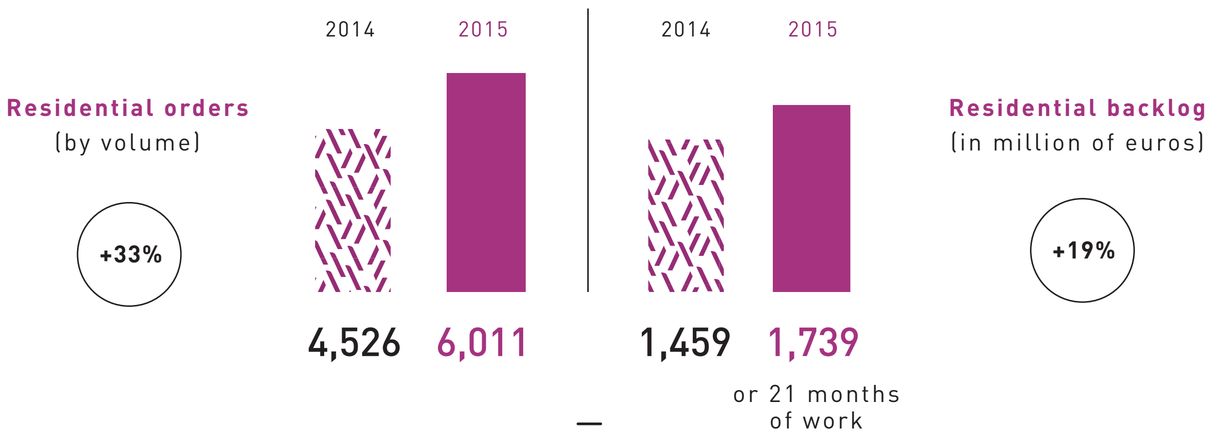
Altarea Cogedim confirms its ranking among the top 3 property companies in France.

44.5%
LOAN TO VALUE

The increase in LTV reflects the Group's high level of activity in 2015, in particular in commercial investment (with the acquisition of the regional shopping center QWARTZ, for example).

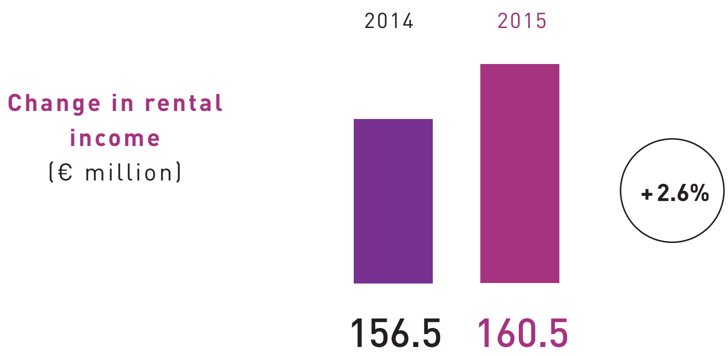
Residential

Altarea Cogedim targets areas where housing is in short supply in order to design all kinds of solutions to best respond to all needs and living styles.



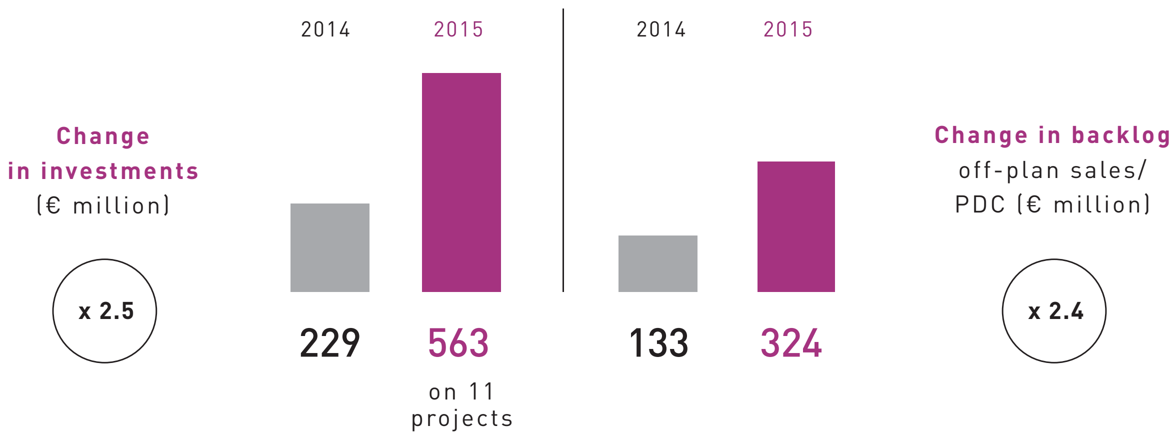
Retail

Altarea Cogedim is pursuing its strategy of concentrating its holdings in highly attractive, premium commercial sites.



Offices

Altarea Cogedim uses an original model allowing it to participate significantly as an investor, developer, and third-party service provider.



GREATER PARIS /

Bezons - "Cœur de Ville" urban development area / A reinvented downtown area

As winners of a contest to create a mixed-use development in Bezons in May 2015, Altarea Cogedim and its partners will develop 700 homes and 20,000 square meters of retail and leisure space within the 65,000 square meters of the "Cœur de Ville" urban development area.

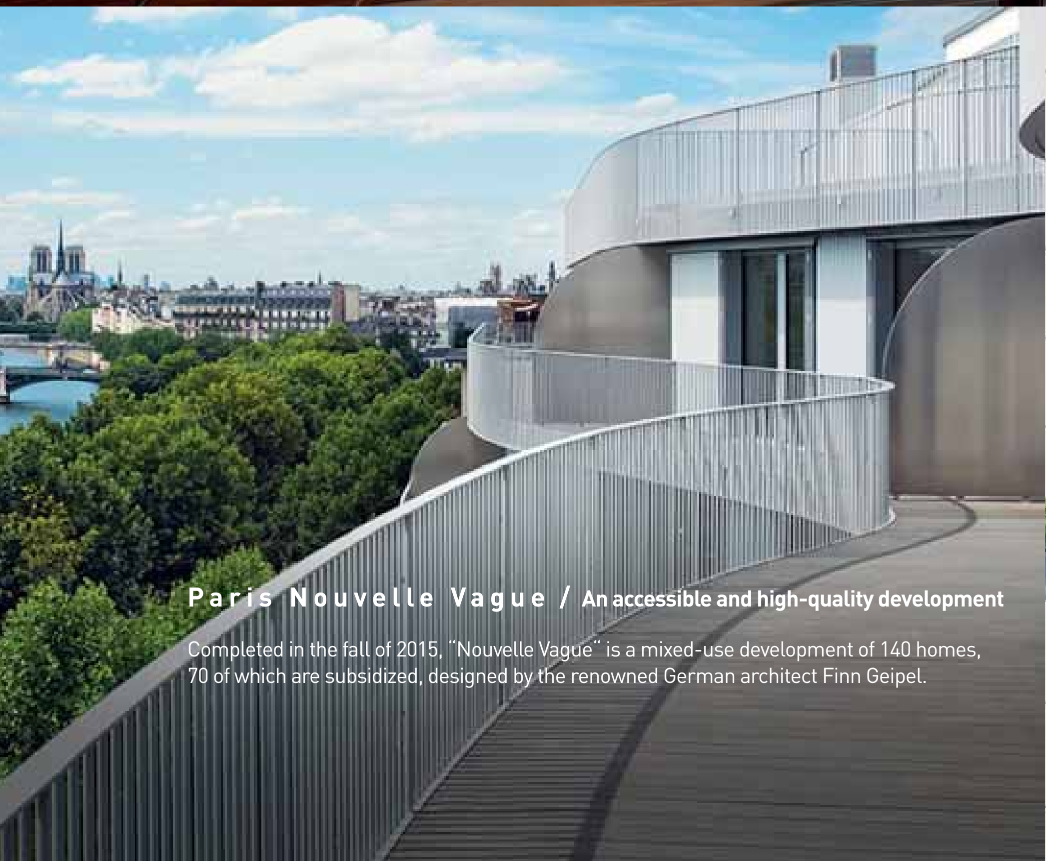
Massy / An urban redevelopment project

In March 2015, the first stone was laid at the construction site of the Place du Grand Ouest, launching this ambitious plan for Greater Paris, developing close to 100,000 square meters. By the time it is completed, the project will include a multiplex movie theater, 850 residences, 8,000 square meters of local retail, restaurants and a convention center.

GREATER PARIS /
by Altarea Cogedim

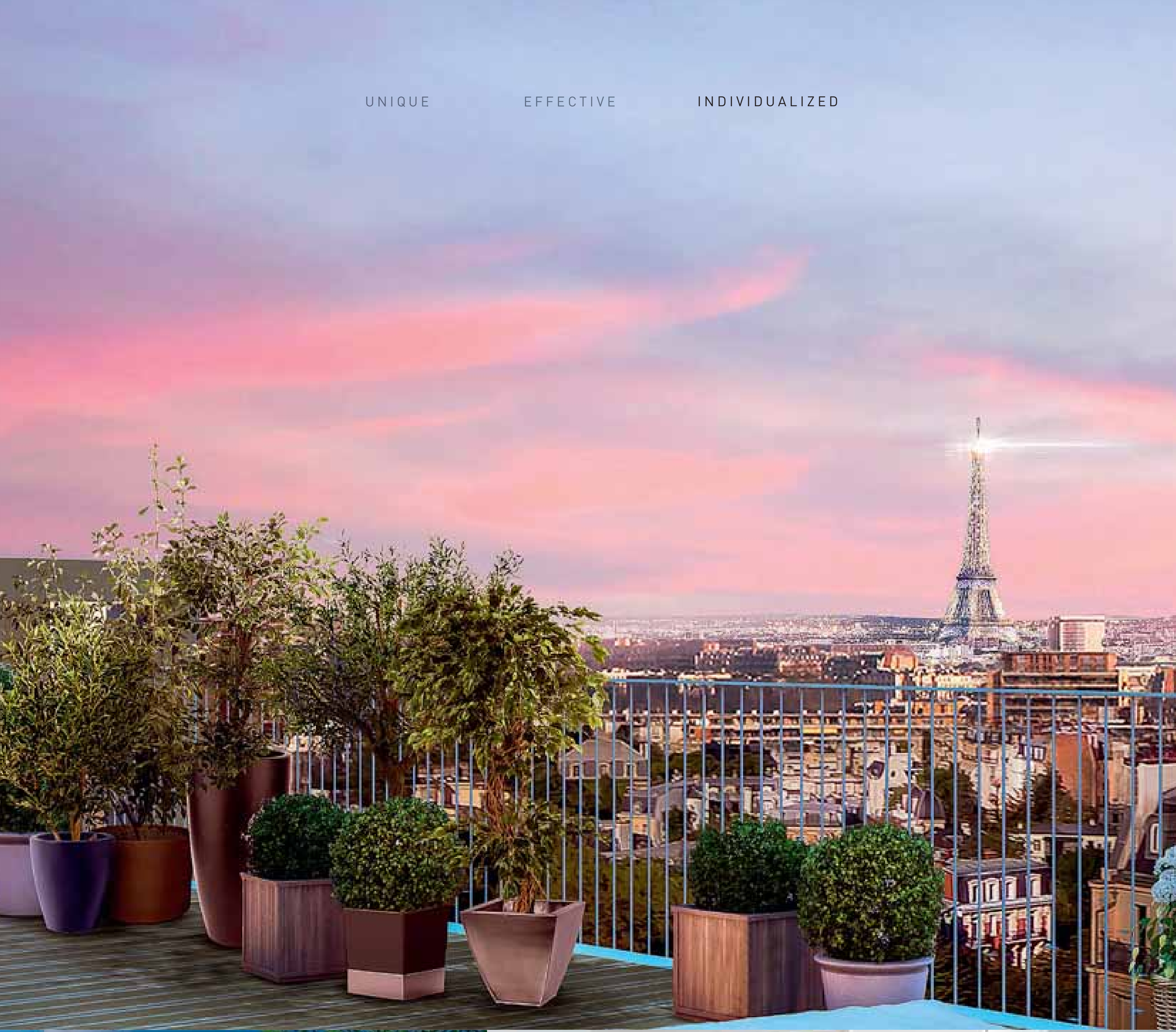
Exaltis / Exemplifying Cogedim's know-how

Launch of an iconic program to create 93 high-end appartments in the 16th district of Paris. This project was designed in partnership with Finn Geipel, a renowned German architect, Anne Démians, and Sarah Lavoine, a trendy interior designer, for the common areas.



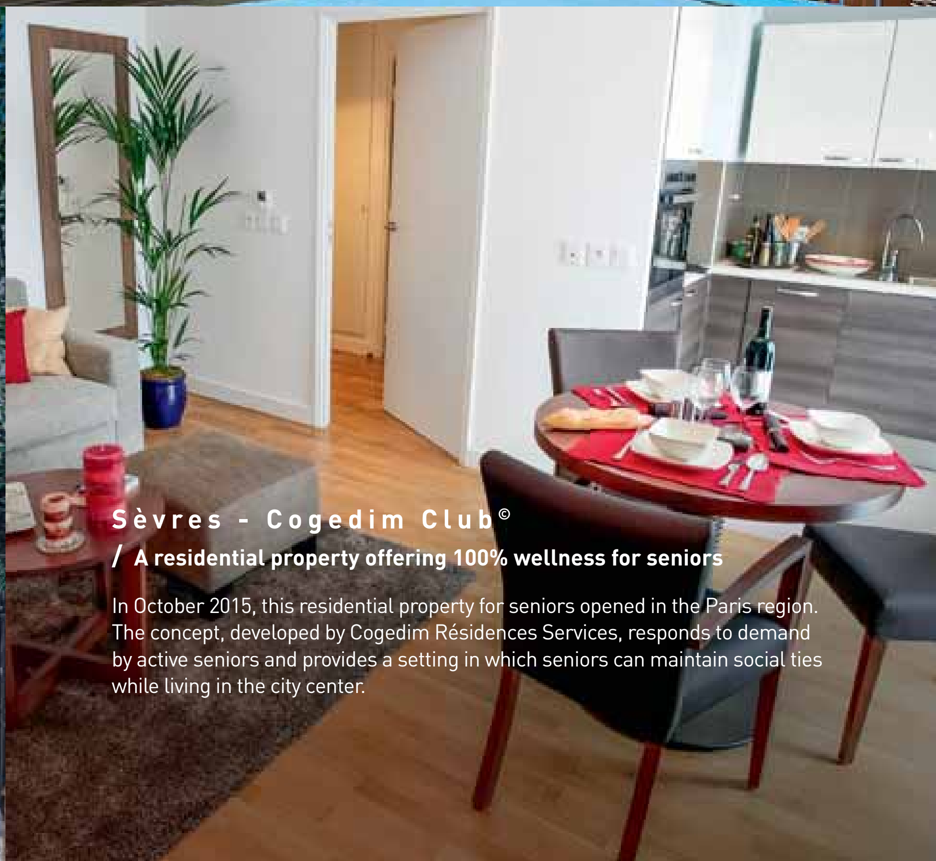
Paris Nouvelle Vague / An accessible and high-quality development

Completed in the fall of 2015, "Nouvelle Vague" is a mixed-use development of 140 homes, 70 of which are subsidized, designed by the renowned German architect Finn Geipel.



Impasse Marie Blanche Paris 18e / An innovative project intended to promote well-being

The whole project is made up of a juxtaposition of "little houses" topped by green copper lines and planes, a reminder of the surrounding traditional Parisian roofs. The project's superstructure will include a timber frame construction and wood siding, an innovation for an urban apartment building.



Sèvres - Cogedim Club© / A residential property offering 100% wellness for seniors

In October 2015, this residential property for seniors opened in the Paris region. The concept, developed by Cogedim Résidences Services, responds to demand by active seniors and provides a setting in which seniors can maintain social ties while living in the city center.

GREATER PARIS /
by Altarea Cogedim

Issy-les-Moulineaux – Pont d'Issy / A new entry point into the city

The Pont d'Issy project, developed on 57,000 square meters and designed by Jean-Paul Viguier, will include a combination of retail and office space. Connected to the Seine and to the city, this mixed-use project will give new life to the Pont d'Issy bridge, including the Eiffel food market.

Aubergenville - Marques Avenue A13
/ The first 100% wooden shopping center

This project, inaugurated in April 2015, is developing a new concept of a 100% wooden outlet village, certified BREEAM® International 2013 - "Excellent" level.

GREATER PARIS /
by Altarea Cogedim

Neuilly-sur-Seine – Kosmo / An exemplary renovation

The Group redefined with Ateliers 2/3/4 the current shape of the building, which is located at 190-192 avenue Charles de Gaulle in Neuilly-sur-Seine, to create a world of garden terraces reflecting Neuilly's status as a green city and to offer its users a campus-style quality of life.

Paris – 128/130 boulevard Raspail / A creative refurbishment

Completed in the fall of 2015, this building is now the headquarters of La Française (a subsidiary of Crédit Mutuel Nord Europe). Altarea Cogedim drew on the talent of the architect Franklin Azzi, with the aim of offering a reinvented building to the whole neighborhood, its residents and users of the building.

La Défense – Tours Pascal / Comfort and performance

AltaFund and Goldman Sachs, the new owners of the Tours Pascal, are planning a renovation of this 68,900 square meter building complex beginning in 2017. Upon completion, this project will be a prime example of creative restructuring, prioritizing employee comfort and the performance of the businesses that move into the space.

GREATER PARIS /
by Altarea Cogedim

Paris-Austerlitz / Reinventing travel retail

After winning the tender to develop and operate the travel retail of the Paris-Montparnasse railway station, Altarea Cogedim secured a new contract to transform the Paris-Austerlitz railway station. This project offers Altarea Cogedim an opportunity to showcase its travel retail expertise.

Paris – Boulevard Macdonald / Rethinking retail offerings

Located in Paris's 19th district, Paris-Boulevard Macdonald is a 30,000 square meter retail project within a mixed-use reconversion of more than 165,000 square meters in the northern part of Paris. Developed in partnership with the Caisse des Dépôts, the center will open its doors in 2016.

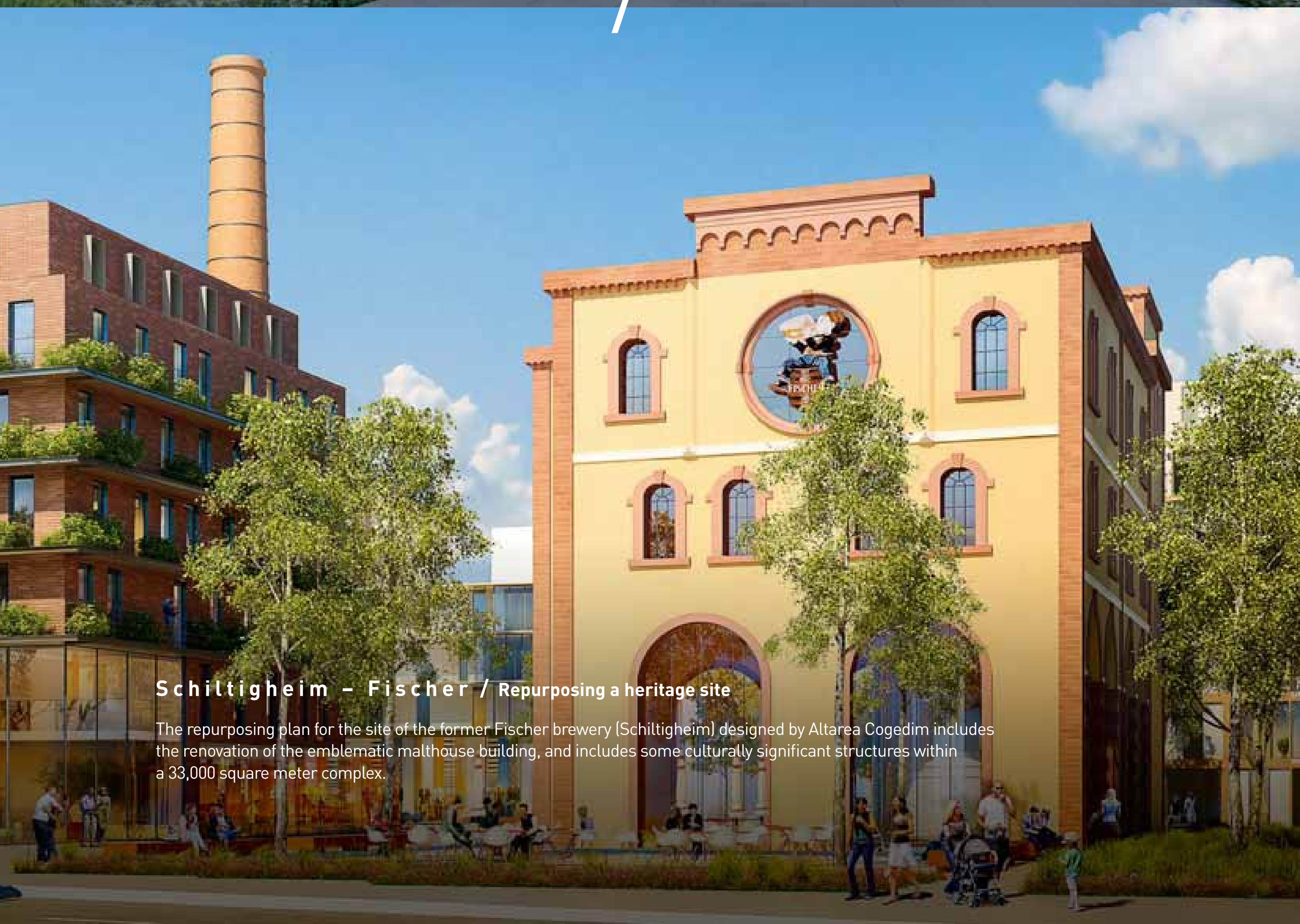
Paris-Montparnasse / Shopping in transit areas, a recognized expertise

As a pioneer in placing international retail brands in railway stations, and aware of changing lifestyle and new consumer trends, Altarea Cogedim will refurbish and operate the retail areas of the Montparnasse train station.

STRASBOURG /

Sky Place – Wacken Europe / An international neighborhood

This mixed-use development, the majority of which consists of housing, meets the strict architectural requirements and environmental ambitions of the city and the Eurometropolis of Strasbourg, as well as the needs of the site's future residents and users.



Schiltigheim – Fischer / Repurposing a heritage site

The repurposing plan for the site of the former Fischer brewery (Schiltigheim) designed by Altarea Cogedim includes the renovation of the emblematic malthouse building, and includes some culturally significant structures within a 33,000 square meter complex.

UNIQUE EFFECTIVE INDIVIDUALIZED

LYON /

Hospices Civils de Lyon / Breathing new life into the city's historic properties

Hospices Civils de Lyon selected Altarea Cogedim to redevelop the Blanchisserie Centrale site in Lyon's 6th district. This upgrading project will develop a large mixed-used program of more than 250 homes on more than 16,000 square meters in the heart of the city. The first deliveries will take place starting in 2018.

ANNECY /

Domaine de Florescence - Annecy / between comfort and nature

Launched in 2014 and delivered beginning in the 2nd quarter of 2017, this housing program comprising six buildings will be located at Annecy-le-Vieux and arranged around internal gardens. The apartment block is open to a natural and diverse environment.

TOULOUSE /

Safran / Keyword: Connection

The Safran site hosts 1,400 employees in a unique 25,000 square meter location in the heart of the Andromède business area near the Toulouse-Blagnac international airport. The buildings of the complex, designed by Jean Michel Wilmotte, promote collaboration.

BORDEAUX /

Bassins à flot / High-quality living environment

The Influence Bordeaux project, co-developed by Altarea Cogedim and Vinci Immobilier, will comprise 723 residences, a Cogedim Club® residence, and a business tourism residence. It is designed to meet the latest comfort standards and requirements.

Domaine de Guillemont - Canéjan / Harmonizing housing and the environment

Aware of the current challenges relating to access to housing in this much sought-after region, Altarea Cogedim is developing the Domaine de Guillemont, a project for 133 multi-family housing units and 89 semi-collective social housing units and 44 individual houses. This project was designed to blend into the surrounding landscape. Constructed in wood, the houses will integrate liveability, comfort and respect for the environment.

NICE /

Cap 3000 / A waterfront shopping center

In 2015, the expansion and renovation begun in 2014 on the Cap 3000 shopping center continued. When complete, the waterfront center will include 300 stores with a total surface area of 135,000 square meters. Starting in 2017, it is expected to attract 14 million visitors per year and to create 1,500 jobs, in addition to the 2,330 people already employed by the center.

UNIQUE EFFECTIVE **INDIVIDUALIZED**

MONTPELLIER /

Assurance Mutuelle des Motards
/ A building with mutualist values

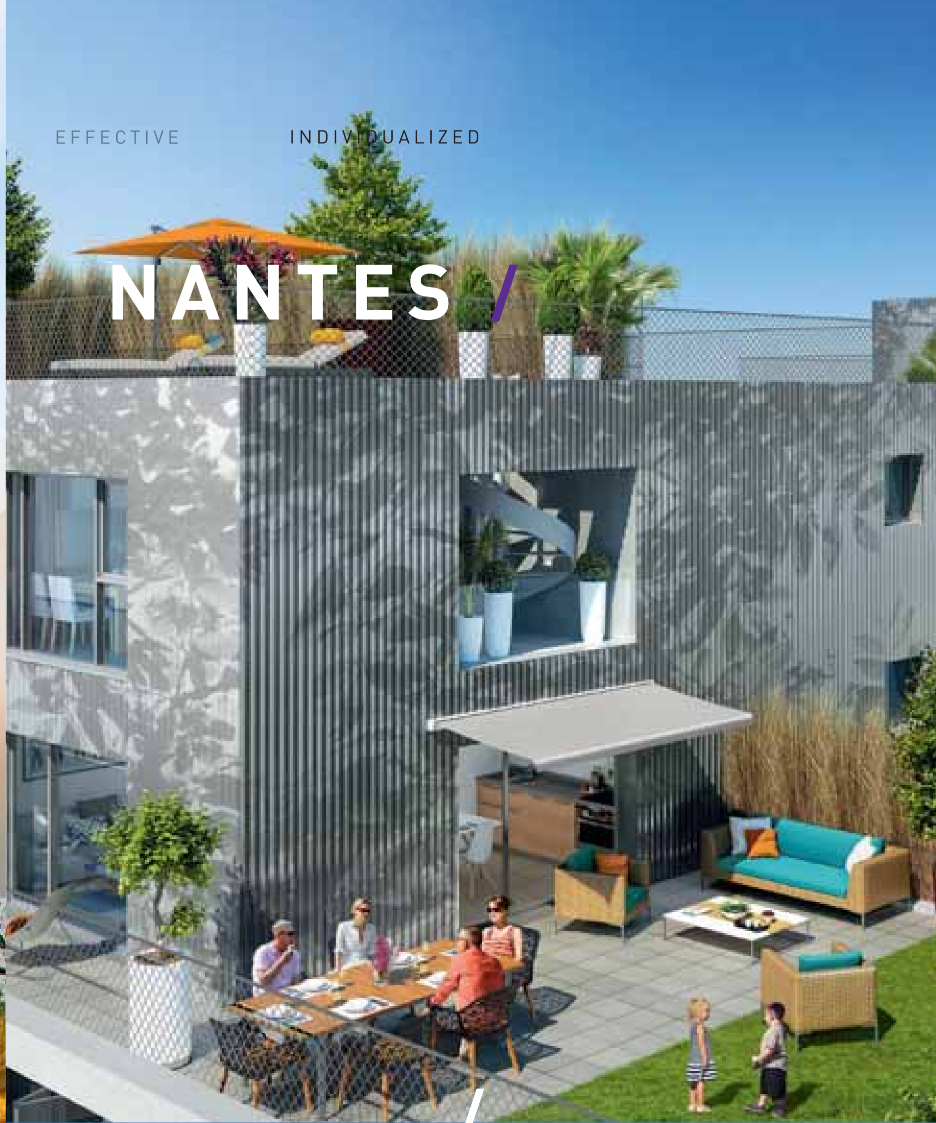
Delivered in October 2015, the new headquarters of the Assurance Mutuelle des Motards (9,000 square meters) located in Pérols is at the heart of the urban and commercial renewal "Ode à la Mer" launched by the city of Montpellier.

MARSEILLE-AIX-TOULON /

L'Avenue[83] / The renewal of a district

Work continued in 2015 on the shopping and leisure center located close to the city of Toulon. Upon completion (expected in April 2016), L'Avenue[83] will house 60 shops and kiosks, 12 supermarkets and a 16-screen Pathé movie theater on 51,000 square meters.

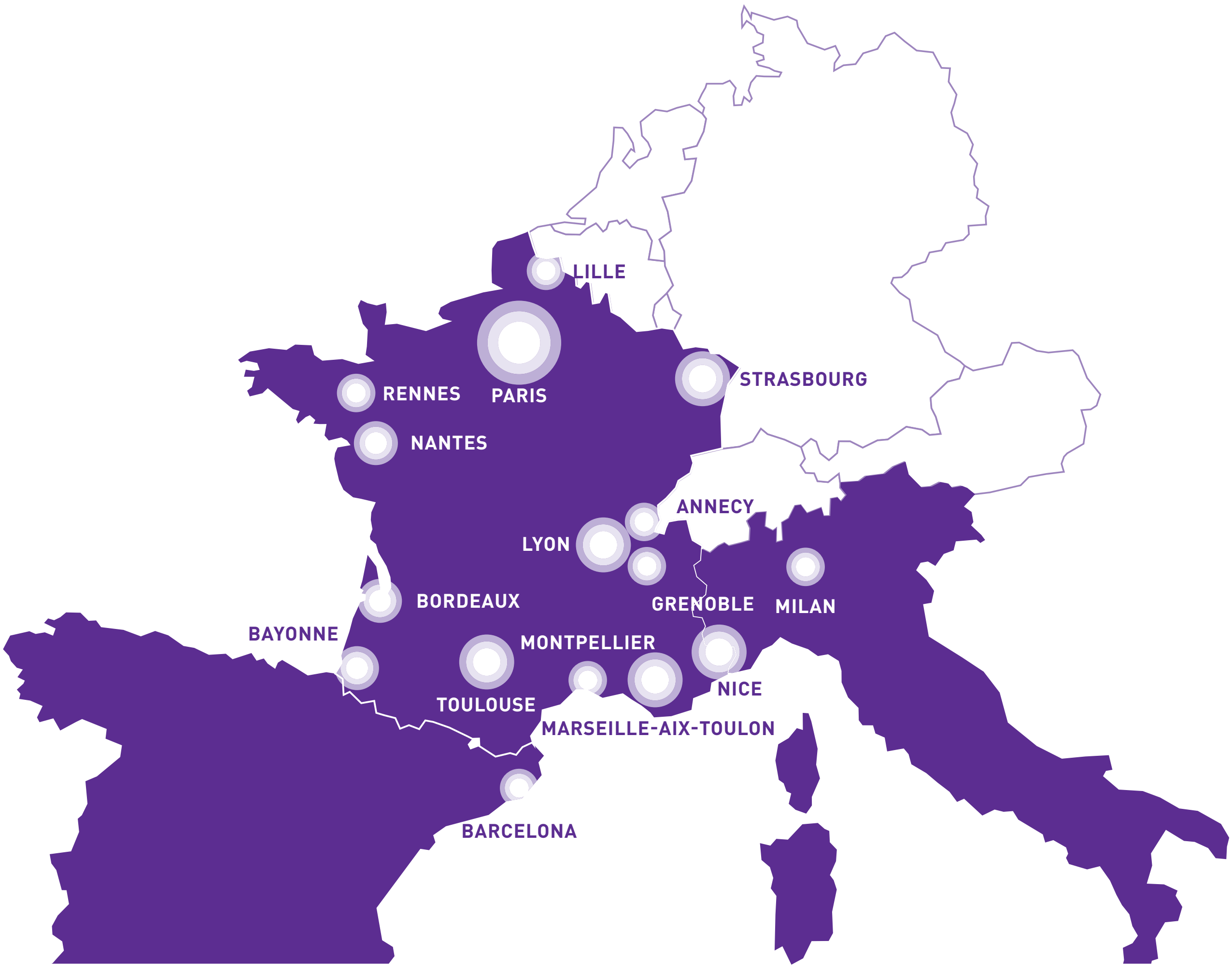
NANTES /



Inspirations / Innovative services

At the heart of the "quartier de la Création" in Nantes, Altarea Cogedim is planning a 28,500 square meter project to develop 400 residences, 1,500 square meters of ground-floor retail, and an assisted living facility and more.

OUR LOCATIONS



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OUR SUBSIDIARIES

Nantes: Cogedim Atlantique
Annecy: Cogedim Savoies Léman
Lyon: Cogedim Grand Lyon
Grenoble: Cogedim Grenoble
Nice: Cogedim Méditerranée
Marseille-Aix-Toulon: Cogedim Provence
Toulouse: Cogedim Midi-Pyrénées
Bordeaux: Cogedim Aquitaine
Lille: Cogedim Lille
Rennes: Cogedim Rennes
Bayonne: Cogedim Pays Basque
Montpellier: Cogedim Languedoc
Strasbourg: Cogedim Est

International

Milan: Altarea Italie
Barcelona: Altarea Espagne

BUSINESS REVIEW 2015

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2.1. INTRODUCTION

2.1.1. ALTAREA COGEDIM'S UNIQUE MODEL

2.1.1.1. Building-up French metropolis

A MULTI-PRODUCT OFFERING

Altarea-Cogedim is the only French real estate Group with developer expertise covering all asset classes, including retail, residential, Serviced residences, offices and hotels.

This positioning has enabled the Group to manage one of the largest portfolios of real estate projects in France, representing nearly 2.7 million m² (all products combined), or the equivalent of €12 billion in market value[1].

Secured pipeline (by product)	Surface area[a] (m²)	Potential value[b] (€ millions)
Shopping centers	553,100	3,595
High-street retail	100,300	314
Offices	531,000	2,196
Residential	1,503,000	5,912
Total	**2,687,400**	**12,017**

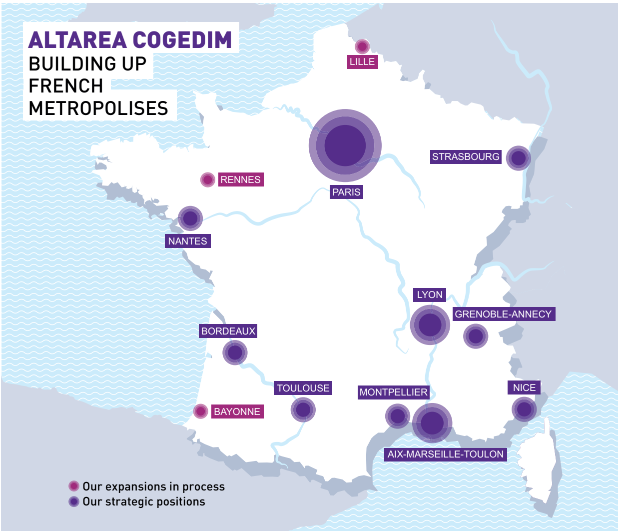
(a) Shopping centers and convenience stores: surface area: GLA in m² created.
Surface area offices: Net usable surface area.
Surface area residential: property for sale + future offering.
(b) Market value incl. taxes as of delivery date.
Shopping centers: value = net rental income capitalized at market rate.
Convenience stores: value = development revenue.
Value offices: Share of the amounts signed for off-plan and Property Development contracts, or share of capitalized fees for delegated projects, or cost price at 100% for AltaFund.
Value residential: property for sale + future offering.

PARTNERING WITH FRENCH METROPOLISES

Because Altarea Cogedim's model can meet all real estate needs, the company has become the leading real estate developer in cities. The Group has focused its activities on approximately 11 metropolises in France. They capture most of the country's demographic[2] and economic[3] growth, on less than 10% of its land area[4]. This targeting allows the Group to benefit from the momentum in growth areas, which constitute market niches with regard to the economic situation in France in general.

Secured pipeline (by metropolitan area)	Surface area (m²)	Potential value[a] (€ millions)
Greater Paris	1,416,900	6,536
Nice-Côte d'Azur	164,000	1,646
Marseille-Aix-Toulon	303,800	1,123
Toulouse Metropolis	216,700	663
Greater Lyon	134,200	539
Grenoble-Annecy	94,600	379
Nantes Metropolis	87,100	262
Bordeaux Metropolis	76,700	252
Strasbourg European Metropolis	61,700	219
Lille European Metropolis	58,400	102
Montpellier Mediterranean	11,600	35
Italy	44,700	212
Other	17,000	49
Total	**2,687,400**	**12,018**

(a) Market value incl. taxes as of delivery date.
Shopping centers: value = net rental income capitalized at market rate.
Convenience stores: value = development revenue.
Value offices: Share of the amounts signed for off-plan and Property Development contracts, or share of capitalized fees for delegated projects, or cost price at 100% for AltaFund.
Value residential: property for sale + future offering.



(1) Of this total, only retail projects are intended to remain in assets, for a cost of €1,948 million for the Group's share. The remainder is held for sale to third parties.
(2) The population of the 11 French cities where the Group's Operations are concentrated has increased by 740,000 in the last five years (Source: Insee).
(3) Average household income by taxable household is 15% higher than the national average (Source: Insee).
(4) 9.5% of the country territories account for more than 71% of GDP (Source: Insee).

2.1.1.2. A unique economic model

FINANCIAL PROFILE: PRIMARILY RETAIL (80% OF COMMITTED EQUITY[5])

The Group's committed equity is allocated essentially to the carry of the shopping center portfolio, generating steadily-growing recurring revenue[6]. Residential and office development involves a relatively small share of the Group's balance sheet (approximately 20% of committed equity), for a more cyclical revenue profile but one offering extremely favourable long-term fundamentals, particularly in residential.

COMMITTED EQUITY BY BUSINESS

Total committed equity as used for purposes of determining LTV totals €5.5 billion (in revalued amount, including taxes). Of that amount, close to €4.4 billion is allocated to the retail REIT business and €1.1 billion to development, or 19% (including 17% in residential). This percentage relative to committed equity has remained stable for many years.

THE ADDED VALUE OF DEVELOPMENT

Most of the shopping centers that the Group develops are intended to be retained in the portfolio, where they contribute to much of the growth in rental income. The secured programs under development thus represent a potential for additional rental income greater than the current amount of rental income on a Group-share basis[7]. The housing and offices that the Group develops are intended exclusively to be sold to third parties with a margin whose level varies based on the products and the real estate cycle. Residential and office development thus represents between 30% and 45% of the consolidated operating result, based on the year.

OPTIMIZED PROFITABILITY FOR MINIMAL RISK

Due to its retail REIT model, the profitability of which is increased by the fact that it develops real estate both on its own behalf and on behalf of third parties, the Altarea-Cogedim Group's committed equity generates a high return[8] for limited risk.

2.1.2. THE YEAR'S HIGHLIGHTS

2.1.2.1. Sale of Rue du Commerce

As announced on August 24, 2015, Altarea Cogedim Group sold 100% of the share capital of Rue du Commerce to the Carrefour Group. This sale took effect on January 1, 2016.

Consequently, the indicators for the continuing operations in the financial statements at December 31, 2015 no longer include the impact of Rue du Commerce, recognized under "Activity held for sale" (in application of IFRS 5).

The Rue du Commerce experience provided the Group with a unique tool to collect and process customer data – the Digital Factory, which constitutes a genuine revolution in the area of asset management. Altarea Cogedim thus retains all of the expertise and technology acquired over the course of this experience.

2.1.2.2. Acquisition of Pitch Promotion

Altarea Cogedim reasserted its position among the three most active residential and commercial real estate developers in France when it acquired 100% of the share capital of Pitch Promotion on February 26, 2016, as first announced on November 16, 2015.

Pitch Promotion will be consolidated in the Altarea Cogedim Group's financial statements from 2016. For information, certain aggregated indicators are presented below.

Created in 1989, Pitch Promotion is a major real estate development player in both Residential property (1,021 units sold in 2015 in Group share) and commercial property (€111 million secured in 2015). The company is active in the Paris region and the main regional metropolises[9] and has more than 160 employees.

The combined residential investments of the new "Altarea Cogedim + Pitch" group represents approximately 7%[10] of the pro forma residential market. In addition, "Altarea Cogedim + Pitch" was the leading office REIT in France, with €674 million secured in 2015.

(5) In market value (amount used to determine LTV).
(6) Altarea Cogedim Group holds 39 shopping centers representing value of €3,827 million at 100% (€2,609 million in group share).
(7) Gross rental in the pipeline: €152 million compared to €152 million on existing assets (amounts in group share).
(8) FFO/ANR ratio between 9% and 11%.
(9) 7 locations: Paris, Toulouse, Lyon, Aix-en-Provence, Bordeaux, Montpellier and Nice.
(10) Private development market estimated at 102,000 units (+17% increase at Q3 2015 compared with the market of 86,800 units in 2014 – source: Commissariat du Développement Durable).

2015 reservations

(in millions of euros, including tax)	Altarea Cogedim	Pitch Promotion	Altarea Cogedim + Pitch Promotion
Residential	1,417	236	1,653
Number of units	6,011	1,021	7,032
Offices	563	111	674
Total	**1,980**	**347**	**2,327**

Pitch Promotion will retain its trademark and operational independence. Significant synergies are expected in development and marketing. This will help to capture new markets and thus accelerate Altarea Cogedim's growth.

2.1.2.3. Significant Operating Events

DEVELOPMENT – LARGE PROJECTS

In 2015, the Group won 5 large mixed urban development projects, representing potential revenue of over €600 million. All of these developments will be sold, including the retails parts.

	Housing & Resid.	Retail	Offices	Total surface area
Bezons Cœur de Ville[a]	700 units	18,700 m²	-	66,000 m²
Strasbourg Fischer[b]	430 units	5,000 m²	-	33,000 m²
Hospices Civils Lyon[c]	250 units	3,500 m²	-	16,000 m²
Toulouse Montaudran[d]	600 units	12,350 m²	15,000 m²	75,000 m²
Gif sur Yvette[e]	300 units	5,300 m²	-	19,000 m²
TOTAL	**2,280 units**	**44,850 m²**	**15,000 m²**	**209,000 m²**

(a) Including a movie theater and restaurant.
(b) Intergenerational residence, young workers' housing, plus services, recreation, shops and public facilities.
(c) Including a 100-unit Cogedim Club services residence and a 50-room residence for young workers.
(d) Including a movie theater, hotel and public, cultural and sports facilities.
(e) Group share only, or 25% of the 1,200 residences built as a co-development project with Vinci et Eiffage, and 100% of the retail space. Surface area at 100%: 75,600 m².

These complex projects illustrate the Group's ability to provide cities with an integrated real estate solution, making it possible to design complete pieces of a city. These projects are in addition to the two large mixed-use projects launched in 2014, which themselves represented 120,000 m² and €425 million in revenue[11].

DEVELOPMENT – OFFICES

In May 2015, AltaFund partnered with Goldman Sachs to acquire an office complex of nearly 70,000 m² to be redeveloped: Tours Pascal in Paris – La Défense.

RETAIL REIT

Following the tender launched by Gares & Connexions, Altarea Cogedim Group was selected as a partner for the modernization of the Paris-Austerlitz train station. The Group will be responsible for the investment, design, construction and operation of the 30,000 m² of retail space to be included at this historic site.

SEMMARIS

The Macron Act, which was passed in 2015, extends the SEMMARIS concession until 2049 (compared to 2034 previously). This extension provides SEMMARIS, the company that manages the Rungis National Interest Market (MIN) and in which the Group holds a 33% stake, sufficient visibility to implement its new investment plan by 2025.

PIPELINE GROUP

Led by the large mixed-use urban projects and the bids won in 2015, the Group's consolidated secured project pipeline has increased significantly: +22% in surface area and +24% in value.

Secured pipeline	2014	2015	*Change*
Surface area (m²)	2,207,000	2,686,000	*+22%*
Potential value (€ millions)[a]	9,700	12,014	*+24%*

(a) Market value incl. taxes as of delivery date.
Shopping centers: value = net rental income capitalized at market rate.
Convenience stores: value = development revenue.
Value offices: Share of the amounts signed for off-plan and Property Development contracts, or share of capitalized fees for delegated projects, or cost price at 100% for AltaFund.
Value residential: property for sale + future offering.

Of all of these projects, only the retail projects are intended to be retained in the Group's assets.

(11) Massy Place du Grand Ouest and Villeurbanne La Soie.

2.1.2.4. Social and environmental involvement

COMMITMENT TO EMPLOYEES...

In 2015, Altarea Cogedim hired 185 employees on open-ended contracts and offered all employees a new social contract, providing, in particular, an extensive employee stock ownership plan associating them with the company's performance.

... IN THE SERVICE OF METROPOLISES

This desire to create jobs is also reflected in the geographic areas where the Group operates. Through employment in shopping centers or at construction sites and the activities that follow from them, Altarea Cogedim has created a larger employment footprint of more than 22,000 jobs[12] throughout the country.

In addition, as a key residential player in France, Altarea Cogedim also seeks to build more sustainable and human cities and has thus been working with Habitat et Humanisme for more than seven years. The Group funded three management positions within the organization and since the beginning of the project has contributed directly to creating 280 housing units providing permanent housing to nearly 400 people.

A RECOGNIZED CSR APPROACH

The Group's Corporate and Social Responsibility (CSR) activities were recognized in 2015 by two external rankings.

First, the GRESB (Global Real Estate Sustainability Benchmark), a worldwide reference in non-financial rankings for evaluating the CSR strategies of groups and real estate funds, acknowledged Altarea Cogedim's excellent performance in 2015 and awarded it the following scores:

- 86% for existing assets, or 18th worldwide out of 688 groups and real estate funds and, in particular, 3rd worldwide (out of 31) among listed retail groups;
- 93% for new commercial builds, or 3rd place worldwide (out of 304 groups), and 1st place for Europe (out of 129).

Second, the Carbon Disclosure Project (CDP), the benchmark international ranking of major corporations' carbon strategies, gave the Group a 99% rating for transparency and an A- in performance. This was the Group's third year of participation.

2.1.3. CHANGES IN ACCOUNTING

The IFRIC 21 – "Levies" interpretation, adopted by the European Union on June 13, 2014, applies to outflows imposed on entities by governments, leading entities to record a debt immediately when there is an obligation to pay. The interpretation affects the interim recognition schedule for select levies, such as the French corporate social solidarity contribution and land taxes.

This interpretation is mandatory on a retrospective basis, from January 1, 2015. The 2014 data, as expressed below in the Group's financial statements, were restated accordingly (very slight impact).

(12) Direct, indirect, ancillary, and restated (certified by EY).

2.2. BUSINESS REVIEW

2.2.1. REIT

Altarea Cogedim's real estate activity consists almost entirely of shopping centers, although a long-term carry strategy may on occasion be used for certain atypical assets (such as Rungis Market) or unusually outstanding office sites.

In terms of retail real estate, the Group's strength is in the size of its portfolio of projects developed on its own behalf. The main future growth in rents will be generated by the entry into operations of large secured projects whose size (in terms of rent) represents the equivalent of the current holdings.

2.2.1.1. Retail REIT

	In operation			Under development		
December 31, 2015	GLA in m²	Projected gross rental income[d] (€ millions)	Appraisal value[e] (€ millions)	GLA created in m²	Projected gross rental income (€ millions)	Net investments[f] (€ millions)
Controlled assets (fully consolidated)[a]	**648,700**	**181.0**	**3,576**	**463,100**	**183.0**	**2,324**
Group share	*520,600*	*142.5*	*2,489*	*390,100*	*144.4*	*1,837*
Share of minority interests	*128,000*	*38.5*	*1,087*	*73,000*	*38.6*	*488*
Equity assets[b]	**105,600**	**20.3**	**245**	**90,000**	**16.1**	**223**
Group share	*49,300*	*9.5*	*117*	*45,000*	*8.1*	*112*
Share of third parties	*56,300*	*10.8*	*128*	*45,000*	*8.1*	*112*
Management for third parties[c]	**190,900**	**39.6**	**606**	**-**	**-**	**-**
Total assets under management	**945,200**	**240.9**	**4,427**	**553,100**	**199.1**	**2,548**
Group share	*569,900*	*152.0*	*2,606*	*435,100*	*152.4*	*1,948*
Share of third parties	*375,200*	*88.8*	*1,821*	*118,000*	*46.7*	*599*

(a) Assets in which Altarea holds shares and over which it exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which it exercises joint operational control or has significant influence. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental values of leases signed at January 1, 2016.
(e) Appraisal value including transfer duties.
(f) Total budget including interest expenses and internal costs.

2.2.1.1.1. Market trends and Group strategy

Consumption by French households recovered in 2015, despite the impact of the terrorist attacks in Paris at the end of the year, reaching overall growth of 1.8%, led, notably, by the strong upturn in household goods and equipment (+5.7%)[13].

The shopping center performance indicator (the CNCC index) reflects this trend, with tenant sales up 0.2%[14].

In this context, Altarea Cogedim is pursuing its strategy: concentrate its portfolio on premium assets with strong appeal and marketability.

2.2.1.1.2. Operational performance

TENANTS' SALES[15]

Total shopping centers	Sales (incl. tax)
France	1.5%
Italy	3.6%
Spain	5.2%
Total	**2.0%**
Benchmark (CNCC)	*0.2%*

Tenants of the Group's shopping centers posted revenues up 1.5%[16], despite the slowdown following the November terrorist attacks (particularly at shopping centers in the Paris region).

(13) Source: INSEE December 31, 2015 (sales of manufactured goods and sale of household equipment over 12 months).
(14) Source: CNCC, change in tenant sales on a like-for-like basis at December 31, 2015 over 12 months.
(15) Change in tenant sales on a like-for-like basis for 2015, excluding assets being redeveloped and held for sale.
(16) Change in tenant sales on a like-for-like basis for 2015 in France.

CONSOLIDATED NET RENTAL INCOME

Net rental income (IFRS) reached €160.5 million, (+2.6%) in 2015. At constant scope, rental income grew by +1.3% in France, excluding the negative impact of indexation (-0.13%).

	(€ millions)	
Net rental income at December 31, 2014	**156.5**	
100% control of Qwartz	12.5	
Disposals	(8.5)	
Redevelopments	(0.6)	
Indexation on the like-for-like basis[a]	(0.2)	*-0.1%*
Like-for-like change France	1.6	*+1.3%*
Like-for-like change International l[b]	(0.7)	*-3.5%*
TOTAL CHANGE NET RENTAL INCOME	4.0	*+2.6%*
Net rental income at December 31, 2015	160.5	

(a) For France: ILC (Index of Commercial Rents) Q3 2015.
(b) Excluding impact of indexation.

Qwartz

France's first connected regional shopping center, Qwartz, celebrated its first anniversary in April 2015. Honored four times in 2014 for its digital innovations, this 86,000 m² center (with a 43,000 m² GLA shopping gallery) and 165 boutiques is an exceptional showcase for retailers. Footfall is expected to reach a yearly 9 million visitor level.

Qwartz is the first center to feature Digital Factory functionalities. Since its opening, the center's operational performance has been sharply higher than expected for an asset in the launch phase[17].

For this project, initially developed in partnership, Altarea Cogedim Group increased its ownership to 100% in 2015 (compared to 50% previously), based on a 100% valuation of approximately €400 million, including transfer duties. Consequently this center has been fully consolidated in the Group's financial statements since the date of the transaction.

Centers opened

In 2015, two extensions to existing assets were delivered:

- The Jas-de-Bouffan shopping center in Aix-en-Provence was renovated and the shopping gallery was extended, increasing the center's overall dimensions to 35,200 m², including a Casino hypermarket[18] and an 11,800 m² GLA shopping gallery comprising 70 stores.
- The Marque Avenue® A13 outlet in Aubergenville (78), with exceptional strengths (catchment area, accessibility, design and innovative shopping experience) helps to attract new customers to the existing Family Village® and increase global rental income. Marque Avenue® A13 includes 61 shops over 12,900 m². It received the 2015 *Janus du Commerce* label in July.

Disposals in Italy

In May 2015, the Group sold four small shopping centers to Tristan Capital Partners for a total of €122 million, or 7% more than the appraisal value at December 31, 2014.

Redevelopments

In 2015, the Group's redevelopment projects, undertaken to strengthen its centers, concerned primarily Cap 3000 (redevelopment of the existing center together with the extension project), Carré de Soie (internal transfers of tenants to expand the existing offering and allow for the arrival of MiniWorld, the only theme park of its kind in France) and Massy (a center that is being emptied gradually in anticipation of redevelopment).

LEASING ACTIVITY (GROSS RENTAL INCOME)[19]

At 100%	Number of leases	New rent	Old rent	%
Pipeline (development)	83	€18.5 M	n/a	*n/a*
Existing assets	132	€14.7 M	€12.2 M	*+20%*
Total Portfolio	215	€33.2 M	€12.2 M	-
Management for third parties	49	€4.1 M	€3.6 M	*+13%*
Total leasing activity	264	€37.3 M	€15.8 M	-

Adding leases signed on assets managed for third parties, rental activity totaled 264 leases for €37.3 million, or an increase of 31% as compared with 2014.

Among the significant events in the marketing activity, the Via Piano brand (160 restaurants in 32 countries) is planning to premiere its largest restaurant in the world, with more than 1,800 m², in Bercy Village. The brand will introduce its new Bottega and kids' rooms concepts, all organized around a remarkable millennial olive tree.

At the Gare du Nord, retail offerings were fully renewed with 30 new concepts, both national and international.

The Aubette shopping gallery will soon welcome the first Starbucks in Alsace, at Place Kléber.

FRANCE (91% OF THE PORTFOLIO)

Lease expiry schedule

(in € millions, at 100%)	Lease expiry date	% of total	3-year termination option	% of total
Past	11.5	*6.4%*	11.6	*6.5%*
2016	3.4	*1.9%*	21.9	*12.3%*
2017	15.0	*8.4%*	50.0	*27.9%*
2018	14.5	*8.1%*	36.4	*20.4%*
2019	10.2	*5.7%*	19.1	*10.7%*
2020	21.8	*12.2%*	15.6	*8.7%*
2021	15.5	*8.7%*	10.7	*6.0%*
2022	19.9	*11.1%*	3.8	*2.1%*
2023	21.1	*11.8%*	6.1	*3.4%*
2024	28.7	*16.1%*	2.4	*1.4%*
2025	14.6	*8.2%*	0.0	*0.0%*
2026	1.4	*0.8%*	-	*0.0%*
> 2026	1.3	*0.7%*	1.2	*0.7%*
Total	178.9	*100%*	178.9	*100%*

(17) At December 31, 2015, Qwartz recorded a 10% increase in footfall and 9% increase in tenants sales, after restatement for impact of opening.
(18) Excluding Group assets.
(19) Excluding property being redeveloped and held for sale.

Occupancy cost ratio[20], bad debt ratio[21] and financial vacancy rate[22]

	2015	2014	2013
Occupancy cost ratio	9.9%	9.8%	10.2%
Bad debt ratio	1.9%	0.7%	1.5%
Financial vacancy rate	2.9%	3.4%	3.4%

INTERNATIONAL (9% OF THE PORTFOLIO)

Following the disposal of four non-core assets in Italy, the international portfolio includes three major assets with an average value of €119 million: one in Spain and two in Italy, located in the most dynamic areas of each country (Barcelona and Lombardy).

In Italy, against a backdrop of economic recovery, the "refocused" portfolio exhibits solid performance with tenant sales[23] up 3.6% and a 2.8% increase in footfall.

This is the result of asset management and lease review initiatives (higher quality retailers), which still has a slight impact on net rental income like-for-like (-5.2%) and has improved bad debt ratio (1.6% vs. 2.0% at year-end 2014, after collection of outstanding debt).

The performance of Sant Cugat in Spain also confirms the center's solid positioning: tenant sales rose 5.2% and footfall increased by 1.1%.

2.2.1.1.3. Management for third parties

The Group has significantly developed its management for third parties activity in recent years. In 2015, these assets represented €39.6 million in rental income, for total value of €606 million. They make a significant contribution to the growth in Altarea Commerce's fees.

Combining controlled assets and assets managed for third parties, Altarea manages a total of approximately 1,800 leases in France and 300 in Italy and Spain.

2.2.1.1.4. Portfolio composition

During 2015, the value of the portfolio held by the Group (assets controlled or equity affiliates) increased by €84 million to €3,821 million. The disposal of the Italian assets was offset by the opening of centers during the year (+€76 million) and, in particular, by the increase in value of the portfolio on a like-for-like basis (+€142 million, or a change of +4.8%).

(€ millions)	Value[(a)]	
Total at December 31, 2014	3,737	
Centers opened	76	
Acquisitions	-	
Disposals	(134)	
Like-for-like change	**142**	*+4.8%*
o/w France	*130*	
o/w International	*12*	
TOTAL CHANGE	84	
TOTAL AT DECEMBER 31, 2015	3,821	
o/w Group share	*2,606*	
o/w share of third parties	*1,216*	

(a) Assets controlled (fully consolidated) and assets consolidated under the equity method (total figure).

On a like-for-like basis, the change included €12 million relating to rental effects and €130 million related to rate effects.

The Group held 39 sites (36 in France and 3 internationally) with an approximate average value of €100 million.

Nearly all of the assets are now concentrated in the most dynamic metropolis in France and internationally.

Breakdown by type (in millions of euros)	2015		2014		*Change*
Regional shopping centers	2,447	64%	2,275	61%	*3 pts*
Large Retail Parks (Family V)	845	22%	802	21%	*1 pt*
Local/Downtown	529	14%	660	18%	*(4) pts*
TOTAL	3,821	100%	3,737	100%	
o/w Group share	*2,606*		*2,416*		

Geographical distribution (in millions of euros)	2015		2014		*Change*
Paris Region	1,398	37%	1,275	34%	*3 pts*
PACA/Rhone-Alpes/South	1,709	45%	1,573	42%	*3 pts*
France – Other regions	357	9%	411	11%	*(2) pts*
International (Lombardy & Barcelona)	357	9%	478	13%	*(4) pts*
TOTAL	3,821	100%	3,737	100%	
o/w Group share	*2,606*		*2,416*		

Asset format		2015	2014	*Change*
France	Average value	€96 M	€93 M	*3%*
	Num. of assets	36	35	*1*
International	Average value	€119 M	€68 M	*74%*
	Num. of assets	3	7	*-4*
TOTAL	Average value	€98 M	€89 M	*10%*
	Num. of assets	39	42	*-3*

(20) Ratio of rents and expenses charged to tenants incl. taxes (including rent reductions), proportional to sales incl. taxes at 100% in France. Excluding property being redeveloped and held for sale.
(21) Net amount of allocations to and reversals of provisions for bad debt plus any write-offs during the period as a percentage of total rent and expenses charged to tenants, at 100% in France. Excluding property being redeveloped and held for sale.
(22) Rental value of vacant units (ERV) compared to the rental situation including ERV.
(23) Change in tenant sales on a like-for-like basis for 2015.

CAPITALIZATION RATE[24]

Net average capitalization rate, at 100%	2015	2014
France	5.26%	5.49%
International	6.69%	7.15%
TOTAL Portfolio	**5.40%**	**5.71%**
o/w Group share	*5.64%*	*5.99%*
o/w share of third parties	*4.87%*	*5.03%*

APPRAISAL VALUES

Cushman & Wakefield (formerly DTZ Valuation) and JLL are responsible for appraising the assets of Altarea Cogedim Group. The appraisers use two methods:

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

These valuations are conducted in accordance with the criteria set out in the "Red Book – Appraisal and Valuation Standards," published by the Royal Institute of Chartered Surveyors. The assignments were all conducted in accordance with the recommendations of the COB/CNC Barthes de Ruyter working group and comply fully with the instructions of the Appraisal Charter of Real Estate Valuation (Charte de'Expertise en Evaluation Immobiliere), updated in 2012.

Surveyors are paid lump-sum compensation based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

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

Appraiser	Portfolio	% of value, incl. transfer taxes
JLL	France	24%
Cushman & Wakefield	France & International	76%

2.2.1.1.5. Committing to a "low carbon" world

In 2015, the Group sought to reduce its direct greenhouse gas emissions and its wider carbon footprint by emphasizing less carbon-intensive construction.

With regard to its direct impact, the Group reduced its greenhouse gas emissions by 37% for assets managed between 2010 and 2015, specifically as a result of a more systematic approach to environmental certification. With 100% of its portfolio certified BREEAM In-Use, in 2015 Altarea Cogedim became the first French commercial property company to obtain environmental certification for all assets managed.

In terms of low carbon construction, in 2015 Altarea Cogedim opened the first 100% – wood shopping center in France – Marques Avenue® A13 Aubergenville. The group also declared its commitment publicly by signing, with the City of Paris, the Paris Climate Action Commitment Charter. Together with other partners, it also founded the low-carbon building association (BBCA).

(24) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.

COMMERCIAL PROPERTY: BREAKDOWN OF THE PORTFOLIO MANAGED AS OF DECEMBER 31, 2015

				o/w Group share		o/w share of third parties	
Center	GLA in m²	Gross rental income[d] (€ millions)	Value[d] (€ millions)	Share	Value[e] (€ millions)	Share	Value[e] (€ millions)
Cap 3000	64,500			33%		67%	
Villeneuve-la-Garenne – Qwartz	42,980			100%		-	
Toulouse Occitania	56,200			51%		49%	
Paris – Bercy Village	22,824			51%		49%	
Thiais Village	22,324			100%		-	
Aix-en-Provence	11,800			78%		22%	
Gare de l'Est	5,500			51%		49%	
Flins	9,700			100%		-	
Okabé	15,077			65%		35%	
Lille – Les Tanneurs & Grand' Place	25,480			100%		-	
Strasbourg – L'Aubette & Aub. Tourisme	8,400			65%		35%	
Strasbourg – La Vigie	16,232			59%		41%	
Toulon – Ollioules	3,185			100%		-	
Mulhouse – Porte Jeune	14,769			65%		35%	
Massy	18,200			100%		-	
Toulon – Grand' Var	6,336			100%		-	
Tourcoing – Espace Saint Christophe	13,000			65%		35%	
Gennevilliers (RP)	18,863			51%		49%	
Brest – Guipavas (RP)	28,000			100%		-	
Nîmes (RP)	27,500			100%		-	
Limoges (RP)	28,000			75%		25%	
Aubergenville – Marques Avenue	12,900			100%		-	
Family Village® Aubergenville (RP)	27,800			100%		-	
Family Village® Le Mans Ruaudin (RP)	23,800			100%		-	
Herblay – XIV Avenue	14,200			100%		-	
Villeparisis	18,623			100%		-	
Pierrelaye (RP)	9,750			100%		-	
Various shopping centers (3 assets)	7,491			n/a		n/a	
Sub-total France	**573,433**	**158.7**	**3,219.6**		**2,132**		**1,087**
Barcelona – San Cugat	20,488			100%		-	
Le Due Torri	33,691			100%		-	
Bellinzago	21,069			100%		-	
Sub-total International	**75,248**	**22.3**	**356.6**		**357**		**-**
CONTROLLED ASSETS (FULLY CONSOLIDATED)[a]	**648,681**	**181.0**	**3,576**		**2,489**		**1,087**
Carre de Soie	60,800			50%		50%	
Paris – Les Boutiques Gare du Nord	3,750			40%		60%	
Chalons – Hotel de Ville	5,250			40%		60%	
Roubaix – Espace Grand' Rue	13,538			33%		68%	
Various shopping centers (2 assets)	22,279			n/a		n/a	
EQUITY ASSETS[b]	**105,618**	**20.3**	**245**		**117**		**128**
Chambourcy	33,800			-		100%	
Bordeaux – Grand' Tour	11,400			-		100%	
Bordeaux – St Eulalie	14,500			-		100%	
Pau – Quartier libre	33,800			-		100%	
Brest – Jean Jaures	12,500			-		100%	
Nantes – Le Sillon Shopping	11,200			-		100%	
Orange – Les Vignes	30,700			-		100%	
Vichy – Les 4 Chemins	14,000			-		100%	
Reims – Espace d'Erlon	7,100			-		100%	
Valdoly	5,800			-		100%	
Brest – Coat ar Gueven	6,400			-		100%	
Angers – Fleur d'Eau	2,900			-		100%	
Chalon Sud	4,000			-		100%	
Toulon – Grand Ciel	2,800			-		100%	
ASSETS MANAGED FOR THIRD PARTIES[c]	**190,900**	**39.6**	**606**		**-**		**606**
Total assets under management	**945,199**	**240.9**	**4,427**		**2,606**		**1,822**

(a) Assets in which Altarea holds shares and over which it exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which it exercises joint operational control or a significant influence. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental value of signed leases at January 1, 2016.
(e) Including transfer taxes.

(RP) Retail Park.

2.2.1.2. Shopping centers under development

2.2.1.2.1. Development pipeline

The Group is focused on initiatives to restructure and develop three kinds of products:

- large regional shopping centers;
- on-the-spot retail sites, and;
- Family Village® (large retail parks).

At year-end 2015, these initiatives represented a development pipeline of more than €2.5 billion (at 100%).

Compared with the Group's portfolio in operation, the pipeline represents potential additional rental income equal to the current amount of rental income[25].

	m² GLA[c]	Est. gross rental income (€M)	Net investments[d] (€M)	Gross fore-casted yield
Controlled projects (fully consolidated)[a]	**463,100**	**183**	**2,324**	**7.9%**
Group share	*390,100*	*144*	*1,837*	
Share of minority interests	*73,000*	*39*	*488*	
Equity projects[b]	**90,000**	**16**	**223**	**7.2%**
Group share	*45,000*	*8*	*112*	
Share of third parties	*45,000*	*8*	*112*	
Total	**553,100**	**199**	**2,548**	**7.8%**
Group share	*435,100*	*152*	*1,948*	*7.8%*

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

The pipeline's yields reflect the significant share of premium assets located in areas where property is scarce (including train stations, Paris projects and Cap 3000).

GEOGRAPHIC BREAKDOWN

This pipeline is located primarily in the greater Paris region and the most dynamic metropolises.

	GLA in m²	Est. gross rental income (€M)	Net investments (€M)	%
Paris	77,000	32	441	17%
Greater Paris	280,000	89	1,142	45%
Dynamic metropolises	138,000	71	880	35%
Other	58,000	7	86	3%
Total	**553,000**	**199**	**2,548**	**100%**

When the Paris projects are opened (Macdonald, Montparnasse and Austerlitz), the rents billed by the Group will reach €59 million[26] in Paris proper (or 34% of rental income recognized in 2015[27]).

PIPELINE UNDERWAY

Altarea Cogedim Group reports only on projects that are secured or underway[28]. This pipeline does not include identified projects for which development teams are currently in talks or carrying out advanced studies.

(€ millions, net)	At 100 %	%	Group share
Committed	868	34%	355
o/w paid out	*425*	*17%*	*187*
Remaining to be paid out	*443*	*17%*	*168*
Secured not committed	1,680	66%	1,593
Total	**2,548**	**100%**	**1,948**

Given the Group's cautious risk management criteria, the decision to begin construction is made only when a sufficient pre-letting level has been reached. Considering the operational progress achieved in 2015, both administrative and operational, most pipeline projects should be delivered between 2016 and 2021.

2.2.1.2.2. 2015 Accomplishments

LEASES SIGNED

Over the course of the year, 83 leases were signed on pipeline assets, for a total of nearly €19 million in rental income, primarily concerning assets to be delivered in the near future (Macdonald and Toulon-la Valette) or in the works phase (Promenade de Flandres).

INVESTMENTS CARRIED OUT FOR PROJECTS UNDER DEVELOPMENT

Over the year, Altarea Cogedim invested[29] €230 million in its project portfolio on a Group share basis.

These investments relate mainly to:

- residual investments in recently delivered centers (Aubergenville, Qwartz…);
- and shopping centers under construction and/or redevelopment (primarily Cap 3000 and Toulon-la Valette).

GARE DE PARIS-AUSTERLITZ: BID WON

Following the tender launched by Gares & Connexions, Altarea Cogedim Group was selected as a partner in the Paris-Austerlitz train station modernization project to increase its capacity, ultimately, to 30 million travellers (compared to 22 million today).

The Group will thus be responsible for the design, construction and operation of the 27,000 m² of retail space in this historic station, which will also include offices and hotels (not to be developed by the Group), with an average temporary occupancy authorization of 40 years.

One year after being selected to guide the transformation of the Paris-Montparnasse train station (CDAC final and enforceable authorization obtained in June 2015), this additional winning proposal confirms the Group's expertise in travel retail[30].

(25) Gross rental in the pipeline: €152 million compared to €152 million on existing assets (amounts in group share).
(26) At 100%, €28 million in Group share.
(27) Rental income 2015: €175 million.
(28) Projects underway: assets under construction. Projects secured: projects partially or fully authorized, where land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.
(29) Change in non-current assets net of changes in amounts payable to suppliers of non-current assets.
(30) Note that the Group already manages the shops at Gare du Nord and Gare de l'Est.

CAP 3000

Following passage of the Macron Act, the Cap 3000 shopping center near Nice was classified as an international tourist zone in February 2016 and may now remain open until midnight, as well as on Sundays.

After an initial remodeling in 2012, the 2014 opening of waterfront restaurants and a new parking lot (increasing the number of parking places from 3,000 to 4,600 in 2015), the Group launched the extension-renovation in November.

Following this project, which will be carried out between 2016 and 2018, the center will include 300 retailers over a total Net floor area of 135,000 m² (GLA of 100,000 m²), compared to 140 retailers and a total Net floor area of 85,000 m² today.

Construction cost amounts to approximately €400 million, bringing the overall amount invested in the center since its acquisition to over €1 billion, with a gross rental income objective of close to €75 million (as compared with €23 million in 2010 at the time of the acquisition).

2.2.1.2.3. DELIVERIES PLANNED FOR 2016

In 2016, the Group will deliver two flagship shopping centers:

- Boulevard Macdonald, a center of more than 30,000 m² GLA developed in a 50/50 partnership with Caisse des Dépôts. This project, located across from a UGC multiplex movie theater, will feature 40 shops and restaurants, including 10 mid-size stores. The location is well served by three tramway stations and the brand new Rosa Parks train station (for the RER E line).
- L'Avenue 83 (Toulon-la Valette), an open-air shopping and leisure center with 51,000 m²[31] of space, located in one of the most attractive commercial areas in France (Toulon – Grand Var). It will include two large individual department stores, approximately 12 mid-size stores, 70 shops and kiosks, and 5,000 m² of restaurant space, with outside terraces, and a 16-screen Pathé multiplex cinema. Designed as an open-air retail street, Avenue 83 will offer large spaces, open plazas, a playground for children, and about 20 theme restaurants and top international brands, such as Primark, Habitat and Nike.

These two projects represent a total of €21.8 million in rental income when up to speed (€11.0 million Group share).

COMMERCIAL PROPERTY: BREAKDOWN OF THE DEVELOPMENT PIPELINE AS OF DECEMBER 31, 2015

				At 100%				Group share		
Center	SC/RP	Creation /Redevelopment /Extension	Forecast opening date [a]	GLA created in m² [b]	Gross rental income (€M)	Net invest-ments [c] (€M)	Yield	GLA created in m² [b]	Gross rental income (€M)	Net invest-ments [c] (€M)
Cap 3000	SC	Redev./Extension	2016/2018	37,000				12,300		
La Valette-du-Var	SC	Creation	H1 2016	38,800				19,800		
Massy -X%	SC	Redev./Extension	H2 2019	34,900				34,900		
Chartres	SC	Creation	H2 2018	70,000				70,000		
Paris Region	SC	Redev./Extension	H2 2021	86,000				86,000		
Gare Montparnasse	SC	Creation	2018/2020	18,500				18,500		
Gare d'Austerlitz	SC	Creation	H2 2021	26,600				26,600		
Other				106,600				77,400		
Developments/France				**418,400**	**170.2**	**2,166**	**7.9%**	**345,500**	**131.6**	**1,678**
Ponte Parodi (Genoa)	SC	Creation	H2 2020	36,700				36,700		
Le Due Torri (Lombardy)	SC	Extension	H1 2018	8,000				8,000		
Developments/International				**44,700**	**12.8**	**158**	**8.1%**	**44,700**	**12.8**	**158**
Controlled developments (fully consolidated)				463,100	183.0	2,324	7.9%	390,100	144.4	1,837
Promenade de Flandre	RP	Creation	H2 2017	58,400				29,200		
Boulevard Macdonald	SC	Creation	H1 2016	31,600				15,800		
Equity-method developments				90,000	16.1	223	7.2%	45,000	8.1	112
Total at December 31, 2015				553,100	199.1	2,548	7.8%	435,100	152.5	1,948
– o/w redevelopments/extensions				*219,700*	*109.9*	*1,389*	*7.9%*	*195,000*	*84.2*	*1,067*
– o/w asset creation				*333,400*	*89.2*	*1,159*	*7.7%*	*240,100*	*68.3*	*882*

(a) Estimated schedule of openings as of the date hereof. These forecasts may change based on the later development stages of the project.
(b) Total GLA (Gross Leasable Area) created, excluding off-plan developments for third parties. For renovation/extension projects, figures represent additional GLA created.
(c) Total budget including interest expenses and internal costs.
(SC) Shopping center.
(RP) Retail Park.

(31) Of which 37,000 m² GLA of retail space and 14,000 m² of movie theaters.

2.2.1.3. Digital Factory enriching the customer experience

Over the last three years, Altarea Commerce has built up human and technological capital, which is at the heart of its activities as a real estate investor. These initiatives led to the development of the Digital Factory, a platform that centralizes customer data efficiently. In practical terms, the Digital Factory:

- collects customer data and information from the Group's many channels,
- centralizes this information in a system dedicated to data processing (a DMP, or Data Management Platform),
- to use the information collected (including automatic data analysis and reporting) and establish targeted action plans.

The Digital Factory gives the Group a unique tool at the intersection of CRM and Big Data. This tool:

- increases knowledge of customers (including segmentation, profile comparison, online and offline purchasing behaviour, cross-referencing with "opt-in" databases, etc.);
- provides a minute-by-minute analysis of customers' physical itinerary in connected shopping centers (including information on purchasing habits by aggregating receipts, individual footfall for each shop, etc.);
- contributes to efficient actions (including targeted customer communication, customized geolocation-based offers in real time, optimized mixed merchandising management, solutions to increase footfall in "cold areas" and during off-peak hours, and negotiations with retailers based on objective criteria, etc.).

These features are already operational at Qwartz, France's first connected shopping center. The Digital Factory has helped to maximize the center's development. The Digital Factory is integrated over all new projects and those now being rolled out in Altarea Cogedim's main shopping centers that are already open to the public.

To further strengthen and build its customer knowledge, the Group joined forces with Openfield software company. This company, which specializes in the management and use of data in connected locations, is developing a Business Intelligence and Customer Relationship Management solution.

2.2.1.4. Other real estate investments

2.2.1.4.1. Rungis National Interest Market (MIN): extension of the concession until 2049

Altarea Cogedim Group has a 33.34% stake in SEMMARIS, the company that holds the Rungis MIN concession, together with the State (33.34%), several other public entities, and market operators[32].

RUNGIS MARKET

Rungis is the world's largest food wholesale market, spanning 2,340,000 m², with more than 1,000,000 m² of leasable surface area. The market's 1,200 operators employ nearly 12,000 people. Sales in 2014 stood at €8.9 billion.

SEMMARIS

The Société d'Exploitation du Marché International de Rungis was created by decree in 1965, when the wholesale produce market serving the Paris region was moved from its traditional site at Les Halles, in central Paris. Its mission is to develop, operate and manage public market network (MIN) facilities, which it leases to companies in return for charges billed to wholesalers and market users.

The Macron Act, which was passed in 2015, extends the SEMMARIS concession until 2049 (compared to 2034 previously). This extension provides SEMMARIS with sufficient visibility so that it can implement its new investment plan by 2025. SEMMARIS plans to build 264,000 m², demolish 132,000 m², and redevelop 88,000 m², at a total cost of €1 billion, half of which will be borne by SEMMARIS and the remainder by the businesses at the site.

SEMMARIS REVENUES

SEMMARIS' revenue is composed of charges billed to the market's companies and of access rights, for a 2015 total of €104.9 million.

As the Group holds only a 33.34% interest in SEMMARIS, the IFRS consolidated income for SEMMARIS appears on the line, "Share of earnings of equity method associates."

(32) The City of Paris holds 13.19%, the department of the Val de Marne holds 5.60%, the Caisse des Dépôts et Consignations holds 4.60%, and professionals and other operators hold 9.93%.

2.2.2. DEVELOPMENT

With €1,980 million in investments (Residential and Offices) in 2015, Altarea Cogedim has confirmed its ranking as one of the three leading developers in France[33].

With revenue of €1,012 million (+24%) and operating margin[34] of 8.2% (as compared with 7.1% in 2014), Residential and Office development contributed to the strong increase in the Group's income in 2015.

2.2.2.1. Residential[35]

2.2.2.1.1. Residential Market in 2015 and Future Prospects

There was an upturn in new housing sales in 2015 compared to 2014[36]. Sales increased by 17% to approximately 102,000 new residences[37], primarily funded by private investors, as the appeal of the Pinel initiative was confirmed and led to the return of private investors who had become much less active on the market since the withdrawal of the Scellier Law.

With interest rates expected to remain low, the extension of the Pinel initiative, and the expansion of the zero-interest loan (PTZ)[38] to help households regain solvency, increased activity is expected throughout the market in 2016, with respect to both institutional investors and private buyers.

2.2.2.1.2. Altarea Cogedim's Market Position

PRODUCT OFFERINGS THAT MEET CURRENT NEEDS

Active in the Paris Region and in 11 of the most economically and demographically dynamic metropolises[39], Altarea Cogedim targets areas where housing is short in supply and where needs for new constructions are the strongest.

The Group offers a wide range of products, making it relevant in all market segments. Its products are divided into the following sectors:

High-end products: These products are defined by high-end requirements in terms of architecture, quality, and location. This product line offers housing at prices starting at €5,000 per square meter in Île-de-France, and starting at €3,600 per square meter in other regions, up to luxury developments such as Exaltis, a project in Paris's 16th arrondissement (Porte d'Auteuil), the launch of which in November 2015 was a commercial success.

Mid-range and entry-level products: These programs, which represent two-thirds[40] of the Group's investments as of the end of 2015, are specifically designed to do the following:

- meet the need for affordable housing suited to the creditworthiness of our customers;
- fulfill individual investors' desires to take advantage of the new "Pinel" scheme;
- take advantage of local authorities' eagerness to develop affordable housing operations.

Serviced residences: Under the Cogedim Club® brand, Altarea Cogedim designs Serviced residences for active seniors, combining locations in the heart of the city with a broad range of à la carte services. In 2015, four Cogedim Club residences were sold in blocks to various institutional investors in Ile-de-France and in Marseille. In addition, the 35% stake acquired by Credit Agricole Assurances in Cogedim Residences Services, the company that operates Cogedim Club® residences, enables the Group to accelerate the development of this housing. In addition to residences for seniors, the Group is developing an extended line of Serviced residences, such as student residences, business tourism residences, and luxury residences.

Divided ownership sales: The Altarea Cogedim Group has developed a solution based on the temporary division of ownership. This product offering helps middle class families obtain housing in areas with shortages, while at the same time providing an investment opportunity to private investors. Four programs are currently being marketed in Villejuif, Nogent sur Marne, Arcachon and Toulouse, and 10 others are being considered.

Renovation of heritage properties: With the 2014 acquisition of a 55% stake in Histoire & Patrimoine, Altarea Cogedim now boasts a product offering eligible for tax benefits under the Historic Monuments, Malraux and Real Estate Losses schemes. This acquisition also enables the Group to enlarge its offering for local governments while creating sales and development synergies with all Group businesses. In particular, commercial synergies were developed in 2015, with successful commercial launches mixing new/renovated programs in Pantin (93), St. Raphaël (83), and Arras (62).

DIFFERENTIATED SERVICE OFFERINGS

Rental management for private investors: In addition, with the creation of Cogedim Gestion et Services, born of the combined expertise of Altarea Cogedim and Histoire et Patrimoine Gestion, the Group is developing strong synergies in terms of rental management and property management.

Personalization, services and customer proximity: The Group initiated a new generation of innovative and customizable projects, such as the Inspiration program in Nantes, which includes a range of doorman and concierge services such as receipt of packages, holding keys, receiving grocery deliveries, and on demand. In addition, connected "intelligent" halls offering *à la carte* content will also be made available to users. Finally, digital orders will enable customers to leave objects, keys or personal items. All of these services will be managed through a smartphone application available to residents.

At the same time, Altarea Cogedim has begun a full review of its residential customer support process through digital media. Concretely, this will be accomplished by launching the Cogedim Store, which will feature the latest immersive technologies, such as virtual reality home configuration and tours.

(33) With Nexity (€2,769 million in investments) and Bouygues (€2,450 million in investment), Residential and Office combined.
(34) Operating income over revenue.
(35) Excluding Pitch Promotion.
(36) Source: Ministère du Développement Durable (Ministry of Sustainable Development). Chiffres et Statistiques (figures and statistics) November 2015: sales of new housing in the third quarter of 2015.
(37) Estimate: growth of 17% in the residential market in 2015 (86,900 units in 2014: source: Ministère du Développement Durable (Ministry of Sustainable Development).
(38) Beginning in January 2016, the PTZ may be used to finance 40% of a property's purchase price (as compared with 18% to 26% in 2015). In addition, the maximum income at which borrowers are eligible for the PTZ has been increased, and the payment deferral is at least five years and up to 15 years depending on the household's financial resources. Finally, PTZ loans are now available throughout France, whereas they were previously available only in 6,000 rural municipalities.
(39) Lyon, Lille, Nice, Marseille, Toulouse, Bordeaux, Grenoble, Annecy, Montpellier, Nantes and Strasbourg.
(40) By volume.

2.2.2.1.3. Cogedim: reservations[41] up by 33% by volume (+28% by value)

RESERVATIONS BY VOLUME AND VALUE

The Group's reservations for new residences totalled €1,417 million in 2015, for 6,011 units: +33% in volume et +28% in value.

This performance is due to the adaptation of the offering to market segments with increasing needs, while maintaining "quality as a principle," the foundation of Cogedim's brand capital. 88 transactions were launched, the majority of which were entry-level and mid-range[42], for approximately €1,600 million including taxes and 6,800 units, or 53% more than in 2014.

	2015	2014	*Change*
Individual reservations	€898 M	€730 M	*+23%*
Sales to institutional investors	€519 M	€373 M	*+39%*
Total in value terms	**€1,417 M**	**€1,103 M**	***+28%***
Individual reservations	3,396 units	2,695 units	*+26%*
Sales to institutional investors	2,615 units	1,831 units	*+43%*
Total in number of units	**6,011 units**	**4,526 units**	***+33%***

The strong increase in sales was due in particular to sales to institutional investors, which represented 37% of sales (as compared with 34% in 2014).

Altarea Cogedim and the SNI Group signed a five-year partnership for the sale of mid-range housing. In 2015, the negotiations concluded with an agreement on 2,000 units, including 1,250 middle-income units and 750 low-income units. Only 363 units were included in 2015 investments; the remainder will be recorded in 2016 as construction permits are obtained.

RESERVATIONS BY PRODUCT RANGE

(number of units)	2015	%	2014		*% Change*
Entry-level/mid-range	3,977	*66%*	3,023	*67%*	-
High-end	1,312	*22%*	1,017	*22%*	-
Serviced residences	510	*8%*	329	*7%*	-
Renovation	213	*4%*	157	*3%*	-
Total	**6,011**		**4,525**		***+33%***

The increase in sales in 2015 benefited all of the product lines developed by Altarea Cogedim.

NOTARIZED SALES

(€millions incl. taxes)	2015	%	2014		*% Change*
Entry-level/mid-range	669	*56%*	591	*55%*	-
High-end	375	*31%*	325	*30%*	-
Serviced residences	122	*10%*	127	*12%*	-
Histoire & Patrimoine	32	*3%*	39	*4%*	-
Total	**1,198**		**1,082**		***+11%***

Notarized sales totaled €1,198 in 2015, an increase of 11% as compared with 2014.

2.2.2.1.4. Operating income: increase in all indicators (revenue, operating result, backlog)

REVENUES RECOGNIZED ACCORDING TO THE PERCENTAGE OF COMPLETION METHOD[43]

(€millions excl. taxes)	2015	%	2014		*% Change*
Entry-level/mid-range	491	*56%*	364	*48%*	-
High-end	332	*38%*	318	*42%*	-
Serviced residences	60	*7%*	72	*9%*	-
Total	**883**		**755**		***+17%***

Housing revenues totalled €883 million, an increase of 17% compared to 2014. Entry-level and mid-range programs represented 56% of revenues recorded according to the percentage of completion method.

RESIDENTIAL BACKLOG[44]

(€millions excl. taxes)	2015	2014	*Change*
Notarized revenues not recognized	959	879	-
Revenues reserved but not notarized	780	580	-
Backlog	**1,739**	**1,459**	***+19%***
Number of months	21	22	-

At year-end 2015, the Housing backlog totalled €1,739 million, or 21 months of work, an increase of 19% compared with 2014. This amount does not include housing that is "pre-reserved" by the SNI (in connection with the five-year partnership discussed above) but not yet included in 2015 investments. These 1,637 units (out of 2,000 negotiated) represent a potential of an additional €226 million (excluding tax).

The share of the backlog as of December 31, 2015 that will generate revenue beginning in 2016 by itself represents the equivalent of 2015 revenue, which gives the Group very good visibility for the coming year.

(41) Reservations net of cancellations, including Histoire & Patrimoine reservations proportionally to the group's ownership stake (55%).
(42) Programs for which the sale price is lower than €5,000 per square meter in the Paris region or €3,600 per square meter elsewhere.
(43) Revenues recognized according to the percentage of completion method in accordance with IFRS. Technical completion is measured by the stage of completion, excluding land.
(44) Backlog comprises revenues (excluding taxes) from notarized sales remaining to be recorded according the percentage of completion method and reservations for retail and block sales not yet recorded by a notary.

2.2.2.1.5. Risk management

Breakdown of offerings for sale[45] at year-end 2015 (€751 million, or 7 months of business, and approximately 2,600 units), depending on the stage of operational completion:

(€ millions)		-	← Risk	→	+	
		Preparation[a]	Project not yet started[b]	Project in progress[b]	In stock[c]	Total
Expenses[d]		50	93	-	-	-
The cost price includes[d]		-	-	199	8	-
Property for sale[c]		**334**	**142**	**266**	**9**	**751**
In %		*44%*	*19%*	*35%*	*1%*	*-*
Residential		*321*	*136*	*252*	*8*	*717*
Convenience stores		*13*	*6*	*14*	*1*	*34*
o/w to be delivered	*in 2016*			*77*		
	in 2017			*143*		
	in 2018 or later			*46*		

(a) Land not acquired.
(b) Land acquired.
(c) Completed residential properties.
(d) Excluding tax.

MANAGEMENT OF PROPERTIES FOR SALE

63% of the properties for sale relate to developments for which construction has not yet begun and for which the amounts committed primarily correspond to studies, advertising costs and land sales fees (or guarantees) paid upon the signature of preliminary land acquisition agreements with possibilities of retraction (mainly unilateral agreements).

35% of the properties for sale are currently being built. Only €77 million (out of €266 million) concern units to be completed by the end of 2016.

The stock amount of finished products is insignificant.

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

- the will to give priority to signature of unilateral preliminary sale agreements rather than bilateral sale and purchase agreements;
- requiring a high level of pre-marketing at the time the site is acquired, as well as at the start of construction work;
- requiring authorization from the Commitments Committee at all stages of the transaction: signature of the purchase agreement, marketing launch, land acquisition and launch of construction;
- withdrawing from or renegotiating transactions having generated inadequate take-up rates.

SUPPLY[46]

	Sales (incl. tax) (€M)	No. of units
Operations supplied in 2015	2,914	13,436
o/w entry-level and mid-range	2,138	10,738
% of supply	73%	80%

Promises signed in 2015 represent the equivalent of €2.9 billion in revenue incl. tax, or 13,400 units. They relate to the 73% of entry-level and mid-range programs that are specifically adapted to price levels corresponding to buyers' solvency.

PROPERTIES FOR SALE AND FUTURE OFFERING[47]

(€millions incl. taxes)	As of 31 12/2015	No. months	As of 31 12/2014	*Change*
Properties for sale	717	6	562	-
Future offering	5,195	44	4,380	-
Total Pipeline	**5,912**	**50**	**4,942**	***20%***
o/w Entry-Level and Mid-Range	***3,770***	***-***	***-***	***-***
In no. of units	26,507	-	20,939	*27%*
In m²	1,502,947	-	1,187,241	*27%*

The residential pipeline (properties for sale + future offering) is up 27% as compared with the end of 2015.

(45) Sale offerings comprise available-for-sale units, including tax. The breakdown of offerings does not include Histoire & Patrimoine renovation products (€37 million incl. tax).
(46) New transactions in the real estate portfolio.
(47) Future offerings comprise secured programs (through a purchase agreement, almost exclusively unilateral), the launch of which has not yet occurred, and expressed including tax. Excluding Histoire & Patrimoine and retail.

2.2.2.2. Office property

2.2.2.2.1. Economic environment and half-year activity

INVESTMENT IN OFFICE PROPERTY[48]

Thanks to a strong second half in 2015, the investment market recorded €23 billion in Office property commitments, for volume that was slightly higher than in 2014. 2015 was marked by the return of the €100 million to €200 million transactions that historically have been the backbone of the market.

Investors continued to benefit from low cost of debt, generating a flow of financial resources that has primarily benefited "core" assets, leading to a compression in real estate returns for secured products. This tendency forces investors to review their strategies and become open to non-core activities located in Paris.

INVESTMENT IN OFFICE PROPERTY[49]

Up +1% from the previous year, demand invested totalled 2.2 million m² for 2015.

Business moves remain motivated by optimization of surface area and the search for lower rent. The economic environment and low margins lead users to limit risks and to prefer renegotiating their current leases.

Immediate supply was down 3% to 3.9 million m². The share of new and redeveloped properties in immediate supply continued to decrease, to 18% (as compared with 20% at the end of 2014).

2.2.2.2.2. Group strategy

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

- as an investor through the AltaFund investment fund[50] for which the Group is the exclusive operator and a main shareholder, with capital share between 17% and 30%[51];
- as a property developer[52] with a particularly strong position on the market for turnkey projects;
- as a service provider for large institutional investors[53].

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

2.2.2.2.3. Investments

In 2015, the Group's investments increased to €563 million in 11 projects.

Project	Surface area at 100%	Equivalent value, Group share
OLLIOULES – Technopole de la Mer (Off-plan)	5,100 m²	-
NEUILLY/SEINE – Kosmo (Property Development contract)	26,300 m²	-
MARSEILLE – Euromed Center (Property Development contract)	43,600 m²	-
LYON – SANOFI (Off-plan)	15,100 m²	-
PARIS – Rue des Archives (Property Development contract)	22,700 m²	-
LYON GERLAND – Ivoire (Off-plan)	7,500 m²	-
VILLEURBANNE – View One (Off-plan)	14,700 m²	-
MASSY – Movie Theater (Off-plan)	12,600 m²	-
PARIS – Austerlitz SEMAPA	14,900 m²	-
MARSEILLE – Michelet SNC (Off-plan)	16,700 m²	-
PARIS – Avenue de Matignon (delegated project management)	13,000 m²	-
TOTAL	192,300 m²	€563 M
Investment in 2014	*105,700 m²*	*€229 M*
Change	*+81.9%*	*+146.1%*

2.2.2.2.4. Major Events during the Year

ACQUISITIONS

- Paris – La Défense – Tours Pascal (92): In May 2015, AltaFund joined with Goldman Sachs to acquire a 68,940 m² office building complex for redevelopment.

DISPOSALS

- Ollioules (83) – Technopôle de la Mer: the Group entered into a VEFA sale to a group of investors covering the first tranche of this project.
- Lyon (69) – Sanofi: in the heart of the science park of Gerland, the Group is building the future headquarters for Sanofi's animal health and vaccine divisions. The building complex, with 15,100 m² under development, is in construction for delivery in 2017, and was sold by the Group to an investor.
- Lyon (69) – Ivoire: in June, the Group signed a BEFA with the CapGemini group to bring together several CapGemini entities in Lyon. In late July, the Group entered into a VEFA sale of the property to an investor, a transaction that included a real estate development contract with Altarea Cogedim Entreprise. Construction is in progress for delivery in early 2017.
- Villeurbanne (69) – View One: the Group sold this real estate complex developing 14,700 m² of office space and 1,400 m² of retail to an investor pursuant to a VEFA sale. Located in the heart of Grand Lyon, construction is underway for a planned delivery in 2016.

(48) Source CBRE: Marketview Investment 4Q 2015.
(49) Source CBRE: Marketview Bureaux 4Q 2015.
(50) AltaFund is a discretionary investment fund created in 2011.
(51) In March 2015, the group increased its equity from €100 million to €150 million, thus bringing its investment to 30% of new transactions begun by AltaFund since 2015.
(52) Off-plan sales or leases and property development contracts.
(53) In connection with delegated project management.

DEVELOPMENTS IN PROGRESS

During the year, the Group obtained clear construction permits for two signature transactions:

- Kosmo – Neuilly sur Seine: 26,300 m²;
- Pont d'Issy – Issy-les-Moulineaux: 56,600 m².

PROJECTS BEGUN

In 2015, the Group began construction on 6 projects representing 85,200 m² of office space and a 12,600 m² convention center[54].

DELIVERIES

At the same time, the Group delivered 5 projects for a total of 69,700 m²[55], including the office portion of the Laennec project as well as the Raspail building (first AltaFund project, sold to La Française).

WELL-BEING AND DIGITAL MODELING

Centered around the well-being and comfort of future users, the Well certification is being deployed at the Pont d'Issy project in Issy-les-Moulineaux, and then progressively at other office projects of the Group. In the same vein, work on biophilia and the preservation of biodiversity is integrated into our new office projects, as witnessed by the Biodivercity certification on the Austerlitz SEMAPA office building in Paris's 13th Arrondissement.

At the same time, to go further in digitalizing the design process, the Group has expanded its use of digital modeling (building information modeling, or BIM) to 100% of its new office programs.

2.2.2.2.5. Summary of projects underway

Nature of project	Surface area at 100%	Equivalent in value
AltaFund[a]	126,100 m²	€641 M
Property Development contracts/Off-plan sales/ Off-plan leases[b]	367,900 m²	€1,434 M
Delegated project management[c]	37,000 m²	€121 M
TOTAL	**531,000 m²**	**€2,196 M**
o/w under construction	146,500 m²	€509 M

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

BACKLOG[56] (OFF-PLAN, PROPERTY DEVELOPMENT CONTRACTS AND DELEGATED PROJECT MANAGEMENT)

The VEFA/CPI backlog represented €324 million at the end of December 2015, as compared with €133 million for the previous year. The Group also has a MOD fee backlog of €4.1 million.

(€ millions)	12/31/2015	12/31/2014	*Change*
Backlog (Off-plan, Property Development contracts)	€324.0 M	€133.0 M	*x2.4*
Backlog of delegated project management fees	€4.1 M	€5.7 M	-
TOTAL	**€328.1 M**	**€138.7 M**	***x2.4***

(54) Projects begun: Lyon SANOFI, Lyon Ivoire, Villeurbanne View One, Paris Rue des Archives, Marseille Euromed Center (Phases 484), and Massy Movie Theater and Convention Center.
(55) Deliveries: Paris Laennec, Paris Raspail, Cœur d'Orly Askia, Marseille Euromed Center (Phase 1) and Montpellier Mutuelle des Motards.
(56) Backlog is composed of notarized sales, excl. tax, not yet recorded according to the percent of completion method, excl. tax, not yet notarized (signed property development contracts), and fees to be received from third parties on signed contracts.

BREAKDOWN OF PROGRAMS UNDERWAY AT DECEMBER 31, 2015

Project	Description	Surface area at 100%	Equivalent in value	Status
NEUILLY/SEINE – Kosmo	AltaFund	26,300 m²		Secured
PARIS – Rue de Richelieu	AltaFund	30,900 m²		Secured
LA DÉFENSE – Tours Pascal	AltaFund	68,900 m²		Secured
AltaFund [a]		**126,100 m²**	**€641 M**	
OLLIOULES – Technopôle de la Mer	Off-plan sale	5,100 m²		Construction underway
MARSEILLE – Euromed Center (Phases 2, 3, 4 & 5)	Property Development contract	43,600 m²		Construction underway
TOULOUSE Blagnac – SAFRAN	Off-plan sale	25,200 m²		Construction underway
LYON – SANOFI	Off-plan sale	15,100 m²		Construction underway
PARIS – Rue des Archives	Property Development contract	22,700 m²		Construction underway
LYON GERLAND – Ivoire	Off-plan sale	7,500 m²		Construction underway
VILLEURBANNE – View One	Off-plan sale	14,700 m²		Construction underway
MASSY – Hôtel Place du Grand Ouest	Off-plan sale	12,600 m²		Construction underway
ISSY-LES-MOULINEAUX – Pont d'Issy	Off-plan sale	54,100 m²		Secured
PARIS – Austerlitz SEMAPA	Property Development contract	14,900 m²		Secured
MARSEILLE – Michelet	Off-plan sale	16,700 m²		Secured
TOULON – TPM (Retail & hotel)	Off-plan sale	2,700 m²		Secured
MASSY – Hotel Place du Grand Ouest	Off-plan sale	6,000 m²		Secured
ANTONY – Croix de Berny (Tranche 2)	Off-plan sale	16,600 m²		Secured
NANTERRE – Coeur de Quartier	Off-plan sale	20,800 m²		Secured
CŒUR D'ORLY (Excl. Ilot Askia)	Property Development contract	54,400 m²		Secured
NICE MERIDIA – Ilot Robini (Units 1 & 3)	Property Development contract	9,400 m²		Secured
TOULOUSE – Montaudran	Off-plan sale	19,100 m²		Secured
BLAGNAC – Hôtel	Off-plan sale	6,700 m²		Secured
Property Development contracts/ Off-plan sales/Off-plan leases [b]		**367,900 m²**	**€1,434 M**	
PARIS – Champs Élysées	Delegated project management	24,000 m²		Secured
PARIS – Matignon	Delegated project management	13,000 m²		Secured
Delegated project management [c]		**37,000 m²**	**€121 M**	
TOTAL		**531,000 m²**	**€2,196 M**	

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

Despite the size of this portfolio, due to the financial planning put in place, the Group's exposure to Office risk represents only €175 million on its consolidated balance sheet, or approximately 3% of the Group's total balance sheet.

2.2.2.3. Retail development: High-street retail

Retail formats, in particular in the food sector, are evolving, and convenience stores are making a comeback with consumers. Seeking new market share, the large retail groups have decided to position themselves through multiple distribution channels (the multi-format), enlarging the range of points of sale, from hypermarket to convenience store.

In 2014, Altarea Cogedim launched Alta Proximité to provide the new neighbourhoods developed by the Group with a quality supply of everyday retail and services. The Alta Proximité initiative establishes partnerships with retail and convenience chains in order to industrialize supply, whether in the area of groceries, restaurants, health, childcare or leisure.

This approach, born of the Group's retail know-how, is quite different from that of other, classical housing developers, as demonstrated by the Group's recent successes in mixed-use projects (see bids won, Section 2.1.2.3).

The potential for this business represents approximately 20,000 m² of retail space per year and approximately €10 million in recurring operating income in the future.

As of December 31, 2015, the Alta Proximité portfolio is as follows:

	No.	Surface area (m²)	Revenue (€ millions)
Secured Transactions	**57**	**90,300**	**266**
< 3,000 m²	*50*	*38,000*	*102*
between 3,000 m² and 7,000 m²	*4*	*19,000*	*50*
> 7,000 m²	*3*	*33,300*	*115*
Transactions Under Development	**3**	**10,100**	**48**
< 3,000 m²	*2*	*3,400*	*37*
between 3,000 m² and 7,000 m²	*1*	*6,700*	*10*
> 7,000 m²	-	-	-
Total Portfolio	**60**	**100,300**	**314**

The Group's strategy for these retail complexes is twofold:

- pure real estate development (Development, Valuation, Resale) for transactions under €50 million;
- long-term holdings in real estate for exceptional transactions.

2.3. CONSOLIDATED RESULTS

2.3.1. RESULTS

2.3.1.1. Sale of Rue du Commerce: Presentation of the income statement

Rue du Commerce was sold to Carrefour on January 1, 2016, Carrefour having announced last summer that it had signed an agreement to purchase shares from the Group. Pursuant to IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations", continuing operations are presented separately from discontinued operations. The Rue du Commerce activity, therefore, is aggregated on a single line in the income statement entitled "activity in the process of being sold".

2.3.1.2. 2015 results: 27.8% increase in the published FFO

Group FFO grew strongly to €161.2 million, a +27.8% increase from 2014. Excluding the impact of Rue du Commerce, "real estate" FFO (at comparable scope) was up +10.6%, in particular due to development activities.

On a per-share basis, FFO increased +23.8% (+7.2% at constant scope of consolidation) after the dilutive impact of the stock dividend paid in 2014, which affected the full year in 2015.

(€ millions)	12/31/2015				12/31/2014 Restated[a]		
	Funds From Operations (FFO)		Changes in value, estimated expenses and trans-action costs	Total	Funds From Operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total
Shopping centers	195.9	*4%*	10.7	206.6	188.6	3.6	192.2
Residential	883.1	*17%*	-	883.1	755.3	-	755.3
Offices	128.5	*94%*	-	128.5	66.2	-	66.2
REVENUE	**1,207.5**	***19.5%***	**10.7**	**1,218.2**	**1,010.1**	**3.6**	**1,013.7**
O/w development	*1,011.6*	*23.1%*	-	*1,011.6*	*821.5*	-	*821.5*
Shopping centers	155.5	*(3.9)%*	111.4	266.9	161.7	104.5	266.2
Residential	52.3	*28.7%*	(5.0)	47.4	40.7	(7.0)	33.7
Offices	30.4	*70.4%*	(1.1)	29.4	17.8	1.4	19.3
Others	(3.5)	*n/a*	(0.7)	(4.2)	0.6	(2.8)	(2.2)
OPERATING INCOME	**234.7**	***6.3%***	**104.7**	**339.4**	**220.8**	**96.2**	**317.0**
O/w development	*82.7*	*41.4%*	*(6.0)*	*76.7*	*58.5*	*(5.6)*	*52.9*
Profitability/development revenue	*8.2%*	*+1.1pt*	-	-	*7.1%*	-	-
Cost of net debt	(31.9)	*(4.8)%*	(5.4)	(37.4)	(33.6)	(5.0)	(38.6)
Discounting of debt and receivables	-	-	(0.2)	(0.2)	-	(5.9)	(5.9)
Change in value and income from disposal of financial instruments	-	-	(40.5)	(40.5)	-	(72.8)	(72.8)
Proceeds from the disposal of investments	-	-	(0.1)	(0.1)	-	0.0	0.0
Corporate income tax	(0.9)	*(27)%*	(3.9)	(4.8)	(1.3)	86.3	85.0
NET RESULTS FROM CONTINUING OPERATIONS	**201.8**	***8.5%***	**54.7**	**256.5**	**186.0**	**98.8**	**284.8**
Minority shares in continued operations	(40.7)	*0.9%*	(35.2)	(75.8)	(40.3)	(105.4)	(145.7)
NET RESULTS FROM CONTINUING OPERATIONS, GROUP SHARE	**161.2**	***10.6%***	**19.5**	**180.7**	**145.7**	**(6.6)**	**139.2**
FFO FROM CONTINUING OPERATIONS, GROUP SHARE, PER SHARE	**12.95**	***7.2%***	-	-	**12.09**	-	-
Net result from activities in the process of being sold[b]	-	-	(72.3)	(72.3)	(19.6)	(5.3)	(24.8)
NET PROFIT	**201.8**	**21.3%**	**(17.7)**	**184.2**	**166.4**	**93.5**	**259.9**
Non-controlling interests	(40.7)	0.9%	(35.1)	(75.8)	(40.3)	(105.4)	(145.6)
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**161.2**	**27.8%**	**(52.8)**	**108.4**	**126.1**	**(11.8)**	**114.3**
FFO (GROUP SHARE) PER SHARE	**12.95**	**23.8%**	-	-	**10.46**	-	-
Average number of shares after dilution	*12.442*	-	-	-	*12.055*	-	-

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and IFRS 5 "Non-current assets held for sale and discontinued operations".
(b) Composed in 2015 of the operating losses of the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same activity (Rue du Commerce) (see note 4.4 "Operation held for sale").

2.3.1.3. FFO[57] Group share: €161.2 million, +27.8% (+10.6% at constant scope)

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

By activity, FFO Group share is broken down as follows:

(€ millions)	2015	2014 Adjusted	*Change*
FFO RETAIL	94.2	100.8	*(6.6)%*
o/w Commercial Property	113.9	112.0	*+1.7%*
o/w Services and Development	(19.7)	(11.2)	*x1.8*
FFO DEVELOPMENT	70.5	44.3	*+59.1%*
o/w Residential	42.2	28.3	*+49.4%*
o/w Offices	28.3	16.1	*+76.3%*
FFO CORPORATE	(3.5)	0.6	
FFO consolidated Group share	*161.2*	*145.7*	*+10.6%*

FFO RETAIL

This includes, first, FFO Commercial Real Estate, which measures the financial performance of the portfolio, Group share, and second, FFO Services and Development, which is composed of Altarea Retail costs that are not covered by fees and expenses (Capex) relating to projects underway, restructured or put in service, but that cannot be capitalized in the IFRS accounts (essentially launch expenses, publicity and marketing)[58].

(€ millions)	2015	2014 Adjusted	*Change*
Rental income	195.9	188.6	
NET RENTAL INCOME	160.5	156.4	*+2.6%*
% of rental revenues	*81.9%*	*82.9%*	
Contribution of EM associates	14.7	16.5	
Cost of net debt	(26.5)	(27.4)	
Non-controlling interests	(34.9)	(33.6)	
FFO Commercial Property	113.9	112.0	*+1.7%*
FFO Services and Development	(19.7)	(11.2)	*x1.8*
FFO Retail	94.2	100.8	*(6.6)%*

FFO Commercial Property increased by 1.7% to €113.9 million, due to the increase in net rental income (+2.6). The cost of net debt was slightly down, due to the decrease in the average interest rate, which was 1.94% in 2015, as compared with 2.41% in 2014, and which more than offset the increase in the nominal amount of real estate debt. Minority interests relate to assets held with partners (principally Cap 3000 and the five shopping centers held with Allianz).

FFO Services and Development relates to the creation of potential value for the retail pipeline (approximately €600 million, in Group share[59]).

FFO DEVELOPMENT

2015 was marked by a strong rebound, with both an increase in revenue (+23.5%) and improved profitability, which reached 8.2% of revenue (as compared with 7.1% in 2014).

(€ millions)	2015	2014 Adjusted	*Change*
Housing Revenue	883.1	755.3	
Office Revenue	128.5	66.2	
DEVELOPMENT REVENUE	1,011.6	821.5	*+23.1%*
Operating cash flow Residential	52.3	40.7	
Operating cash flow Offices	30.4	17.8	
DEVELOPMENT CASH FLOW	82.7	58.5	*+41.4%*
% of revenue	*8.2%*	*7.1%*	
Cost of net debt	(5.5)	(6.2)	
Non-controlling interests	(5.8)	(6.7)	
Corporate income tax	(0.9)	(1.3)	
FFO Development	70.5	*44.3*	*+59.1%*

These excellent results are the result of the success of the Group's entry-level and mid-range residential offerings, and the strong contribution of the turnkey office users. The €10.7 million impact of the AltaFund contribution, related in part to the sale of the SEMAPA project, should also be noted.

Operating cash flow attributable to minority interests amounted to €5.8 million in 2015, compared to €6.7 million in 2014.

Corporate income tax corresponds to the non-SIIC sector, essentially regrouped under the Altareit tax consolidation. In 2015, the Group was able to offset its taxable income against tax loss carry forwards, limiting the amount of income tax payments to -€0.9 million.

FFO CORPORATE

The €3.5 million loss in 2015 relates to the free share grants to be granted during the coming years.

FFO PER SHARE: €12.95 PER SHARE, +23.8% (+7.2% AT CONSTANT SCOPE)

The increase in the average number of shares is due to the stock dividend paid in 2014, which resulted in the creation of 922,692 shares, affecting the full year in 2015 and causing a dilution of the result-per-share indicators.

(57) Funds From Operations, Group and non-Group.
(58) In 2015, these expenses mainly concerned Cap 3000, Qwartz and the two extensions delivered in Aix-en-Provence and Aubergenville.
(59) Difference between the potential value including transfer duties of the projection delivery (triple net rent capitalized at 5.5%), not discounted and net investment or development projects. Value in group share.

2.3.1.4. Changes in value and calculated charges: €-52.8 million

Group share	(€ millions)
Change in value – Investment properties[a]	118.7
Change in value – Financial instruments	(40.5)
Disposal of assets and transaction costs	4.8
Share of equity-method associates	(10.7)
Deferred tax	(3.9)
Calculated charges[b]	(13.7)
TOTAL CONTINUING ACTIVITIES	54.7
Non-controlling interests	(35.1)
Net result from activities in the process of being sold	(72.3)
TOTAL Group share	(52.8)

(a) Including change in value of assets consolidated using the equity method.
(b) Allowances for depreciation and non-current provisions, stock grants, pension provisions, staggering of debt issuance costs.

Net result from activities in the process of being sold corresponds to the loss recognized on Rue du Commerce in 2015 (operating loss and capital loss).

NET CONSOLIDATED INCOME 2015

Total net consolidated income, Group share, was €108.4 million in 2015, including €161.2 million in FFO and €-52.8 million in changes in value and calculated charges.

2.3.2. NET ASSET VALUE (NAV)

GROUP NAV	12/31/2015				12/31/2014 published	
	€ millions	*Change*	In €/share[c]	*Change/share*	€ millions	In €/share[c]
Consolidated equity, Group share	1,230.3	-	98.3	-	1,249.5	99.9
Other unrealized capital gains	381.4	-	-	-	276.8	-
Restatement of financial instruments	20.8	-	-	-	87.8	-
Deferred tax on the balance sheet for non-SIIC assets (international assets)	20.1	-	-	-	22.4	-
EPRA NAV	1,652.5	*+1.0%*	132.1	*+1.0%*	1,636.5	130.8
Market value of financial instruments	(20.8)	-	-	-	(87.8)	-
Fixed-rate market value of debt	(19.4)	-	-	-	(13.1)	-
Effective tax for unrealized capital gains on non-SIIC assets[a]	(18.2)	-	-	-	(17.6)	-
Optimization of transfer taxes[a]	66.4	-	-	-	55.6	-
Partners' share[b]	(15.8)	-	-	-	(14.9)	-
EPRA NNNAV (NAV LIQUIDATION)	1,644.7	*+5.5%*	131.4	*+5.5%*	1,558.6	124.6
Estimated transfer taxes and selling fees	74.5	-	-	-	65.9	-
Partners' share[b]	(0.7)	-	-	-	(0.6)	-
DILUTED GOING-CONCERN NAV	1,718.5	*+5.8%*	137.3	*+5.8%*	1,623.9	129.8

(a) Varies according to the type of disposal, i.e. sale of asset or sale of securities.
(b) Maximum dilution of 120,000 shares.
(c) Number of diluted shares: 12,513,433 (12/31/2015); 12,512,638 (12/31/2014)

2.3.2.1. Change in Going Concern NAV

NAV created value from real estate activities of €292.5 million (+18% per share), generated both by the strong results of operations for 2015 and the increase in the value of the Group's assets. Taking into account the dividend paid, and despite the loss on sold activities (Rue du Commerce), NAV increased by 5.8% to €137.3 per share.

Diluted Going-Concern NAV	(€ millions)	(€/share)	
At December 31, 2014	1,623.9	129.8	
FFO 2015	161.2	13.0	
Change in value of assets (Net of minority interests)	83.6	6.7	
Change in value - Financial instruments	(40.5)	(3.3)	
Others[a]	(23.6)	(1.9)	
Other changes in value[b]	112.0	9.0	
Creation of real estate value	292.7	23.5	+18.1%
2014 dividend	(125.7)	(10.0)	
Discontinued activities (Rue du Commerce)	(72.3)	(5.8)	
As of December 31, 2015	1,718.5	137.3	+5.8%

(a) O/w deferred taxes, calculated charges, transaction costs.
(b) Concerns primarily the value of the development division (Cogedim, AltaFund) and the SEMMARIS.

2.3.2.2. Calculation basis

OTHER UNREALIZED CAPITAL GAINS OR LOSSES

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

- two hotel business franchises (Hotel Wagram and Résidence Hôtelière de L'Aubette);
- the rental management and retail Property Development division (Altarea France);
- the Group's interest in the Rungis Market (SEMMARIS);
- the Property Development division (Cogedim);
- the office Property Investment division (AltaFund).

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

The increase was caused in particular by development activities (both residential and office), which experienced a strong recovery in 2015 and for which the prospects are improved by continuing low interest rates.

TAX

Most of Altarea's Property Portfolio is not subject to capital gains tax under the SIIC regime. The exceptions are a limited number of assets which are not SIIC-eligible due to their ownership method, and assets owned outside France. For these assets, capital gains tax on disposals is deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the market value and tax value of the property assets.

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

TRANSFER TAXES

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

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

PARTNERS' SHARE

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

2.4. FINANCIAL RESOURCES

2.4.1. FINANCIAL POSITION

CONSOLIDATED NET DEBT: €2.4 BILLION

Altarea Cogedim's net financial debt stood at €2,442 million at December 31, 2015 compared to €1,772 million at December 31, 2014 (+€670 million).

The increase in net financial debt is due primarily to the acquisition of 100% control of Qwartz for €275 million[60] and to the extension work on Cap 3000 for €189 million. The increase in working capital requirements in development also contributed €92 million, in line with that division's strong growth.

(€ millions)	Dec. 2015	Dec. 2014
Corporate and bank debt	602	458
Credit markets[a]	545	537
Mortgage debt	1,313	901
Property Development debt	248	234
Total gross debt	**2,708**	**2,130**
Cash and cash equivalents	(266)	(358)
Total net debt	**2,442**	**1,772**

(a) Of which €60.5 million in treasury bills.

The average term of the Group's debt (excluding development and treasury bills) was 6.0 years[61], as compared with 3.7 years as of December 31, 2014.

€2.2 BILLION IN LONG-TERM FINANCING OBTAINED

In 2015, the Group took advantage of exceptionally favourable market conditions to refinance a large proportion of its balance sheet, with close to €2.2 billion in financing obtained.

Nominal amount (€ millions)	New money	Refinan-cing	Total	Average duration
Mortgage financing	468	1,034	1,502	8.5
Corporate financing	209	456	665	5.2
Total (at 100%)	**677**	**1,490**	**2,167**	**7.5**
Group share			*1,975*	

- Most of the new financing is in the form of long-term mortgages (21 assets financed or refinanced, including Cap 3000 for €400 million).
- The average term of the new financing over the period is 7.5 years, for an average spread of 129 basis points.

AVAILABLE CASH: €516 MILLION

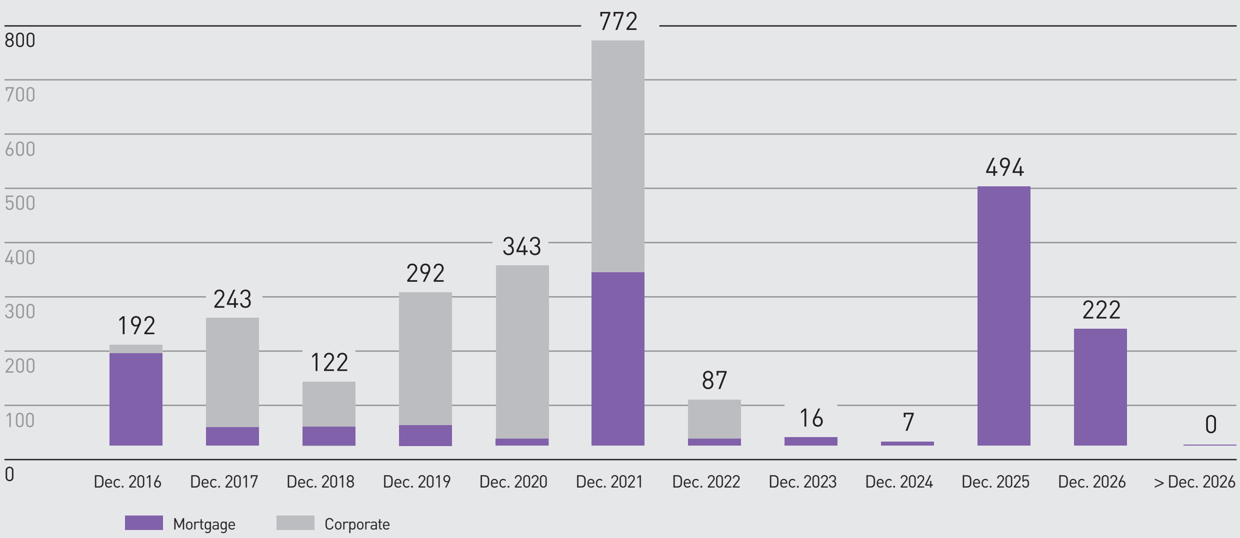
As of the date hereof, available cash is composed of the following:

- €332 million in resources at the corporate level (cash and confirmed authorizations, excluding treasury bills), which is sufficient to cover corporate debt payments in 2016 and 2017;
- and €184 million in confirmed, unused credit authorizations attached to specific projects.

Mortgage maturities in 2016 concern three assets, for two of which the Group already has term sheets in the course of negotiation.

Mortgage maturities in 2021 correspond to Cap 3000, the restructuring of which will have been completed the previous year.

Maturity schedule for Group debt[62]
(in € millions)



(60) €200 million in acquisition price for 50%, to which is added €75 million in debt acquisition on the share previously held that was consolidated by the equity method.
(61) Including firm commitments received and financing signed at the beginning of 2016.
(62) Excluding development debt and treasury bills, and including finalized financing agreements and financing agreements for which the group has received firm commitments as of the beginning of 2016, in millions of euros.

2.4.2. FINANCING STRATEGY

HEDGING: NOMINAL AMOUNT AND AVERAGE RATE

The Altarea Cogedim Group enters into fixed-rate hedges for 70% to 90% of the nominal amount of its debt, with the remainder exposed to three-month EURIBOR.

Hedging instruments are entered into at a global level, and for the most part are not tied to specific financing agreements. They are recorded at fair value in the consolidated financial statements.

Given the restructuring of its swap portfolio during the first quarter of 2016, the average hedge length has significantly increased, and the average hedged interest rate is now between 0.46% and 1.32%, between 2016 and 2025, giving the Group excellent visibility as to its average hedged cost.

Maturity	Swap[a] (€M)	Fixed-rate debt[a] (€M)	Total[a] (€M)	Average swap rate[b]
Dec. 15	890	767	1,658	0.46%
Dec. 16	937	765	1,703	0.48%
Dec. 17	1,462	563	2,025	0.97%
Dec. 18	1,723	561	2,284	1.32%
Dec. 19	1,631	409	2,040	1.10%
Dec. 20	1,830	407	2,237	1.10%
Dec. 21	1,721	175	1,896	1.12%
Dec. 22	1,694	173	1,868	1.12%
Dec. 23	1,693	171	1,864	1.12%
Dec. 24	1,592	169	1,761	1.12%

(a) In share of consolidation.
(b) Average rate of swaps and average swap rate of the fixed rate debt (excluding spread, at the fixing date of each transaction).

In addition, the Group holds options of shorter durations, the details of which are provided below.

Maturity	Cap[a]	Average swap rate
Dec. 15	155	2.83%
Dec. 16	99	2.62%
Dec. 17	25	1.50%
Dec. 18	25	1.50%
Dec. 19	25	1.50%
Dec. 20	25	1.50%

(a) In share of consolidation.

COST OF DEBT (1.94% IN 2015)

The combination of hedging entered into during favorable market windows and the significant use of mortgage financing explains why the Group's average cost of debt is among the lowest of European real estate companies, while maintaining long durations. Altarea Cogedim expects to remain structurally under 2.50% of average cost in the coming years due to the highly secured nature of its liabilities.

FINANCIAL COVENANTS

	Covenant	Dec. 2015	Dec. 2014	Delta
LTV [a]	≤ 60%	44.5%	37.7%	+6.8 pts
ICR[b]	≥ 2.0 x	7.3 x	5.9 x	+1.4 x

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

On December 31, 2015, the Group was in compliance with all covenants.

Consolidated Income Statement by segment as of 12/31/2015

(€ millions)	12/31/2015			12/31/2014 Restated[a]		
	Funds From Operations (FFO)	Changes in value, estimated expenses and transaction costs	Total	Funds From Operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Rental income	174.6	-	174.6	169.5	-	169.5
Other expenses	(14.1)	-	(14.1)	(13.1)	-	(13.1)
Net rental income	**160.5**	**-**	**160.5**	**156.4**	**-**	**156.4**
External services	21.3	-	21.3	19.2	-	19.2
Own work capitalized and production held in inventory	17.6	-	17.6	19.7	-	19.7
Operating expenses	(58.6)	(0.8)	(59.4)	(50.1)	(2.1)	(52.2)
Net overhead expenses	**(19.7)**	**(0.8)**	**(20.5)**	**(11.2)**	**(2.1)**	**(13.3)**
Share of equity-method affiliates	**14.7**	**(11.0)**	**3.7**	**16.5**	**19.9**	**36.5**
Net allowances for depreciation and impairment	**-**	**(2.4)**	**(2.4)**	**-**	**(0.1)**	**(0.1)**
Income/loss on sale of assets	**-**	**9.8**	**9.8**	**-**	**1.9**	**1.9**
Income/(loss) in the value of investment property	**-**	**118.7**	**118.7**	**-**	**85.2**	**85.2**
Transaction costs	**-**	**(3.0)**	**(3.0)**	**-**	**(0.3)**	**(0.3)**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	155.5	111.4	266.9	161.7	104.5	266.2
Revenue	883.3	-	883.3	754.5	-	754.5
Cost of sales and other expenses	(812.2)	-	(812.2)	(699.7)	-	(699.7)
Net property income	**71.1**	**-**	**71.1**	**54.8**	**-**	**54.8**
External services	(0.2)	-	(0.2)	0.7	-	0.7
Production held in inventory	68.9	-	68.9	58.7	-	58.7
Operating expenses	(93.4)	(1.3)	(94.7)	(80.6)	(1.4)	(82.0)
Net overhead expenses	**(24.6)**	**(1.3)**	**(25.9)**	**(21.1)**	**(1.4)**	**(22.5)**
Share of equity-method affiliates	**5.9**	**0.3**	**6.2**	**6.9**	**(2.2)**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.6)**	**(2.6)**	**-**	**(2.9)**	**(2.9)**
Transaction costs	**-**	**(1.5)**	**(1.5)**	**-**	**(0.4)**	**(0.4)**
NET RESIDENTIAL PROPERTY INCOME	52.3	(5.0)	47.4	40.7	(7.0)	33.7
Revenue	121.1	-	121.1	59.0	-	59.0
Cost of sales and other expenses	(102.8)	-	(102.8)	(52.7)	-	(52.7)
Net property income	**18.2**	**-**	**18.2**	**6.2**	**-**	**6.2**
External services	7.4	-	7.4	7.3	-	7.3
Production held in inventory	12.8	-	12.8	12.4	-	12.4
Operating expenses	(16.4)	(0.5)	(16.9)	(15.1)	(0.6)	(15.8)
Net overhead expenses	**3.8**	**(0.5)**	**3.4**	**4.5**	**(0.6)**	**3.9**
Share of equity-method affiliates	**8.3**	**(0.1)**	**8.3**	**7.1**	**2.3**	**9.5**
Net allowances for depreciation and impairment	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	30.4	(1.1)	29.4	17.8	1.4	19.3
Other (Corporate)	**(3.5)**	**(0.7)**	**(4.2)**	**0.6**	**(2.8)**	**(2.1)**
OPERATING INCOME	234.7	104.7	339.4	220.8	96.2	317.0
Cost of net debt	**(31.9)**	**(5.4)**	**(37.4)**	**(33.6)**	**(5.0)**	**(38.6)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(5.9)**	**(5.9)**
Change in value and income from disposal of financial instruments	**-**	**(40.5)**	**(40.5)**	**-**	**(72.8)**	**(72.8)**
Proceeds from the disposal of investments	**-**	**(0.1)**	**(0.1)**	**-**	**0.0**	**0.0**
PROFIT BEFORE TAX	202.8	58.6	261.3	187.3	12.5	199.8
Corporate income tax	**(0.9)**	**(3.9)**	**(4.8)**	**(1.3)**	**86.3**	**85.0**
NET RESULTS FROM CONTINUING OPERATIONS	201.8	54.7	256.5	186.0	98.8	284.8
Minority shares in continued operations	**(40.7)**	**(35.2)**	**(75.8)**	**(40.3)**	**(105.4)**	**(145.7)**
NET RESULTS FROM CONTINUING OPERATIONS, GROUP SHARE	161.2	19.5	180.7	145.7	(6.6)	139.1
Average number of shares after dilution	*12,442,315*			*12,054,997*		
NET INCOME PER SHARE FROM CONTINUING OPERATIONS, GROUP SHARE	12.95	1.57	14.52	12.09	(0.55)	11.54
Net income from activities in the process of being sold[b]	**-**	**(72.3)**	**(72.3)**	**(19.6)**	**(5.3)**	**(24.8)**
NET PROFIT	201.8	(17.7)	184.2	166.4	93.5	259.9
Non-controlling interests	**(40.7)**	**(38.1)**	**(78.7)**	**(40.3)**	**(105.4)**	**(145.6)**
NET PROFIT, attributable to Group shareholders	161.2	(52.8)	108.4	126.1	(11.8)	114.3
Earnings per share attributable to group shareholders (€)	*12.95*	*(4.24)*	*8.71*	*10.46*	*(0.98)*	*9.48*

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and IFRS 5 "Non-current assets held for sale and discontinued operations".
(b) Composed in 2015 of the operating losses of the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same activity (Rue du Commerce) (see note 4.4 "Operation held for sale").

Balance sheet at December 31, 2015

(€ millions)	12/31/2015	12/31/2014 Restated [a]
NON-CURRENT ASSETS	**4,498.0**	**3,940.5**
Intangible assets	202.1	244.7
o/w Goodwill	*128.7*	*128.7*
o/w Brands	*66.6*	*96.8*
o/w Other intangible assets	*6.7*	*19.2*
Property, plant and equipment	6.2	10.6
Investment properties	3,759.6	3,163.6
o/w Investment properties in operation at fair value	*3,453.6*	*2,974.4*
o/w Investment properties under development and under construction at cost	*306.0*	*189.2*
Securities and investments in equity affiliates and non-consolidated interests	361.0	362.0
Loans and receivables (non-current)	42.9	43.3
Deferred tax assets	126.2	116.4
CURRENT ASSETS	**1,634.9**	**1,406.4**
Net inventories and work in progress	711.5	617.9
Trade and other receivables	475.0	392.5
Income tax credit	6.0	6.3
Loans and receivables (current)	29.2	15.2
Derivative financial instruments	20.0	15.9
Cash and cash equivalents	266.0	358.0
Non-current assets held for sale	127.2	0.7
TOTAL ASSETS	**6,132.9**	**5,347.0**
EQUITY	**2,250.9**	**2,169.9**
Equity attributable to Altarea SCA shareholders	**1,230.3**	**1,250.1**
Share capital	191,2	191,2
Other paid-in capital	396,6	518,7
Reserves	534.0	425.9
Income associated with Altarea SCA shareholders	108.4	114.3
Equity attributable to non-controlling interests of subsidiaries	**1,020.6**	**919.8**
Reserves associated with non-controlling interests of subsidiaries	749.8	579.1
Other equity components, subordinated perpetual Notes	195.1	195.1
Income associated with non-controlling interests of subsidiaries	75.8	145.6
NON-CURRENT LIABILITIES	**2,416.2**	**1,850.0**
Non-current borrowings and financial liabilities	2,366.4	1,795.1
o/w Participating loans and advances from associates	*63.6*	*50.8*
o/w Bond issuances	*477.8*	*477.2*
o/w Borrowings from lending establishments	*1,825.0*	*1,267.1*
Long-term provisions	17.4	21.3
Deposits and security interests received	29.8	26.2
Deferred tax liability	2.5	7.4
CURRENT LIABILITIES	**1,465.8**	**1,327.0**
Current borrowings and financial debt (less than one year)	450.6	448.3
o/w Bond issuances	*4.4*	*4.3*
o/w Borrowings from credit institutions (excluding overdrafts)	*335.1*	*326.5*
o/w Treasury notes	*60.5*	*53.0*
o/w Bank overdrafts	*4.9*	*2.1*
o/w Group shareholders and partners	*45.8*	*62.3*
Derivative financial instruments	37.3	102.7
Accounts payable and other operating liabilities	837.7	757.4
Tax due	9.5	18.7
Liabilities of the activity in the process of being sold and liabilities relating to assets intended for sale	130.7	-
TOTAL EQUITY AND LIABILITIES	**6,132.9**	**5,347.0**

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and IFRS 5 "Non-current assets held for sale and discontinued operations".

CONSOLIDATED FINANCIAL STATEMENTS

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3.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Note	12/31/2015	12/31/2014 Adjusted [a]
NON-CURRENT ASSETS		**4,498.0**	**3,940.5**
Intangible assets	7.2	202.1	244.7
o/w Goodwill		*128.7*	*128.7*
o/w Brands		*66.6*	*96.8*
o/w Other intangible assets		*6.7*	*19.2*
Property, plant and equipment		6.2	10.6
Investment properties	7.1	3,759.6	3,163.6
o/w Investment properties in operation at fair value		*3,453.6*	*2,974.4*
o/w Investment properties under development and under construction at cost		*306.0*	*189.2*
Securities and investments in equity affiliates and non-consolidated interests	4.5	361.0	362.0
Loans and receivables (non-current)	7.4	42.9	43.3
Deferred tax assets	5.3	126.2	116.4
CURRENT ASSETS		**1,634.9**	**1,406.4**
Net inventories and work in progress	7.3	711.5	617.9
Trade and other receivables	7.3	475.0	392.5
Income tax credit		6.0	6.3
Loans and receivables (current)	7.4	29.2	15.2
Derivative financial instruments	9	20.0	15.9
Cash and cash equivalents	8	266.0	358.0
Assets held for sale and discontinued operations	4.4	127.2	0.7
TOTAL ASSETS		**6,132.9**	**5,347.0**
EQUITY		**2,250.9**	**2,169.9**
Equity attributable to Altarea SCA shareholders		**1,230.3**	**1,250.1**
Share capital	6.1	191.2	191.2
Other paid-in capital		396.6	518.7
Reserves		534.0	425.9
Income associated with Altarea SCA shareholders		108.4	114.3
Equity attributable to non-controlling interests of subsidiaries		**1,020.6**	**919.8**
Reserves associated with minority interests of subsidiaries		749.8	579.1
Other equity components, subordinated perpetual Notes		195.1	195.1
Income associated with minority interests of subsidiaries		75.8	145.6
NON-CURRENT LIABILITIES		**2,416.2**	**1,850.0**
Non-current borrowings and financial liabilities	6.2	2,366.4	1,795.1
o/w Participating loans and advances from associates		*63.6*	*50.8*
o/w Bond issues		*477.8*	*477.2*
o/w Borrowings from lending establishments		*1,825.0*	*1,267.1*
Long-term provisions	6.3	17.4	21.3
Deposits and security interests received		29.8	26.2
Deferred tax liability	5.3	2.5	7.4
CURRENT LIABILITIES		**1,465.8**	**1,327.0**
Current borrowings and financial debt (less than one year)	6.2	450.6	448.3
o/w Bond issues		*4.4*	*4.3*
o/w Borrowings from credit institutions		*335.1*	*326.5*
o/w Treasury notes		*60.5*	*53.0*
o/w Bank overdrafts		*4.9*	*2.1*
o/w Advances from the Group and associates		*45.8*	*62.3*
Derivative financial instruments	9	37.3	102.7
Accounts payable and other operating liabilities	7.3	837.7	757.4
Tax due		9.5	18.7
Liabilities of discontinued operations	4.4	130.7	-
TOTAL EQUITY AND LIABILITIES		**6,132.9**	**5,347.0**

(a) Adjusted for the impact of the application of the IFRIC Interpretation 21 – "Levies."

The notes constitute an integral part of the consolidated financial statements.

3.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Note	12/31/2015	12/31/2014 Adjusted [a]
Rental income		174.6	169.5
Property expenses		(5.0)	(4.9)
Unrecoverable rental expenses		(4.1)	(5.4)
Management costs		-	(0.0)
Net charge to provisions for risks and contingencies		(5.0)	(2.7)
NET RENTAL INCOME	5.1	**160.5**	**156.4**
Revenue		1,010.9	816.9
Cost of sales		(869.7)	(704.1)
Selling expenses		(44.9)	(44.4)
Net charge to provisions for current assets		(7.1)	(6.9)
NET PROPERTY INCOME	5.1	**89.2**	**61.5**
External services		32.7	27.3
Own work capitalized and production held in inventory		99.4	91.3
Personnel costs		(119.2)	(108.5)
Other overhead expenses		(49.2)	(39.3)
Depreciation expense on operating assets		(4.6)	(3.7)
NET OVERHEAD EXPENSE	5.1	**(40.9)**	**(33.0)**
Other income and expense		(6.7)	(2.5)
Depreciation expenses		(0.6)	(0.4)
Transaction costs		(5.2)	(2.4)
OTHER	5.1	**(12.4)**	**(5.3)**
Proceeds from disposal of investment properties		3.7	83.1
Book value of assets sold		(6.5)	(79.6)
Net charge to provisions for risks and contingencies		-	(2.0)
NET GAIN/(LOSS) ON DISPOSAL OF INVESTMENT ASSETS	5.1	**(2.8)**	**1.5**
Change in value of investment properties		113.5	89.2
Net impairment losses on investment properties measured at cost		5.2	(4.0)
Net impairment losses on other non-current assets		0.0	(0.1)
Net charge to provisions for risks and contingencies		0.2	0.2
Operating profit before the share of net income of equity-method affiliates		**312.5**	**266.3**
Share in earnings of equity-method affiliates	5.1	13.4	50.6
Operating profit after the share of net income of equity-method affiliates		**325.9**	**317.0**
Net borrowing costs	5.2	(37.4)	(38.6)
Financial expenses		(52.8)	(51.6)
Financial income		15.4	13.0
Change in value and income from disposal of financial instruments	5.2	(40.5)	(72.8)
Discounting of debt and receivables		(0.2)	(5.9)
Proceeds from the disposal of investments		13.4	0.0
Dividend per share		(0.0)	0.0
PROFIT BEFORE TAX		**261.3**	**199.8**
Income tax	5.3	(4.8)	85.0
NET PROFIT FROM CONTINUING OPERATIONS		**256.5**	**284.8**
o/w Net income attributable to Altarea SCA shareholders		180.7	139.1
o/w Net income attributable to non-controlling interests in subsidiaries		75.8	145.6
NET INCOME FROM DISCONTINUED OPERATIONS		**(72.3)**	**(24.8)**
o/w Net income attributable to Altarea SCA shareholders		(72.3)	(24.8)
o/w Net income attributable to non-controlling interests in subsidiaries		(0.0)	0.0
NET PROFIT		**184.2**	**259.9**
o/w Net income attributable to Altarea SCA shareholders		108.4	114.3
o/w Net income attributable to non-controlling interests in subsidiaries		75.8	145.6
Average number of non-diluted shares		12,367,215	11,943,751
Basic Net Income from continuing operations attributable to shareholders of Altarea SCA per share (€)		14.61	11.65
Basic Net Income from discontinued operations attributable to shareholders of Altarea SCA per share (€)		(5.85)	(2.08)
BASIC NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	5.4	**8.77**	**9.57**
Average number of diluted shares		12,442,315	12,054,997
Diluted Net Income from continuing operations attributable to shareholders of Altarea SCA per share (€)		14.52	11.54
Diluted Net Income from discontinued operations attributable to shareholders of Altarea SCA per share (€)		(5.81)	(2.06)
DILUTED NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	5.4	**8.71**	**9.48**

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 "Levies" and of IFRS 5 "Non-current assets held for sale and discontinued operations".

(€ millions)	12/31/2015	12/31/2014 Restated [a]
NET PROFIT FROM CONTINUING OPERATIONS	256.5	284.8
Actuarial differences on defined-benefit retirement plans	0.6	(0.4)
o/w Taxes	*(0.3)*	*0.1*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	**0.6**	**(0.4)**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	0.6	(0.4)
COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS	257.1	284.4
o/w Net comprehensive income from continuing operations attributable to Altarea SCA shareholders	181.3	138.8
o/w Net comprehensive income from continuing operations attributable to non-controlling interests in subsidiaries	75.8	145.6
NET PROFIT FROM DISCONTINUED OPERATIONS	(72.3)	(24.8)
Actuarial differences on defined-benefit retirement plans	0.1	(0.2)
o/w Taxes	*(0.1)*	*0.1*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	**0.1**	**(0.2)**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	0.1	(0.2)
COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS	(72.2)	(25.0)
o/w Net comprehensive income from discontinued operations attributable to Altarea SCA shareholders	(72.2)	(25.1)
o/w Net comprehensive income from discontinued operations attributable to non-controlling interests in subsidiaries	(0.0)	0.0
NET PROFIT	184.2	259.9
Actuarial differences on defined-benefit retirement plans	0.7	(0.6)
o/w Taxes	*(0.3)*	*0.2*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	**0.7**	**(0.6)**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	0.7	(0.6)
COMPREHENSIVE INCOME	184.9	259.4
o/w Net comprehensive income attributable to Altarea SCA shareholders	109.1	113.7
o/w Net comprehensive income attributable to non-controlling interests in subsidiaries	75.8	145.6

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 "Levies" and of IFRS 5 "Non-current assets held for sale and discontinued operations".

The notes constitute an integral part of the consolidated financial statements.

3.3. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Note	12/31/2015	12/31/2014 Adjusted [a]
Cash flow from operating activities			
Net income from continuing operations		**256.5**	**284.8**
Elimination of income tax expense (income)	5.3	4.8	(85.0)
Elimination of net interest expense (income)		37.7	38.6
Profit before tax and before net interest expense (income)		**299.1**	**238.3**
Elimination of share in earnings of equity-method subsidiaries	4.5	(13.4)	(50.6)
Elimination of depreciation, amortization and provisions		5.2	4.6
Elimination of value adjustments	8	(79.5)	(13.6)
Elim. of proceeds from disposals [b]		(7.8)	(1.3)
Elimination of dividend income		0.0	(0.0)
Estimated income and expenses associated with share-based payments	6.1	1.9	3.9
Net cash flow from continuing operations		**205.4**	**181.2**
Tax paid	5.3	(10.6)	(14.9)
Impact of change in operating working capital requirement (WCR)	7.3	(108.7)	40.0
CASH FLOW FROM CONTINUING OPERATING ACTIVITIES		**86.1**	**206.3**
Cash flow from investment activities			
Net acquisitions of assets and capitalized expenditures	8	(237.7)	(123.2)
Gross investments in equity-method subsidiaries and non-consolidated investments		(100.2)	(72.5)
Acquisitions of consolidated companies, net of cash acquired	8	(66.8)	(0.6)
Other changes in Group structure		(0.0)	(0.5)
Increase in loans and advances		(8.7)	(0.3)
Sale of non-current assets and repayment of advances and down payments [b]	8	12.4	82.4
Disposals of holdings in equity-method subsidiaries and non-consolidated investments		14.9	19.8
Disposals of consolidated companies, net of cash transferred	8	52.2	0.0
Reduction in loans and other financial investments		3.6	7.1
Net change in investments and derivative financial instruments	8	(113.4)	(55.1)
Dividends received	4.5	8.7	11.5
Interest income		13.4	10.6
CASH FLOW FROM CONTINUING INVESTMENT ACTIVITIES		**(421.5)**	**(120.9)**
Cash flow from financing activities			
Capital increase		-	-
Subordinated perpetual Notes		-	49.1
Minority interests share in capital increases in subsidiaries		38.3	38.3
Dividends paid to Altarea SCA shareholders	6.1	(125.7)	(16.2)
Dividends paid to minority shareholders of subsidiaries		(15.6)	(22.2)
Issuance of debt and other financial liabilities	6.2	1,848.8	977.3
Repayment of borrowings and other financial liabilities	6.2	(1,408.0)	(908.1)
Net sales (purchases) of treasury shares	6.1	(5.7)	(1.5)
Net change in security deposits and guarantees received		1.4	(0.6)
Interest paid		(47.6)	(41.0)
CASH FLOW FROM CONTINUING FINANCING ACTIVITIES		**286.1**	**75.2**
Net cash flow from discontinued operations	4.4	**(45.3)**	**(0.0)**
Change in cash balance		**(94.7)**	**160.7**
CASH BALANCE AT THE BEGINNING OF THE YEAR	8	**355.9**	**195.2**
Cash and cash equivalents		358.0	234.9
Bank overdrafts		(2.1)	(39.7)
CASH BALANCE AT PERIOD-END	8	**261.1**	**355.9**
Cash and cash equivalents		266.0	358.0
Bank overdrafts		(4.9)	(2.1)

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and the application of IFRS 5, "Non-current assets held for sale and discontinued operations."
(b) Proceeds on disposals included in the calculation of net cash flow are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.

The notes constitute an integral part of the consolidated financial statements.

3.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions)	Share capital	Additional paid-in capital	Elimination of treasury shares	Reserves and retained earnings	Equity attributable to Altarea SCA shareholders	Equity attributable to non-controlling interests of subsidiaries	Total shareholders' equity
At January 1, 2014	**177.1**	**437.0**	**(19.0)**	**556.9**	**1,152.0**	**681.6**	**1,833.6**
Net profit	-	-	-	114.3	114.3	145.6	259.9
Actuarial difference relating to pension obligations	-	-	-	(0.6)	(0.6)	(0.0)	(0.6)
Comprehensive income	-	-	-	113.8	113.8	145.6	259.4
Dividend distribution	-	(4.1)	-	(112.0)	(116.1)	(31.8)	(147.9)
Share capital increase	14.1	85.8	-	0.0	99.9[a]	37.8[b]	137.8
Subordinated perpetual notes	-	-	-	-	-	86.1[c]	86.1
Measurement of share-based payments	-	-	-	2.5	2.5	0.0	2.5
Elimination of treasury shares	-	-	(0.6)	(0.6)	(1.2)	-	(1.2)
Transactions with shareholders	14.1	81.7	(0.6)	(110.0)	(14.8)	92.1	77.3
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	(0.8)	(0.8)	0.4	(0.4)
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-	-
Other	-	0.0	-	0.0	0.0	0.1	0.1
At December 31, 2015	**191.2**	**518.7**	**(19.6)**	**559.8**	**1,250.1**	**919.8**	**2,169.9**
Net profit	-	-	-	108.4	108.4	75.8	184.2
Actuarial difference relating to pension obligations	-	-	-	0.7	0.7	0.0	0.7
Comprehensive income	-	-	-	109.1	109.1	75.8	184.9
Dividend distribution	-	(122.1)	-	(3.5)	(125.7)	(13.3)	(138.9)
Share capital increase	-	(0.0)	-	0.0	0.0	38.3[d]	38.3
Subordinated perpetual notes	-	-	-	-	-	-	-
Measurement of share-based payments	-	-	-	1.4	1.4	0.0	1.4
Elimination of treasury shares	-	-	(3.0)	(1.7)	(4.7)	-	(4.7)
Transactions with shareholders	-	(122.1)	(3.0)	(3.9)	(129.0)	25.1	(104.0)
Changes in ownership interests without taking or losing control of subsidiaries	-	0.0	-	0.0	0.0	(0.0)	(0.0)
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-	(0.0)
Other	-	-	-	0.0	0.0	0.0	0.0
At December 31, 2015	**191.2**	**396.6**	**(22.6)**	**665.1**	**1,230.3**	**1,020.6**	**2,250.9**

Consolidated equity is presented for financial year 2014 taking into account the adjustment for the impact of the application of the IFRIC Interpretation 21 – Levies.
(a) The capital increase of Altarea SCA from the conversion of dividends into shares.
(b) The share of non-controlling interests in the capital increase of the subsidiary Altablue, net of issuance costs, in December 2014.
(c) The additional subscription for subordinated perpetual notes classified as equity attributable to a minority shareholder of a subsidiary.
(d) The share of non-controlling interests in the capital increase of the subsidiary Altablue, net of issuance costs, in June 2015.

The notes constitute an integral part of the consolidated financial statements.

3.5. COSTING-BASED PROFITABILITY ANALYSIS

(€ millions)	12/31/2015			12/31/2014 Restated[a]		
	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Rental income	174.6	-	174.6	169.5	-	169.5
Other expenses	(14.1)	-	(14.1)	(13.1)	-	(13.1)
Net rental income	**160.5**	**-**	**160.5**	**156.4**	**-**	**156.4**
External services	21.3	-	21.3	19.2	-	19.2
Own work capitalized and production held in inventory	17.6	-	17.6	19.7	-	19.7
Operating expenses	(58.6)	(0.8)	(59.4)	(50.1)	(2.1)	(52.2)
Net overhead expenses	**(19.7)**	**(0.8)**	**(20.5)**	**(11.2)**	**(2.1)**	**(13.3)**
Share of equity-method affiliates	**14.7**	**(11.0)**	**3.7**	**16.5**	**19.9**	**36.5**
Net allowances for depreciation and impairment	**-**	**(2.4)**	**(2.4)**	**-**	**(0.1)**	**(0.1)**
Income/(loss) from the disposal of assets	**-**	**9.8**	**9.8**	**-**	**1.9**	**1.9**
Income/(loss) in the value of investment property	**-**	**118.7**	**118.7**	**-**	**85.2**	**85.2**
Transaction costs	**-**	**(3.0)**	**(3.0)**	**-**	**(0.3)**	**(0.3)**
NET RETAIL PROPERTIES INCOME (SHOPPING CENTERS)	155.5	111.4	266.9	161.7	104.5	266.2
Revenue	883.3	-	883.3	754.5	-	754.5
Cost of sales and other expenses	(812.2)	-	(812.2)	(699.7)	-	(699.7)
Net property income	**71.1**	**-**	**71.1**	**54.8**	**-**	**54.8**
External services	(0.2)	-	(0.2)	0.7	-	0.7
Production held in inventory	68.9	-	68.9	58.7	-	58.7
Operating expenses	(93.4)	(1.3)	(94.7)	(80.6)	(1.4)	(82.0)
Net overhead expenses	**(24.6)**	**(1.3)**	**(25.9)**	**(21.1)**	**(1.4)**	**(22.5)**
Share of equity-method affiliates	**5.9**	**0.3**	**6.2**	**6.9**	**(2.2)**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.6)**	**(2.6)**	**-**	**(2.9)**	**(2.9)**
Transaction costs	**-**	**(1.5)**	**(1.5)**	**-**	**(0.4)**	**(0.4)**
NET RESIDENTIAL PROPERTIES INCOME	52.3	(5.0)	47.4	40.7	(7.0)	33.7
Revenue	121.1	-	121.1	59.0	-	59.0
Cost of sales and other expenses	(102.8)	-	(102.8)	(52.7)	-	(52.7)
Net property income	**18.2**	**-**	**18.2**	**6.2**	**-**	**6.2**
External services	7.4	-	7.4	7.3	-	7.3
Production held in inventory	12.8	-	12.8	12.4	-	12.4
Operating expenses	(16.4)	(0.5)	(16.9)	(15.1)	(0.6)	(15.8)
Net overhead expenses	**3.8**	**(0.5)**	**3.4**	**4.5**	**(0.6)**	**3.9**
Share of equity-method affiliates	**8.3**	**(0.1)**	**8.3**	**7.1**	**2.3**	**9.5**
Net allowances for depreciation and impairment	**-**	**(0.0)**	**(0.0)**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET OFFICE PROPERTIES INCOME	30.4	(1.1)	29.4	17.8	1.4	19.3
Other (Corporate)	**(3.5)**	**(0.7)**	**(4.2)**	**0.6**	**(2.8)**	**(2.1)**
OPERATING INCOME	234.7	104.7	339.4	220.8	96.2	317.0
Cost of net debt	**(31.9)**	**(5.4)**	**(37.4)**	**(33.6)**	**(5.0)**	**(38.6)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(5.9)**	**(5.9)**
Change in value and income from disposal of financial instruments	**-**	**(40.5)**	**(40.5)**	**-**	**(72.8)**	**(72.8)**
Proceeds from the disposal of investments	**-**	**(0.1)**	**(0.1)**	**-**	**0.0**	**0.0**
PROFIT BEFORE TAX	202.8	58.6	261.3	187.3	12.5	199.8
Corporate income tax	**(0.9)**	**(3.9)**	**(4.8)**	**(1.3)**	**86.3**	**85.0**
NET PROFIT FROM CONTINUING OPERATIONS	201.8	54.7	256.5	186.0	98.8	284.8
Non-controlling interests in continuing operations	**(40.7)**	**(35.2)**	**(75.8)**	**(40.3)**	**(105.4)**	**(145.7)**
NET PROFIT FROM CONTINUING OPERATIONS, attributable to Group shareholders	161.2	19.5	180.7	145.7	(6.6)	139.1
NET PROFIT FROM DISCONTINUED OPERATIONS[b]	-	(72.3)	(72.3)	(19.6)	(5.3)	(24.8)
Non-controlling interests in discontinued operations	-	(0.0)	0.0	0.0	0.0	0.0
NET PROFIT FROM DISCONTINUED OPERATIONS, attributable to Group shareholders	-	(72.3)	(72.3)	(19.6)	(5.3)	(24.8)
NET PROFIT	201.8	(17.7)	184.2	166.4	93.5	259.9
Non-controlling interests	(40.7)	(35.1)	(75.8)	(40.3)	(105.4)	(145.6)
NET PROFIT, attributable to Group shareholders	161.2	(52.8)	108.4	126.1	(11.8)	114.3
Average number of shares after dilution	*12,442,315*	*12,442,315*	*12,442,315*	*12,054,997*	*12,054,997*	*12,054,997*
DILUTED EARNINGS FROM CONTINUING OPERATIONS PER SHARE, attributable to Group shareholders (€)	12.95	1.57	14.52	12.09	(0.55)	11.54
DILUTED EARNINGS PER SHARE, attributable to Group shareholders (€)	12.95	(4.24)	8.71	10.46	(0.98)	9.48

(a) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and IFRS 5 "Non-current assets held for sale and discontinued operations."

(b) Composed in 2015 of the operating losses of the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same activity (Rue du Commerce) (see note 4.4 "Operation held for sale").

The notes constitute an integral part of the consolidated financial statements.

3.6. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. INFORMATION CONCERNING THE COMPANY

Altarea is a *société en commandite par actions* (a form of French partnership), the shares of which are traded on the Euronext Paris regulated market, (Segment A). Its registered office is located at 8 Avenue Delcassé in Paris.

Altarea chose the SIIC corporate form (*société d'investissement immobilier cotée*, comparable to a REIT) as of January 1, 2005.

Altarea and its subsidiaries ("Altarea" or "the Company") are in the property business for brick-and-mortar shopping centers. This activity includes the asset and property management functions performed on a proprietary basis and for third parties.

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

Altarea enjoys a close relationship with local authorities.

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

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

The Supervisory Board convened on March 9, 2016 reviewed the consolidated financial statements for the year ended December 31, 2015 as drawn up by the Executive Management.

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. Accounting standards applied by the Group

The accounting principles adopted for preparation of the consolidated financial statements are in line with IFRS standards and IASB interpretations, as adopted by the European Union at December 31, 2015 and available at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The accounting principles adopted on December 31, 2015 are the same as those used for the consolidated financial statements at December 31, 2014, with the exception of the change in the presentation of the financial statements described below (note 2.4 – "Restatement of information of prior financial years") and the standards and interpretations adopted by the European Union applicable at January 1, 2015 and without material impact on the Group's financial statements.

The information regarding the financial year ended on December 31, 2014, presented in the registration document filed with the AMF on March 25, 2015 under number D15-0203, are incorporated by reference.

The standards, interpretations and amendments are applicable as from the year commencing January 1, 2015:

- **IFRIC 21** – Levies;
- **Annual improvements to IFRS** (2011-2013).

Accounting standards and interpretations applied in advance on December 31, 2015 and mandatory for periods commencing on or after January 1, 2016.

None.

Accounting standards and interpretations in effect at January 1, 2016 and mandatory after December 31, 2015:

- **Amendments to IAS 1 "Presentation of financial statements"** – Disclosure initiative, Information to be provided;
- **Annual improvements to IFRS (2012-2014)** (issued by the IASB on September 25, 2014);
- **Amendments to IAS 16 and IAS 38** – Clarification of acceptable methods of depreciation and amortization;
- **Amendments to IFRS 11** – Accounting for acquisitions of interests in joint operations;
- **Amendments to IAS 16 and IAS 41**: Agriculture – "Bearer Plants".

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

- **IFRS 9** – Financial instruments (phase 1: classification and assessment of financial assets and liabilities) and subsequent amendments;
- **IFRS 14** – Regulatory deferral accounts for the first to adopt (pending a draft standard regarding regulated activities);
- **IFRS 15** – Revenue from contracts with customers.

  Analysis is underway specifically with regard to development activities whose revenue is recognized based on the percentage of completion method described at § 2.3.18.b.

- **IFRS 16** – Rental agreements.

  Analysis is underway. The company does not expect any material effects.

- **Amendments limited to IFRS 10, IFRS 12 and IAS 28**: Consolidation exemption applicable to investment entities;
- **Amendments to IFRS 10 and IAS 28** – Sale or contribution of assets between an investor and its associate or joint venture;
- **Amendments to IAS 12** – Recognition of deferred tax assets on unrealized losses;
- **Amendments to IAS 7** – Disclosure initiative, information to be provided.

2.2. Use of estimates

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

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

Measurement of intangible assets not subject to amortization

No evidence of impairment in the carrying value was detected during 2015 for the Residential and Office Property CGU combinations. This Property segment includes goodwill and brand assets from Cogedim's acquisition in 2007.

In the absence of evidence of impairment, they are tested annually at the end of the reporting period at December 31. This test did not detect any impairment at December 31, 2015.

Measurements of other assets and liabilities

- measurement of investment property (see notes 2.3.6 "Investment properties" and 7.1 "Investment properties");
- measurement of inventories (see note 2.3.9 "Inventories");
- measurement of deferred tax assets (see notes 2.3.17 "Taxes" and 5.3 "Corporate income tax");
- measurement of share-based payments (see note 6.1 "Equity");
- measurement of financial instruments (see note 9 "Management of financial risks");
- under the Macron Act of August 6, 2015, the task of developing and managing the Marché d'Intérêt National de la région parisienne (the Rungis National Interest Market, or MIN) and all of the facilities related directly to the activity of this market is assigned, by the government, to SEMMARIS until December 31, 2049. Thus, the amortization plan for the intangible asset subject to amortization and the provision for replacement expenses in accordance with the IFRIC Interpretation 12 were reviewed and recalculated up to December 31, 2049. This constitutes a change in accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and thus has no retrospective effect on the financial statements.

Operating profit estimates

- measurement of Net property income and services using the Percentage-of-completion method (see note 2.3.18 "Revenue and revenue-related expenses").

Non-current assets held for sale and discontinued operations

In accordance with the provisions of IFRS 5, the Group determines whether the criteria used to determine whether an asset or a group of assets should be classified as held for sale or if an operation is to be discontinued are met (see note 2.3.7 "Non-current assets held for sale and discontinued operations" and 7.1 "Investment properties").

In 2015, the online retail business was classified as a discontinued operation, based on the advanced status of the disposal process on the closing date. The disposal of Rue du Commerce took place on January 1, 2016.

2.3. Accounting principles and methods of the Company

2.3.1. Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

- **IFRS 10** – Consolidated Financial Statements;
- **IFRS 11** – Joint Arrangements;
- **IFRS 12** – Disclosure of interests in other entities;
- **IAS 28** – Investments in associates and joint ventures.

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

To assess control as defined by IFRS 10, the Company has developed a framework for analyzing the governance of entities with which the company has relations, particularly where there exist joint arrangements governed by broad contractual terms such as bylaws, shareholders' agreements, etc. It also takes into account the facts and circumstances.

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

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

In accordance with IFRS 10, *ad hoc* entities are consolidated when, in substance, the relation between the Company and the entity is such that the Company is considered to exercise control over the latter.

Exclusively controlled entities

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

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

Entities subject to joint control

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

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

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

Entities subject to significant influence

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

According to the equity method, the Company's interest in the associate is initially recognized at the acquisition cost of its proportionate share of the investee's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method associates" line item in the income statement. These investments are presented in the balance sheet under "Securities and investments in equity affiliates and non-consolidated interests" with the corresponding investment-related receivables.

The financial statements of associates are prepared for the same accounting period as those for the parent company. If necessary, corrections are made to achieve consistency with the Group's accounting policies.

Investments in associates are presented in accordance with IFRS 12.

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

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

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

2.3.3. Business combinations and goodwill

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

Business combinations are recognized using the acquisition method described in IFRS 3. According to this method, when the Group acquires control of an entity and consolidates it for the first time, the identifiable assets and liabilities, including contingent liabilities, are recognized at fair value on the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Under IFRS 3, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill representing future economic benefits resulting from assets that are not individually identified and separately recognized. In accordance with revised IFRS 3, the acquisition cost of the shares is expensed.

Goodwill:

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

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

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

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

The Group conducts impairment testing of goodwill at the end of each financial year and each interim period (i.e. at least once a year) and more frequently where evidence of impairment exists.

Goodwill results mainly from controlling interests acquired in Cogedim in 2007.

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

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

2.3.4. Intangible assets

The Group's intangible assets consist essentially of software, brands and customer relationships.

In accordance with IAS 38,

- acquired or created software is recognized at cost and amortized over its useful life, which is generally between 1 year and 5 years;
- brands are amortized over their estimated useful lives when resulting from the identification of a finite life asset derived from an acquisition. They are tested for impairment where, as applicable, evidence of such impairment exists.

  The Cogedim brand, as an indefinite life intangible asset, is allocated to the Residential segment;
- customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortization at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options, at the rate at which development programs are launched. They are tested for impairment where, as applicable, evidence of such impairment exists.

2.3.5. Property, plant and equipment

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

2.3.6. Investment properties

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

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

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

In accordance with IAS 40, Altarea has opted for the fair value model (instead of the alternative cost model). On that basis, investment properties are measured at fair value in accordance with IFRS 13 "Fair value measurement" whenever this can be reliably determined. Otherwise, they are recorded at cost and are tested for impairment at least once per year and where evidence of impairment exists.

The fair value of investment properties used by management is based on the facts and circumstances taking into account their purpose. With this objective, management uses mainly external appraisals giving values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. These duties were estimated, in France, at 6.9% (with the exception of Paris, set at 6.2%), in Italy at 4% (identical to 2014) and, in Spain at 1.5% (identical to 2014).

Since June 30, 2015, external measurement of Altarea Group assets has been assigned to Cushman & Wakefield (in France, Italy and Spain) and Jones Lang Lasalle (in France). The assets were measured in 2014 by DTZ (newly Cushman & Wakefield) and CBRE.

The appraisers use two methods:

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

Rental income takes into account:

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

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

1. Investment property in operation

Investment property in operation is systematically measured at fair value.

At December 31, 2015, an external appraisal was performed of all assets in operation.

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

2. Investment property under development and construction

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

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

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

Since January 1, 2009, Investment Property Under Construction (IPUC) has been included within the scope of IAS 40 and is measured at fair value in accordance with IFRS 13 guidance and when the criteria predefined by the company are met.

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

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

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

Consequently, investment property under development and construction is measured either at cost or at fair value:

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

Investment property under development and construction measured at cost

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

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

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

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

Investment property under construction measured at fair value

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

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

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

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

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

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

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

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

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

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

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

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

The value of assets (and certain associated liabilities) on the balance sheet, when they are directly related or attributable to cash generating units (CGUs) or groups of CGUs including intangible assets and goodwill, if applicable, is compared to the recoverable amount of the CGU or group of CGUs, defined as the higher of the sale price net of any costs that may be incurred for the sale and value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (see note 7.2 "Intangible assets and goodwill").

Value in use of the CGU or the combination of several CGUs is determined using the discounted cash flow (DCF) method in accordance with the following principles:

- cash flows (before tax) are derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate is determined on the basis of a weighted average cost of capital;

- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalized cash flow and a growth rate for the activity concerned. This assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

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

2.3.9. Inventories

Inventories relate to:

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

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

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

"Programs at land stage" are measured at the cost of buying land plus all costs incurred in buying the land, particularly engineering and management fees. Work has not yet begun.

"Construction work in progress" transactions are carried at production cost less the portion of cost retired on a Percentage-of-completion basis for off-plan sale (VEFA) or Property Development contract transactions. The cost price includes:

- the acquisition cost of land;
- construction costs (including roads and utilities works);
- all technical and program management fees, whether internal or external to the Group;
- program marketing fees and sales commissions when this involves services provided by third parties external to the Group for the sale of lots that are part of the programs and that may be assigned specifically to a lot;
- sales commissions to Group employees attributable directly to the lots marketed when the marketing is carried out by the Group;
- related expenses associated directly with the construction program.

Any profit on internal fees for services performed within the Group is eliminated.

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

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

2.3.10. Trade receivables and other accounts receivable

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

For long-term contracts accounted for using the Percentage-of-completion method, this line item includes:

- calls for funds issued but not yet settled by buyers, for a completed percentage of work;
- "amounts to be invoiced", which correspond to calls for funds not yet issued under off-plan sale or Property Development contracts;
- any advances between calls for funds and the actual percentage of completion at the end of the period. These receivables are not due.

2.3.11. Financial Assets and Liabilities (excluding trade and other receivables)

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

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

1. Measurement and recognition of financial assets

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

2. Measurement and recognition of financial liabilities

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

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

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

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

For other financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models and in compliance with guidance for IFRS 13 "Fair value measurement." A mathematical model is used to bring together calculation methods based on recognized financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea *vis-à-vis* its bank counterparties and the risk of its counterparties *vis-à-vis* Altarea (Credit Value Adjustment/Debit Value Adjustment). Altarea applies the probability calculation method by default used by the secondary market (according to estimated bond spreads of its counterparties).

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

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

2.3.12. Total shareholders' equity

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

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

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset, or to exchange assets or liabilities with another entity under conditions unfavorable to the issuer. On that basis, the subordinated perpetual notes issued by Altarea SCA are equity instruments.

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

2.3.13. Share-based payments

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

These rights may be settled in equity instruments or cash: At Altarea Group, all plans concerning the Altarea shares must be settled in equity instruments.

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

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

2.3.14. Earnings per share

Basic earnings per share (in €)

Basic earnings per share is calculated by dividing profit attributable to Group Shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share (in €)

Diluted earnings per share is calculated using the share repurchase method. Under this method, the funds received from the exercise of warrants or options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altarea shares.

The theoretical number of shares that would be repurchased at this market price is subtracted from the total number of shares produced by the exercise of warrants and options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

When the theoretical number of shares to be bought at market price is greater than the number of potentially dilutive shares, the difference is disregarded. The weighted average number of shares after dilution is then equal to the average number of shares before dilution.

Potential shares are treated as dilutive if their conversion into ordinary shares would cause a reduction in earnings per share.

At December 31, 2015 and 2014, dilution derived exclusively from rights to bonus shares granted to employees or corporate officers of the Group.

2.3.15. Employee benefits

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

1. Benefits payable at retirement

Benefits payable at retirement are paid to employees at the time of retirement based on length of service and final salary. These benefits belong to defined benefit plans. Accordingly, to measure the amount of its retirement obligations, the Group uses the retrospective projected unit credit method prescribed by IAS 19.

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

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

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

The main assumptions used for estimating the pension obligation are as follows:

- Discount rate: Rate of return on AA-rated corporate bonds (Eurozone) with maturity of more than 10 years;
- Mortality table: TF and TH 2000-2002;
- Reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- Turnover: annual average turnover observed over the last three years;
- Long-term salary adjustment rate (including inflation): 2.4%.

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

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

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

2. Other post-employment benefits

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

3. Other long-term benefits

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

4. Severance pay

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

5. Short-term benefits

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

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

2.3.16. Provisions and contingent Liabilities

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

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

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

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

2.3.17. Tax

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

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

Income taxes are recognized in accordance with IAS 12.

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

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

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

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

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

2.3.18. Revenue and revenue-related expenses

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

a) Net rental income

Net rental income includes: rental revenues and other net rental income less land expenses, non-recovered service charges, management fees and net allowances to provisions for bad debt.

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

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

Land expenses correspond to amounts paid in fees for temporary occupation permit, very long-term land (emphyteutic) leases and construction leases, both of which are treated as operating leases.

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

Management fees include all other expenses associated with the leasing activity: rental management fees, letting fees with the exception of initial letting fees, which are included in the cost of production of the assets, and net loss on bad debt.

b) Net property income

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

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

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

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

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

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

  In other words, Net property income on Property Development transactions is measured according to the Percentage-of-completion method based on the following criteria:

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

- For **property trading activities**, Net property income is recognized upon delivery, that is, when sales have closed.

c) Net overhead expenses

The "Net overhead costs" line item includes income and expense items that are inherent in the business activities of the Group's service companies.

• Income

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

• Expenses

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

d) Other income and expense

Other income and expenses relate to Group companies that are not service providers. They correspond to overhead costs and miscellaneous management fee income. Amortization of intangible assets and depreciation of tangible assets other than portfolio assets in operation are also included in this line item.

2.3.19. Leases

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

1. Leases in the financial statements with the company as lessor

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

• Treatment of contingent rent

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

• Treatment of initial lease fees

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

• Lessee termination fees

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

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

• Early termination fees

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

a) Replacement of a tenant

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

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

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

2. Leases in the financial statements with the Company as lessee

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

These contracts are considered finance leases if they transfer virtually all risks and rewards incidental to ownership to the lessor; otherwise, they are considered operating leases.

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

2.3.20. Gain (loss) on the disposal of investment assets

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

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

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

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

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

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

2.3.22. Borrowing costs or costs of interest-bearing liabilities

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

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

The net cost of debt includes interest incurred on borrowings including the amortization of issuance expenses, and other financial liabilities, income from loans and advances to participating interests, gains on sale of marketable securities and the impact of interest-rate swaps used as interest-rate hedges.

Where there is a significant delay in the construction project, Management may decide, if the delay is unusually long not to capitalize finance costs attributable to the program any longer. Management estimates the date at which the capitalization of finance costs may resume.

2.3.23. Discounting of payables and receivables

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

2.3.24. Cash flow statement

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

2.3.25. Operating segments (IFRS 8)

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

The Company's internal reporting is based on an analysis of the period's results in accordance with:

- Funds from operations (FFO)[1];
- changes in value (unrealized or realized), estimated expenses, and transaction costs.

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

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

The Company has the following operating segments:

- Brick-and-mortar retail: shopping centers completed or under development;
- Residential: Residential property development;
- Offices: office Property Development and investor services.

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

(1) Fund From Operations.

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

1. Funds from operations (FFO)

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

Operating profit line

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

Each segment's **operating cash flow** is presented within the following framework:

- Net income of the segment, including impairment of current assets:
  - Brick-and-mortar retail: net rental income,
  - Residential and Office: net property income;
- Net overhead expenses including the provision of services that offset a portion of overhead and operating expenses.
- Operating expenses defined as:
  - staff costs excluding estimated expenses and related items defined below,
  - other operating expenses exclusive of net allowances for depreciation, amortization, and non-current provisions,
  - other segment income and expenses excluding transaction expenses defined below,
  - expenses covered by reversals of provisions used;
- Share of joint ventures or affiliates: the share of equity affiliates, excluding the share in income recognized from changes in value.

Net borrowing costs line

Net borrowing costs excluding estimated expenses defined below.

Tax line

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

Non-controlling-interests line

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

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

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

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

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

Prior year NAV

+	Funds from operations (FFO)
+	Changes in value, estimated expenses, and transaction costs
-	Dividend distribution
+	proceeds from the issue of share capital
+/-	Other reconciliation items
=	**Current-year NAV**

Operating profit line

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

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

Estimated expenses include:

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

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

Borrowing costs line

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

Line concerning changes in value and gains and losses on the sale of financial instruments

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

Tax line

Deferred tax recognized for the period and current taxes related to changes in value (exit tax, additional 3% French statutory levy on income tax based on dividend distributions).

Non-controlling-interests line

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

2.4. Restatement of information from prior financial years

2.4.1. Change in method in 2015

IFRIC Interpretation 21 "Levies deducted by a public authority" was adopted by the European Union on June 13, 2014 and was not applied in advance by the Group on January 1, 2014. It is mandatory, retrospectively, starting January 1, 2015. The financial statements presented in comparison with those for the financial year closed on December 31, 2015 were thus restated.

This interpretation sets out arrangements for recognizing, on the liabilities side of the balance sheet, levies falling under the scope of IAS 37 "Provisions, contingent liabilities and contingent assets." It is based on the event that triggers their recognition. It leads entities to record a debt immediately once an obligation to pay exists. The interim recognition schedule for select levies, such as the French corporate social solidarity contribution and land taxes, is affected by the interpretation. They were previously recorded in the interim accounts on a *pro rata* basis. However, this standard does not address the balancing entry to the liability in the income statement.

Nearly all of the impacts of the interpretation on the consolidated financial statements of the Group at December 31, 2014 are attributable to the French corporate social solidarity contribution and are not material.

2.4.2. Application of IFRS 5 – "Non-current assets held for sale and discontinued operations"

The Group identified an operation held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations", the online retail operation of the Rue du Commerce subsidiary, which was sold on January 1, 2016.

In accordance with the provisions of IFRS 5, the statement of comprehensive income, the cash flow statement, and the consolidated income statement (presenting the Group's operating segments) were restated for the 2014 and 2015 financial years to clearly distinguish ongoing operations from the discontinued operation. The statement of financial position presents Rue du Commerce on a single line of assets and liabilities at December 31, 2015; as the position at December 31, 2014 is unchanged in accordance with IFRS 5 (see note 4.4 "Operation held for sale").

3. INFORMATION ON OPERATING SEGMENTS

3.1. Consolidated income statement by operating segment

(€ millions)	12/31/2015			12/31/2014 Restated		
	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total
Rental income	174.6	-	174.6	169.5	-	169.5
Other expenses	(14.1)	-	(14.1)	(13.1)	-	(13.1)
Net rental income	**160.5**	**-**	**160.5**	**156.4**	**-**	**156.4**
External services	21.3	-	21.3	19.2	-	19.2
Own work capitalized and production held in inventory	17.6	-	17.6	19.7	-	19.7
Operating expenses	(58.6)	(0.8)	(59.4)	(50.1)	(2.1)	(52.2)
Net overhead expenses	**(19.7)**	**(0.8)**	**(20.5)**	**(11.2)**	**(2.1)**	**(13.3)**
Share of equity-method affiliates	**14.7**	**(11.0)**	**3.7**	**16.5**	**19.9**	**36.5**
Net allowances for depreciation and impairment	**-**	**(2.4)**	**(2.4)**	**-**	**(0.1)**	**(0.1)**
Income/(loss) from the disposal of assets	**-**	**9.8**	**9.8**	**-**	**1.9**	**1.9**
Income/(loss) in the value of investment property	**-**	**118.7**	**118.7**	**-**	**85.2**	**85.2**
Transaction costs	**-**	**(3.0)**	**(3.0)**	**-**	**(0.3)**	**(0.3)**
NET RETAIL PROPERTIES INCOME (SHOPPING CENTERS)	155.5	111.4	266.9	161.7	104.5	266.2
Revenue	883.3	-	883.3	754.5	-	754.5
Cost of sales and other expenses	(812.2)	-	(812.2)	(699.7)	-	(699.7)
Net property income	**71.1**	**-**	**71.1**	**54.8**	**-**	**54.8**
External services	(0.2)	-	(0.2)	0.7	-	0.7
Production held in inventory	68.9	-	68.9	58.7	-	58.7
Operating expenses	(93.4)	(1.3)	(94.7)	(80.6)	(1.4)	(82.0)
Net overhead expenses	**(24.6)**	**(1.3)**	**(25.9)**	**(21.1)**	**(1.4)**	**(22.5)**
Share of equity-method affiliates	**5.9**	**0.3**	**6.2**	**6.9**	**(2.2)**	**4.7**
Net allowances for depreciation and impairment	**-**	**(2.6)**	**(2.6)**	**-**	**(2.9)**	**(2.9)**
Transaction costs	**-**	**(1.5)**	**(1.5)**	**-**	**(0.4)**	**(0.4)**
NET RESIDENTIAL PROPERTIES INCOME	52.3	(5.0)	47.4	40.7	(7.0)	33.7
Revenue	121.1	-	121.1	59.0	-	59.0
Cost of sales and other expenses	(102.8)	-	(102.8)	(52.7)	-	(52.7)
Net property income	**18.2**	**-**	**18.2**	**6.2**	**-**	**6.2**
External services	7.4	-	7.4	7.3	-	7.3
Production held in inventory	12.8	-	12.8	12.4	-	12.4
Operating expenses	(16.4)	(0.5)	(16.9)	(15.1)	(0.6)	(15.8)
Net overhead expenses	**3.8**	**(0.5)**	**3.4**	**4.5**	**(0.6)**	**3.9**
Share of equity-method affiliates	**8.3**	**(0.1)**	**8.3**	**7.1**	**2.3**	**9.5**
Net allowances for depreciation and impairment	**-**	**(0.0)**	**(0.0)**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET OFFICE PROPERTIES INCOME	30.4	(1.1)	29.4	17.8	1.4	19.3
Other (Corporate)	**(3.5)**	**(0.7)**	**(4.2)**	**0.6**	**(2.8)**	**(2.1)**
OPERATING INCOME	234.7	104.7	339.4	220.8	96.2	317.0
Net borrowing cost	**31,9**	**(5.4)**	**(37.4)**	**(33.6)**	**(5.0)**	**(38.6)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(5.9)**	**(5.9)**
Change in value and income from disposal of financial instruments	**-**	**(40.5)**	**(40.5)**	**-**	**(72.8)**	**(72.8)**
Proceeds from the disposal of investments	**-**	**(0.1)**	**(0.1)**	**-**	**0.0**	**0.0**
PROFIT BEFORE TAX	202.8	58.6	261.3	187.3	12.5	199.8
Corporate income tax	**(0.9)**	**(3.9)**	**(4.8)**	**(1.3)**	**86.3**	**85.0**
Tax due	(0.9)	(0.1)	(1.0)	(1.3)	(0.4)	(1.6)
Deferred tax	-	(3.8)	(3.8)	-	86.6	86.6
NET PROFIT FROM CONTINUING OPERATIONS	201.8	54.7	256.5	186.0	98.8	284.8
Non-controlling interests in continuing operations	**(40.7)**	**(35.2)**	**(75.8)**	**(40.3)**	**(105.4)**	**(145.7)**
Net profit from continuing operations, attributable to Group shareholders	161.2	19.5	180.7	145.7	(6.6)	139.1
NET PROFIT FROM DISCONTINUED OPERATIONS [a]	-	(72.3)	(72.3)	(19.6)	(5.3)	(24.8)
Non-controlling interests in discontinued operations	**-**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**
Net profit from discontinued operations, attributable to Group shareholders	-	(72.3)	(72.3)	(19.6)	(5.3)	(24.8)
NET PROFIT	201.8	(17.7)	184.2	166.4	93.5	259.9
Non-controlling interests	**(40.7)**	**(35.1)**	**(75.8)**	**(40.3)**	**(105.4)**	**(145.6)**
Net profit, attributable to Group shareholders	161.2	(52.8)	108.4	126.1	(11.8)	114.3
Average number of shares after dilution	*12,442,315*	*12,442,315*	*12,442,315*	*12,054,997*	*12,054,997*	*12,054,997*
Diluted earnings from continuing operations per share, attributable to Group shareholders	12.95	1.57	14.52	12.09	(0.55)	11.54
Diluted earnings per share, attributable to Group shareholders (€/share)	12.95	(4.24)	8.71	10.46	(0.98)	9.48

(a) Composed in 2015 of the operating losses on the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same operation (Rue du Commerce) (see note 4.4 "Operation held for sale").

3.2. Reconciliation of the consolidated statement of comprehensive income and of the consolidated income statement

(€ millions)	12/31/2015			12/31/2014 Restated		
	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total
Rental income	174.6	-	174.6	169.5	-	169.5
Property expenses	(5.0)	-	(5.0)	(4.9)	-	(4.9)
Unrecoverable rental expenses	(4.1)	-	(4.1)	(5.4)		(5.4)
Management costs	-	-	-	(0.0)	-	(0.0)
Net charge to provisions for risks and contingencies	(5.0)	-	(5.0)	(2.7)	-	(2.7)
NET RENTAL INCOME	**160.5**	**-**	**160.5**	**156.4**	**-**	**156.4**
Revenue	1,004.4	6.5	1,010.9	813.5	3.5	816.9
Cost of sales	(863.1)	(6.6)	(869.7)	(701.1)	(3.0)	(704.1)
Selling expenses	(44.9)	-	(44.9)	(44.4)	-	(44.4)
Net charge to provisions for current assets	(7.1)	-	(7.1)	(6.9)	-	(6.9)
NET PROPERTY INCOME	**89.3**	**(0.1)**	**89.2**	**61.0**	**0.5**	**61.5**
External services	28.7	4.0	32.7	27.3	-	27.3
Own work capitalized and production held in inventory	99.4	-	99.4	91.3	-	91.3
Personnel costs	(116.6)	(2.6)	(119.2)	(104.0)	(4.5)	(108.5)
Other overhead expenses	(48.9)	(0.3)	(49.2)	(39.3)	-	(39.3)
Depreciation expense on operating assets	-	(4.6)	(4.6)	-	(3.7)	(3.7)
NET OVERHEAD EXPENSE	**(37.4)**	**(3.5)**	**(40.9)**	**(24.8)**	**(8.2)**	**(33.0)**
Other income and expense	(6.6)	(0.0)	(6.7)	(2.4)	(0.1)	(2.5)
Depreciation expenses	-	(0.6)	(0.6)	-	(0.4)	(0.4)
Transaction costs	-	(5.2)	(5.2)	-	(2.4)	(2.4)
OTHER	**(6.6)**	**(5.8)**	**(12.4)**	**(2.4)**	**(2.9)**	**(5.3)**
Proceeds from disposal of investment properties	-	3.7	3.7	-	83.1	83.1
Book value of assets sold	-	(6.5)	(6.5)	-	(79.6)	(79.6)
Net charge to provisions for risks and contingencies	-	-	-	-	(2.0)	(2.0)
NET GAIN/(LOSS) ON DISPOSAL OF INVESTMENT ASSETS	**-**	**(2.8)**	**(2.8)**	**-**	**1.5**	**1.5**
Change in value of investment properties	-	113.5	113.5	-	89.2	89.2
Net impairment losses on investment properties measured at cost	-	5.2	5.2	-	(4.0)	(4.0)
Net impairment losses on other non-current assets	-	0.0	0.0	-	(0.1)	(0.1)
Net charge to provisions for risks and contingencies	-	0.2	0.2	-	0.2	0.2
Operating profit before the share of net income of equity-method affiliates	**205.8**	**106.7**	**312.5**	**190.2**	**76.1**	**266.3**
Share in earnings of equity-method affiliates[a]	24.2	(10.8)	13.4	30.6	20.0	50.6
Operating profit after the share of net income of equity-method affiliates	**229.9**	**95.9**	**325.8**	**220.8**	**96.2**	**317.0**
Net borrowing costs	(31.9)	(5.4)	(37.4)	(33.6)	(5.0)	(38.6)
Financial expenses	*(47.4)*	*(5.4)*	*(52.8)*	*(46.6)*	*(5.0)*	*(51.6)*
Financial income	*15.4*	*-*	*15.4*	*13.0*	*-*	*13.0*
Change in value and income from disposal of financial instruments	-	(40.5)	(40.5)	-	(72.8)	(72.8)
Discounting of debt and receivables	-	(0.2)	(0.2)	-	(5.9)	(5.9)
Proceeds from the disposal of investments[b]	4.8	8.6	13.4	-	0.0	0.0
Dividend per share	(0.0)	-	(0.0)	0.0	-	0.0
PROFIT BEFORE TAX	**202.8**	**58.5**	**261.3**	**187.3**	**12.5**	**199.8**
Income tax	(0.9)	(3.9)	(4.8)	(1.3)	86.3	85.0
Tax due	*(0.9)*	*(0.1)*	*(1.0)*	*(1.3)*	*(0.4)*	*(1.6)*
Deferred tax	*-*	*(3.8)*	*(3.8)*	*-*	*86.7*	*86.7*
Net Profit from continuing operations	**201.9**	**54.6**	**256.5**	**186.0**	**98.8**	**284.8**
o/w Net income attributable to Altarea SCA shareholders	**161.2**	**19.5**	**180.7**	**145.7**	**(6.6)**	**139.2**
o/w Net income attributable to non-controlling interests in subsidiaries	40.7	35.1	75.8	40.2	105.3	145.6
Net Income from discontinued operations	**-**	**(72.3)**	**(72.3)**	**(19.6)**	**(5.3)**	**(24.8)**
o/w Net income attributable to Altarea SCA shareholders	**-**	**(72.3)**	**(72.3)**	**(19.6)**	**(5.3)**	**(24.8)**
o/w Net income attributable to non-controlling interests in subsidiaries	-	-	-	0.0	0.0	0.0
Net profit	**201.9**	**(17.7)**	**184.1**	**166.4**	**93.5**	**259.9**
o/w Net income attributable to Altarea SCA shareholders	**161.2**	**(52.8)**	**108.4**	**126.1**	**(11.8)**	**114.3**
o/w Net income attributable to non-controlling interests in subsidiaries	**40.7**	**35.1**	**75.8**	**40.3**	**105.4**	**145.6**
Average number of non-diluted shares	12,367,215	12,367,215	12,367,215	11,943,751	11,943,751	11,943,751
Basic Net Income from continuing operations attributable to shareholders of Altarea SCA per share (€)	13.03	1.58	14.61	12.20	(0.55)	11.65
Basic Net Income from discontinued operations attributable to shareholders of Altarea SCA per share (€)	-	(5.85)	(5.85)	(1.64)	(0.44)	(2.08)
Basic Net Income attributable to shareholders of Altarea SCA per share (€)	**13.03**	**(4.27)**	**8.76**	**10.56**	**(0.99)**	**9.57**
Average number of diluted shares	12,442,065	12,442,065	12,442,065	12,054,997	12,054,997	12,054,997
Diluted Net Income from continuing operations attributable to shareholders of Altarea SCA per share (€)	12.95	1.57	14.52	12.09	(0.55)	11.54
Diluted Net Income from discontinued operations attributable to shareholders of Altarea SCA per share (€)	-	(5.81)	(5.81)	(1.63)	(0.44)	(2.06)
Diluted Net Income attributable to shareholders of Altarea SCA per share (€)	**12.95**	**(4.25)**	**8.71**	**10.46**	**(0.98)**	**9.48**

(a) The earnings of equity method associates are analyzed identically to fully consolidated companies.
(b) Proceeds from the disposal of an investment are reallocated, for each of the affiliated operations, to the proceeds of the disposal of assets when this involves an investment that was previously fully consolidated or to the share of the earnings of companies accounted for by the equity method when this involves an investment that was previously accounted for by the equity method.

3.3. Income statement items by operating segment

At December 31, 2015

(€ millions)	Brick-and-mortar retail	Residential	Offices	Other	Total
Operating assets and liabilities					
INTANGIBLE ASSETS	18.3	173.6	9.0	1.2	202.1
PROPERTY, PLANT AND EQUIPMENT	2.7	3.5	0.0	0.0	6.2
INVESTMENT PROPERTIES	3,759.6	-	-	-	3,759.6
o/w Investment properties in operation at fair value	*3,453.6*	-	-	-	*3,453.6*
o/w Investment properties under development and under construction at cost	*306.0*	-	-	-	*306.0*
SECURITIES AND INVESTMENTS IN EQUITY AFFILIATES AND NON-CONSOLIDATED INTERESTS	219.1	65.0	76.8	-	361.0
OPERATIONAL WORKING CAPITAL REQUIREMENT	38.2	317.8	51.2	22.0	429.3
o/w Net inventories and work in progress	*0.1*	*622.7*	*88.6*	-	*711.5*
o/w Trade receivables and other accounts receivable	*195.9*	*226.2*	*44.5*	*4.0*	*470.6*
o/w Accounts payable and other operating liabilities	*157.8*	*531.1*	*81.9*	*(18.0)*	*752.7*
Total operating assets and liabilities	**4,037.9**	**559.9**	**137.1**	**23.2**	**4,758.2**
Gross increase in investment properties	256.3	-	-	-	256.3
o/w Investment properties in operation at fair value	*131.9*	-	-	-	*131.9*
o/w Investment properties under development and under construction at cost	*124.4*	-	-	-	*124.4*

The online retail business no longer constitutes an operating segment of the Company, as it is an operation held for sale (the sale is effective January 1, 2016).

At December 31, 2014

(€ millions)	Brick-and-mortar retail	On-line retail	Residential	Offices	Other	Total
Operating assets and liabilities						
INTANGIBLE ASSETS	19.3	41.4	173.8	9.0	1.1	244.7
PROPERTY, PLANT AND EQUIPMENT	3.1	3.4	4.0	0.0	0.1	10.6
INVESTMENT PROPERTIES	3,163.6	-	-	-	-	3,163.6
o/w Investment properties in operation at fair value	*2,974.4*	-	-	-	-	*2,974.4*
o/w Investment properties under development and under construction at cost	*189.2*	-	-	-	-	*189.2*
SECURITIES AND INVESTMENTS IN EQUITY AFFILIATES AND NON-CONSOLIDATED INTERESTS	277.6	0.1	58.4	26.0	-	362.0
OPERATIONAL WORKING CAPITAL REQUIREMENT	20.2	(9.5)	272.3	5.2	4.7	292.8
o/w Net inventories and work in progress	*0.1*	*40.3*	*532.8*	*44.7*	-	*617.9*
o/w Trade receivables and other accounts receivable	*95.1*	*56.8*	*204.6*	*20.6*	*2.9*	*380.0*
o/w Accounts payable and other operating liabilities	*75.0*	*106.6*	*465.2*	*60.1*	*(1.8)*	*705.0*
Total operating assets and liabilities	**3,483.8**	**35.3**	**508.5**	**40.2**	**5.8**	**4,073.7**
Gross increase in investment properties	124.2	-	-	-	-	124.2
o/w Investment properties in operation at fair value	*73.3*	-	-	-	-	*73.3*
o/w Investment properties under development and under construction at cost	*50.9*	-	-	-	-	*50.9*

3.4. Revenue by region and operating segment

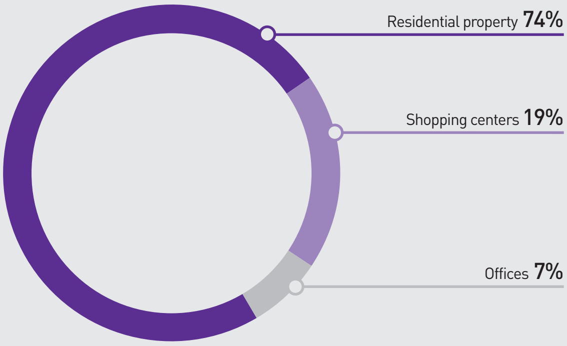
By region

	12/31/2015					12/31/2014				
(€ millions)	France	Italy	Spain	Other	Total	France	Italy	Spain	Other	Total
Rental income	149.8	17.0	7.9	-	174.6	138.0	23.5	8.0	-	169.5
External services	20.6	0.4	0.3	-	21.3	18.4	0.5	0.3	-	19.2
Revenues from Net property income	6.5	-	-	-	6.5	3.5	-	-	-	3.5
NET RETAIL PROPERTY INCOME	176.9	17.3	8.2	-	202.4	159.9	24.0	8.2	-	192.1
Revenue	883.3	-	-	-	883.3	754.5	-	-	-	754.5
External services	(0.2)	-	-	-	(0.2)	0.7	-	-	-	0.7
NET RESIDENTIAL PROPERTIES INCOME	883.1	-	-	-	883.1	755.3	-	-	-	755.3
Revenue	121.1	-	-	-	121.1	59.0	-	-	-	59.0
External services	6.8	-	-	0.6	7.4	5.8	-	-	1.4	7.3
NET OFFICE PROPERTY INCOME	127.9	-	-	0.6	128.5	64.8	-	-	1.4	66.2
Other (Corporate)	4.2	-	-	-	4.2	0.1	-	-	-	0.1
Total revenues	1,192.1	17.3	8.2	0.6	1,218.2	980.0	24.0	8.2	1.4	1,013.7

By operating segment (in %)

2015 Revenues

2014 Revenues



In 2015, one customer represented more than 10% of the revenue of Altarea Cogedim Group, for total revenue of €140 million in the Residential and Office segments. In 2014, no customer represented 10% of Group revenue.

4. MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1. Major events

Retail

Disposal of Rue du Commerce

As announced on August 24, 2015, the Group sold 100% of the share capital of Rue du Commerce to the Carrefour Group. This sale is effective on January 1, 2016.

Consequently, the online retail operation is presented as a discontinued operation and as held for sale at December 31, 2015 in accordance with IFRS 5, which deals specifically with discontinued operations.

The indicators of ongoing operations no longer include the impact of the contribution of Rue du Commerce.

Disposals

Altarea continued to pursue its strategy to refocus on large shopping centers and thus disposed of four small assets in Italy, via the sale of shares, for a market value of €122 million. See notes 7.1 "Investment property" and 8 "Cash flow statement."

Acquisition

On March 11, 2015, Altarea increased its ownership to 100% in the structure holding the Qwartz shopping center in Villeneuve-la-Garenne. It had been developed initially through a 50/50 partnership with Orion and opened in April 2014. As of that date, the center has been fully consolidated.

Deliveries and developments

Two properties were delivered in 2015:

- the Jas de Bouffan shopping center in Aix-en-Provence, which was renovated and extended;
- Marque Avenue (factory outlet) in Aubergenville, on part of the site of the existing center, after redevelopment.

Altarea is moving forward with its developments, mainly:

- continuation of the redevelopment of the existing Cap 3000 center, concurrently with an extension, for full completion in 2018;
- continuation of the construction of the Toulon-La-Valette shopping center, scheduled for delivery in 2016;
- continuation of the work on the shopping center on boulevard Macdonald in the 19th arrondissement of Paris and developed in partnership with Caisse des Dépôts; delivery is scheduled in 2016;
- continuation of the redevelopment of the Massy shopping center, which the tenants have been vacating gradually.

In addition, Altarea was chosen by Gares & Connexions, a subsidiary of the SNCF, to work on the modernization of the Austerlitz and Montparnasse train stations.

Residential

Active in the Paris Region and 10 of the most economically and demographically dynamic regional metropoles[2], the Group targets areas where housing is in short supply and the need for new housing is the greatest.

This market is driven primarily by private investors: The Pinel initiative has confirmed its attractiveness and has revived investors' interest in real estate. Many had pulled out of the market after the Scellier Law was replaced.

However, the residential market recovery is less robust, as buyers still find it difficult to obtain financing, despite low interest rates.

In 2015, the Group's activity in this segment continued to progress both in terms of revenue and reservations (see the business review).

Altarea Cogedim and the SNI Group signed a five-year partnership for the sale of middle-income housing. In 2015, the negotiations concluded with an agreement on 2,000 units, including 1,250 middle-income units and 750 low-income units.

Offices

Regarding Office property, the Group developed an original model enabling it to play a significant role in this market, with limited risks:

- as an investor through the AltaFund investment fund[3] for which the Group is the exclusive operator and a main shareholder, with capital share between 17% and 30%;
- as a property developer[4] with a particularly strong position on the market for turnkey projects;
- as a service provider for large institutional investors[5].

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

In 2015, this segment grew significantly within the Group, both in terms of revenue and of investments (see the business review).

On May 19, 2015, a new Shareholders' Agreement was signed between the investors in the AltaFund investment fund. Its ordinary activity is to invest, in the Paris region, in office buildings to be redeveloped and then sold under the terms and conditions defined in the Agreement. The fund is now structured in two portfolios: the Group owns 16.66% of the first portfolio and 30.11% in the second, whose investment period runs until December 31, 2016.

(2) Lyon, Nice, Marseille, Toulouse, Bordeaux, Grenoble, Annecy, Montpellier, Nantes and Strasbourg.
(3) AltaFund is a discretionary investment fund created in 2011.
(4) Off-plan sales or leases and property development contracts.
(5) Under delegated project management contracts.

4.2. Scope

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Brick-and-mortar retail – France								
3 COMMUNES SNC	352721435		FC	100.0%	100.0%	FC	100.0%	100.0%
AIX 2 SNC	512951617	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
Aldeta SAS	311765762		FC	33.3%	100.0%	FC	33.3%	100.0%
Alta Aubette SNC	452451362		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA AUSTERLITZ SNC	812196616		FC	100.0%	100.0%	NIC	0.0%	0.0%
ALTA BERRI SAS	444561385		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CARRÉ DE SOIE SCI	449231463	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTA CHARTRES BRICO SNC	793646779		FC	100.0%	100.0%	NIC	0.0%	0.0%
ALTA CHARTRES GALERIE SNC	793646779		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CHARTRES Promotion SNC	793646779		FC	100.0%	100.0%	NIC	0.0%	0.0%
ALTA CITE SAS	483543930		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA CRP Aubergenville SNC	451226328		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP GENNEVILLIERS SNC	488541228		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GUIPAVAS SNC	451282628		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP LA VALETTE SNC	494539687		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP MONTMARTRE SAS	450042247		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP PUGET SNC	492962949		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP RIS ORANGIS SNC	452053382		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP RUAUDIN SNC	451248892		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP VALBONNE SNC	484854443		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP VIVIENNE SAS	449877950		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA DÉVELOPPEMENT ITALIE SAS	444561476		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA DROUOT SAS	450042296		FC	100.0%	100.0%	FC	100.0%	100.0%
Alta Gramont SAS	795254952		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA LES HUNAUDIÈRES SNC	528938483		NIC	0.0%	0.0%	FC	100.0%	100.0%
ALTA MULHOUSE SNC	444985568		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA NOUVEAU PORT LA SEYNE SCI	501219109		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA OLLIOULES 1 SASU	513813915		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA OLLIOULES 2 SASU	513813956		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA ORGEVAL SNC	795338441		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA PIERRELAYE SNC	478517204		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA QWARTZ (ex Ori Alta SNC)	433806726		FC	100.0%	100.0%	EM	50.0%	50.0%
ALTA RAMBOUILLET (movie theater – ex Alta Ronchin)	484693841		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SAINT HONORÉ SAS	430343855		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SPAIN ARCHIBALD BV	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SPAIN CASTELLANA BV	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA THIONVILLE SNC	485047328		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA TOURCOING SNC	485037535		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA TROYES SNC	488795790		FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA-MONTPARNASSE SNC	524049244		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTABLUE SAS	522193796		FC	33.3%	100.0%	FC	33.3%	100.0%
Altalux ITALY	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altalux SPAIN	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea FRANCE	324814219		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea LES TANNEURS SNC	421752007		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea MANAGEMENT	509105375		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea PROMOTION COMMERCE SNC	420490948		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea SCA	335480877		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea SNC	431843424		FC	100.0%	100.0%	FC	100.0%	100.0%
Aubergenville 2 SNC	493254015		FC	100.0%	100.0%	FC	100.0%	100.0%
AVENUE FONTAINEBLEAU SAS	423055169		FC	65.0%	100.0%	FC	65.0%	100.0%
AVENUE PAUL LANGEVIN SNC	428272751		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE 2 SCI	419669064		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE SCI	384987517		FC	51.0%	100.0%	FC	51.0%	100.0%
KB SCI MALL	502543259		FC	65.0%	100.0%	FC	65.0%	100.0%
CIB SCI	414394486	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
CŒUR CHEVILLY SNC	491379624	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
THIAIS SNC mall	479873234		FC	100.0%	100.0%	FC	100.0%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
KB SNC mall	485045876		FC	65.0%	100.0%	FC	65.0%	100.0%
ESPACE GRAND RUE SCI	429348733	Joint venture	EM	32.5%	32.5%	EM	32.5%	32.5%
FONCIERE Altarea SAS	353900699		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE CÉZANNE MATIGNON SNC	348024050		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE CÉZANNE MERMOZ SNC	445291404		FC	100.0%	100.0%	FC	100.0%	100.0%
GENNEVILLIERS 2 SNC	452052988		FC	100.0%	100.0%	FC	100.0%	100.0%
GM MARKETING SAS	437664568		FC	100.0%	100.0%	FC	100.0%	100.0%
HIPPODROME CARRÉ DE SOIE SARL	493455810	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
JAS DE BOUFFAN SNC	508887619		FC	100.0%	100.0%	FC	100.0%	100.0%
KLEBER SAS	790201453		FC	100.0%	100.0%	FC	100.0%	100.0%
LE HAVRE RENÉ COTY SNC MALL	407943620		FC	100.0%	100.0%	FC	100.0%	100.0%
LE PRE LONG SNC	508630464		NIC	0.0%	0.0%	FC	100.0%	100.0%
LES CLAUSONNES INVESTISSEMENT SARL	411985468		FC	100.0%	100.0%	FC	100.0%	100.0%
LES CLAUSONNES SCI	331366682		FC	100.0%	100.0%	FC	100.0%	100.0%
LILLE GRAND PLACE SCI	350869244		FC	99.0%	100.0%	FC	99.0%	100.0%
LIMOGES INVEST SCI	488237546		FC	75.0%	100.0%	FC	75.0%	100.0%
MANTES GAMBETTA – EX ALTA COPARTS SNC	499108207		FC	100.0%	100.0%	FC	100.0%	100.0%
MATIGNON COMMERCE SNC	433506490		FC	100.0%	100.0%	FC	100.0%	100.0%
MONNET LIBERTÉ SNC	410936397	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
NANTERRE QUARTIER DE L'UNIVERSITÉ SAS	485049290	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
OPEC SARL	379873128		FC	99.9%	100.0%	FC	99.9%	100.0%
OPEC SNC	538329970		FC	100.0%	100.0%	FC	100.0%	100.0%
PETIT MENIN SCI	481017952	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ROOSEVELT SAS	524183852		FC	100.0%	100.0%	FC	100.0%	100.0%
RUE DE L'HÔTEL DE VILLE SCI	440848984	Joint venture	EM	40.0%	40.0%	EM	40.0%	40.0%
SCI CŒUR D'ORLY BUREAUX	504255118	Joint venture	EM	25.0%	25.0%	EM	25.0%	25.0%
SCI HOLDING BUREAUX CŒUR D'ORLY	504017807	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LIEVIN INVEST	444402887	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
SCI MAC DONALD COMMERCE	524049244	Affiliate	EM	50.0%	50.0%	EM	50.0%	50.0%
SIC RETAIL PARK LES VIGNOLES	512086117		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ALTA LES ESSARTS	480044981		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC CŒUR D'ORLY COMMERCE	504831207	Joint venture	EM	25.0%	25.0%	EM	25.0%	25.0%
SNC HOLDING COMMERCE CŒUR D'ORLY	504142274	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC TOULOUSE GRAMONT (ex PPI)	352076145		FC	51.0%	100.0%	FC	51.0%	100.0%
SOCOBAC SARL	352781389		FC	100.0%	100.0%	FC	100.0%	100.0%
STE AMENAGEMENT MEZZANINE PARIS NORD SA	422281766	Affiliate	EM	40.0%	40.0%	EM	40.0%	40.0%
Société d'Aménagement de la Gare de l'Est SNC	481104420		FC	51.0%	100.0%	FC	51.0%	100.0%
Société du centre commercial MASSY SNC	950063040		FC	100.0%	100.0%	FC	100.0%	100.0%
TECI ET CIE SNC	333784767		FC	100.0%	100.0%	FC	100.0%	100.0%
Brick-and-mortar retail – Italy								
ALTABASILIO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTACASALE SRL	NA		NIC	0.0%	0.0%	FC	100.0%	100.0%
ALTACERRO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAGE SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAGS SRL	NA		FC	100.0%	100.0%	NIC	0.0%	0.0%
ALTAIMMO SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPINEROLO SRL	NA		NIC	0.0%	0.0%	FC	100.0%	100.0%
ALTAPONTEPARODI SPA	NA		FC	95.0%	100.0%	FC	95.0%	100.0%
Altarag Srl	NA		NIC	0.0%	0.0%	FC	100.0%	100.0%
Altarea Italia PROGETTI SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea Italia SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTARIMI SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAROMA SRL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
AURELIA TRADING SRL	NA		NIC	0.0%	0.0%	FC	100.0%	100.0%
Brick-and-mortar retail – Spain								
ALTAOPERAE II S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE III S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE SALAMANCA S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPATRIMAE II S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea ESPANA S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Altarea OPERAE S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea Patrimae S.L	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ORTIALTAE S.L	NA	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
Diversification								
ALTA CINÉ INVESTISSEMENT SAS	482277100		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA DELCASSÉ SAS	501705362		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA FAVART SAS	450042338		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA REIM SAS (EX ALTA MONTAIGNE SAS)	790197263		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA RUNGIS SAS	500539150		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA SÈVRES SNC	791885528		FC	99.9%	100.0%	FC	99.9%	100.0%
AUBETTE TOURISME RÉSIDENCE SNC	501162580		FC	65.0%	100.0%	FC	65.0%	100.0%
L'EMPIRE SAS	428133276		FC	99.9%	100.0%	FC	99.9%	100.0%
SEMMARIS	662012491	Affiliate	EM	33.3%	33.3%	EM	33.3%	33.3%
Online retail								
ALTA PENTHIÈVRE SAS	518991476		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTACOM SAS	537392276		FC	99.9%	100.0%	FC	99.9%	100.0%
MAXIDOME	509105375		FC	99.9%	100.0%	FC	99.9%	100.0%
RUE DU COMMERCE SAS	422797720		FC	99.9%	100.0%	FC	99.9%	100.0%
Residential								
COGEDIM RÉSIDENCES SERVICES SNC	394648455	Joint venture	EM	64.9%	65.0%	EM	64.9%	65.0%
CSE SAS	790172860	Joint venture	EM	64.9%	65.0%	EM	64.9%	65.0%
41 RUE DE LA LÉGION D'HONNEUR SCCV	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
6 RUE RAYER SCCV	811252188	Affiliate	EM	55.6%	55.6%	NIC	0.0%	0.0%
72 CARTIER BRESSON SCCV	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
MARSEILLE MICHELET SNC	792774382		FC	99.9%	100.0%	FC	99.9%	100.0%
TOULON MÉTROPOLITAIN SNC	750297137		FC	99.9%	100.0%	FC	99.9%	100.0%
ALBATROS SNC	803307354	Affiliate	EM	46.1%	46.2%	EM	46.1%	46.2%
ALTA CRP MOUGINS SNC	453830663		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA FAUBOURG SAS	444560874		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA PERCIER SAS	538447475		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA PROXIMITÉ SNC (ex ALTA BOULOGNE)	538765975		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA SAINT-GERMAIN SAS	808067375		FC	99.9%	100.0%	FC	99.9%	100.0%
Altareit SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
AUDITAFUL SARL	511472318	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
Altarea Cogedim Grands Projets	810926519		FC	99.9%	100.0%	NIC	0.0%	0.0%
Altarea Cogedim IDF Grande Métropole	810928135		FC	99.9%	100.0%	NIC	0.0%	0.0%
Altarea Cogedim Régions	810847905		FC	99.9%	100.0%	NIC	0.0%	0.0%
Altarea Cogedim ZAC VLS (SNC)	811910447		FC	99.9%	100.0%	NIC	0.0%	0.0%
BALCONS DU GENEVOIS SCCV	532227741	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
BOUCLES DE SEINE SNC	482315405	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
CHAMPAGNE-ARDENNES SNC	492961487	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
EAGLE SNC	788652568	Affiliate	EM	37.0%	37.1%	EM	37.0%	37.1%
EUROPE RIVE SUD SCCV	522391846	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
GARANCE MEISSONNIER SCCV	513696724	Affiliate	EM	27.8%	27.8%	EM	27.8%	27.8%
SCCV GARDEN LIFE	813861507		FC	89.9%	100.0%	NIC	0.0%	0.0%
HISTOIRE ET PATRIMOINE FINANCEMENT SARL	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE GESTION SAS	401165089	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE MOD SAS	394203509	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE PARTENARIATS SASU	452727985	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE PROMOTION EURL	792751992	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE SAS	480309731	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE DÉVELOPPEMENT SASU	480110931	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LA CÔTE BLEUE SNC	497538348	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LA SCAMA SCI	538362674	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LES JARDINS DU CARMEL SARL	497538124	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LES VERRIERS SCI	538394271	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
MASSY GRAND OUEST SNC – AF050	793338146		FC	99.9%	100.0%	FC	99.9%	100.0%
METBURY EURL	493279178	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
MICHELET BAUER SCCV	480727999	Affiliate	NIC	0.0%	0.0%	EM	27.8%	27.8%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV MONTMAGNY CŒUR DE VILLE	813523875	Joint venture	EM	50.9%	51.0%	NIC	0.0%	0.0%
ODONIA SCCV	752636860	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
RÉSIDENCE DU THÉATRE SCCV	494094212	Affiliate	EM	27.8%	27.8%	EM	27.8%	27.8%
S.O.R.A.C. SNC	330996133		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV DES 13 FRANCS-TIREURS	751201567	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DE LA PLAINE	490746419	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES CÔTES ATLANTIQUES	490743101	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES ÉGLANTIERS	501581318	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES GALETS	481045763	Affiliate	NIC	0.0%	0.0%	EM	55.6%	55.6%
SNC DES VIGNES	480169507	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC VITROLLES LION1	811038454		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC VITROLLES LION2	811038439		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC VITROLLES LION3	811038363		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC VITROLLES SALIN1	811038389		FC	99.9%	100.0%	NIC	0.0%	0.0%
SNC VITROLLES SALIN2	811038413		FC	99.9%	100.0%	NIC	0.0%	0.0%
SYNDECO SAS	790128433	Affiliate	EM	55.6%	55.6%	FC	99.9%	100.0%
SCCV SURESNES 111 VERDUN	507385003	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC 12 RUE OUDINOT PARIS 7e	378484653		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BESONS GABRIEL PÉRI	793727322		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC 36 RUE RIVAY LEVALLOIS	343760385		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC 46 JEMMAPES	572222347		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TOULOUSE LES ARGOULETS	513822601		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC AIX LA VISITATION	452701824		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV RACINE CARRÉ – AIX LA DURANNE	801954132	Joint venture	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCV CONFIDENCE GARLABAN	ONGOING***		FC	69.9%	100.0%	NIC	0.0%	0.0%
SCCV MARSEILLE PARANQUES SUD	809939382		FC	99.9%	100.0%	NIC	0.0%	0.0%
SCCV ALFORTVILLE MANDELA	814412391		FC	50.9%	100.0%	NIC	0.0%	0.0%
SCCV QUAI DE SEINE À ALFORTVILLE	803321942	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV AMIENS PLACE VADE	801598624	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ANGLET BELAY	512392325		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV ANNEMASSE FOSSARD	803779438		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV ANTIBES 4 CHEMINS	537695801	Affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
SAS ARBITRAGES ET INVESTISSEMENTS	444533152		NIC	0.0%	0.0%	FC	99.9%	100.0%
SAS ARBITRAGES ET INVESTISSEMENT 2	479815847		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV ARCACHON LAMARQUE	527725246		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI ARGENTEUIL FOCH-DIANE	484064134	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ARGENTEUIL JEAN JAURÈS	533885604		FC	94.9%	100.0%	FC	94.9%	100.0%
SCCV VITRY ARMANGOT	789655396		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI ASNIÈRES AULAGNIER ILOTS E, F ET H1	483537866	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ASNIÈRES ALPHA	529222028	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI CHAUSSON A/B	517868192	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ASNIÈRES LAURE FIOT	532710308		FC	74.9%	100.0%	FC	74.9%	100.0%
SCCV LAMY ILOT AUBERVILLIERS	798364030		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV BAGNEUX – TERTRES	789328804	Affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCV BAGNEUX FONTAINE GUEFFIER 1	794841189	Affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCVBAGNEUX FONTAINE GUEFFIER 2	794757245		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BAGNEUX PAUL ÉLUARD	789253549		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BAGNEUX BLAISE PASCAL	533942884		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV BAGNOLET MALMAISON	517439402		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC BENOIT CRÉPU LYON	378935050		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LE HAMEAU DES TREILLES	487955965		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV BOBIGNY PARIS	812846525		FC	50.9%	100.0%	NIC	0.0%	0.0%
SNC BORDEAUX FAURE DURAND INFLUENCE	803042118	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV 236 AVENUE THIERS	493589550		FC	54.9%	100.0%	FC	54.9%	100.0%
SCI BRUGES AUSONE	484149802		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC BORDEAUX BACALAN INFLUENCE	803283910	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SARL BOULOGNE VAUTHIER	794305185		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BOULOGNE VAUTHIER	533782546		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV TOULOUSE BOURRASSOL WAGNER	503431116		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV BRUGES GRAND DARNAL	511302002		NIC	0.0%	0.0%	FC	99.9%	100.0%
SAS BRUN HOLDING	394648984		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CACHAN DOLET HENOUILLE	791049000		FC	89.9%	100.0%	FC	89.9%	100.0%
SCCV CACHAN DOLET 62/66	788827111		FC	89.9%	100.0%	FC	89.9%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV CACHAN GABRIEL PÉRI 3	812051829		FC	99.9%	100.0%	NIC	0.0%	0.0%
SCI CANNES 2 AV ST NICOLAS	482524758	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI CANNES 152/156 BOULEVARD GAZAGNAIRE	419700786	Joint venture	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCV CARDINAL LEMOINE	812133080	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV TOULOUSE CARRÉ SAINT MICHEL	501982763		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ROSSO	538357492		FC	69.9%	100.0%	NIC	0.0%	0.0%
SCI CHATENAY HANOVRE 1	424831717		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CLAUDEL	504308099		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MARSEILLE LA POMMERAIE	502223522		FC	79.9%	100.0%	FC	79.9%	100.0%
SAS COGEDIM EST	419461546		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM PROVENCE	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM SAS	54500814		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM VALORISATION	444660393		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI COLOMBES CHARLES DE GAULLE	489927996	Joint venture	EM	44.9%	45.0%	EM	44.9%	45.0%
SCI COLOMBES ÉTIENNE D'ORVES	479534885	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV COLOMBES AUTREMENT	528287642		FC	51.9%	100.0%	FC	51.9%	100.0%
SCCV 121-125 RUE HENRI BARBUSSE	494577455	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV CONFLANS FOCH	802774810		FC	59.9%	100.0%	FC	59.9%	100.0%
SNC CORIFIAL	306094079		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI COURBEVOIE – HUDRI	483107819		FC	79.9%	100.0%	FC	79.9%	100.0%
SCI COURBEVOIE ST DENIS FERRY	479626475	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC NOTRE DAME	432870061		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC GARCHES LE COTTAGE	562105569		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV DOMAINE DE LA GARDI	535109011		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV DOMAINE DES HAUTS DE FUVEAU	535072425		FC	99.9%	100.0%	FC	99.9%	100.0%
SARL ÉCOSPACE	517616017	Affiliate	NIC	0.0%	0.0%	EM	10.0%	10.0%
SARL FINANCIÈRE BONNEL	400570743		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI FRANCHEVILLE-BOCHU	488154329	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC CHARENTON GABRIEL PÉRI	518408188		FC	59.9%	100.0%	FC	59.9%	100.0%
SNC GARCHES 82 GRANDE RUE	481785814	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV GARCHES LABORATOIRE EST	531559557		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC D'ALSACE	493674196		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV HAILLAN MEYCAT	501411995		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC HEBERT	504145004		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HOUILLES ZAC DE L'ÉGLISE	531260776	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI VILLA HAUSSMANN RIVE SUD	437674955		FC	59.9%	100.0%	FC	59.9%	100.0%
SCI ILOT 6BD GALLIENI FORUM SEINE	433735479	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV IVRY GUNSBOURG	793375429		FC	53.9%	100.0%	FC	53.9%	100.0%
SNC DULAC – ROUMANILLE	513406942		FC	98.9%	100.0%	FC	98.9%	100.0%
SCCV JOINVILLE PARIS LIBERTÉ	814629655		FC	50.9%	100.0%	NIC	0.0%	0.0%
SCCV DE L'ORAISON	794048959		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV L'ILE VERTE	509642005		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV COGESIR	753460062		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV LEVALLOIS MARCEAU	501580583		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV LA COURNEUVE JEAN JAURÈS	793341660		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC FONCIERE ILES D'OR	499385094		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 1	488424250		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 2	488423724		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 3	488424185		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 5	488423310		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 6	488423260		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA TESTE VERDUN	521333666		FC	69.9%	100.0%	FC	69.9%	100.0%
SNC LAENNEC RIVE GAUCHE	449666114		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LE CHESNAY 127 VERSAILLES	801526716		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI LE CHESNAY LA FERME	485387286	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LE CLOS DU PARC	533718029	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MASSY COGFIN	515231215	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LE JARDIN DU COUVENT	533714168	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV LE PARADISIO	537797649		FC	89.9%	100.0%	FC	89.9%	100.0%
SNC LE PINET	501286124		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV LE TOUQUET DUBOC	812050870	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV LES COLORIADES	538153248	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV TOULOUSE GUILHEMERY	512568007		NIC	0.0%	0.0%	FC	99.9%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV DOUVAINE – LES FASCINES	514276369		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LES FELIBRES	531317220		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI PIERRE DUPONT n° 16 LYON	428092118		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV JEAN MOULIN 23 LES LILAS	490158839	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI PHOCEENS	483115404		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LES ROSES DE CARROS	524599388	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS LEVALLOIS 41-43 CAMILLE PELLETAN	489473249		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI LEVALLOIS ILOT 4.1	409853165		FC	49.9%	100.0%	FC	49.9%	100.0%
SCI 65 LACASSAGNE – LYON 3	451783732		FC	71.4%	100.0%	FC	71.4%	100.0%
SNC NOVEL GENÈVE – LYON 6	481997609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV RUE JEAN NOVEL – LYON 6	490160785	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV LYON 7 -209 BERTHELOT	750698300		FC	59.9%	100.0%	FC	59.9%	100.0%
SCCV TUILERIES – LYON 9	452819725	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MAISON ALFORT SANGNIER	791796543	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI MAISONS ALFORT VILLA MANSART	443937040	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MALAKOFF DUMONT	752776591		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MALAKOFF LAROUSSE	514145119		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC ALTA CRP MANTES LE JOLIE	490886322		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MANTES DUNANT	803318393	Joint venture	EM	59.9%	60.0%	EM	59.9%	60.0%
SCI MARSEILLE 514 MADRAGUE VILLE	482119567		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI COTE PARC	447789595		FC	57.9%	100.0%	FC	57.9%	100.0%
SCCV MARSEILLE SERRE	528065618		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV PROVENCE BORELLY	503396582		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MASSY PQR	521333930		FC	74.9%	100.0%	FC	74.9%	100.0%
SCCV MASSY MN	521333476	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS MB TRANSACTIONS	425039138		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MEUDON HETZEL CERF	518934690		FC	50.9%	100.0%	FC	50.9%	100.0%
SCI VAUGIRARD MEUDON	441990926		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV – ESPACE ST MARTIN	493348007	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI NANTERRE-ST MAURICE	481091288		FC	71.4%	100.0%	FC	71.4%	100.0%
SCCV NANTERRE PRIVINCES FRANCAISES LOT A3	793491812	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC NANTES CADENIERS	500650981		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV NANTES RENNES & CENS	752249482	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV NANTES RUSSEIL	514480557	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV BOURDON CHAUVEAU NEUILLY	489104125		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV BOURDON 74 NEUILLY	492900741		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV 66 CHAUVEAU NEUILLY	507552040	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC PLUTON/NICE PASTORELLI	494925662		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI FRATERNITE MICHELET A NOISY LE SEC	504969692		FC	49.9%	100.0%	FC	49.9%	100.0%
SCCV PANTIN MEHUL	807671656		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC CHERCHE MIDI 118 PARIS 6e	423192962		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COUR SAINT LOUIS	531197176	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC PARIS 11e PASSAGE SAINT AMBROISE	479985632		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI BRILLAT SAVARIN 86 PARIS XIII	487504300	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV PARIS CAMPAGNE PREMIERE	530706936		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC MURAT VARIZE	492650288		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV PARIS 19 MEAUX 81-83	537989667		FC	59.9%	100.0%	FC	59.9%	100.0%
SAS PARIS 8e 35 RUE DE PONTHIEU	477630057	Joint venture	NIC	0.0%	0.0%	EM	49.9%	50.0%
SCI PÉNITENTES	379799745		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CACHAN GABRIEL PÉRI 1	537407140		FC	89.9%	100.0%	FC	89.9%	100.0%
SCCV PORTE DE DESMONT	811049626	Joint venture	EM	49.9%	50.0%	NIC	0.0%	0.0%
SCCV PUTEAUX LES PASTOURELLES	802997510		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV RADOIRE ORDET	ONGOING		FC	79.9%	100.0%	FC	79.9%	100.0%
SNC RÉPUBLIQUE	443802392		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV REZE-JEAN-JAURÈS	788521375		FC	50.9%	100.0%	FC	50.9%	100.0%
SCI DU RIO D'AURON	443924774		NIC	0.0%	0.0%	FC	59.9%	100.0%
SCCV RIVES D'ALLAUCH	494440464	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC RIVIÈRE SEINE	502436140		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ROMAINVILLE HORIZON	813650769		FC	50.9%	100.0%	NIC	0.0%	0.0%
SCCV CŒUR DE LA BOUVERIE	490874021		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI RUE DE LA GARE	533718177	Joint venture	EM	44.9%	45.0%	EM	44.9%	45.0%
SCI ST-CLOUD 9/11 RUE DE GARCHES	444734669	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCI LES CÉLESTINES	481888196	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV PHOENIX	487776551		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT MANDE MOUCHOTTE	529452773	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SARL LES JARDINS DE DAUDET	444326797	Joint venture	EM	37.4%	37.5%	EM	37.4%	37.5%
SCI DOMAINE DE MÉDICIS	450964465		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV SAINTE ANNE	501662233	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI SALON DE PROVENCE – PILON BLANC	488793381		NIC	0.0%	0.0%	FC	99.9%	100.0%
SAS ROURET INVESTISSEMENT	441581030		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS SAINT-OUEN-PARKING BATELIERS NORD	790807150	Affiliate	EM	28.2%	28.2%	EM	28.2%	28.2%
SCCV ANTONY GRAND PARC 2	752973818		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV ANTONY GRAND PARC HABITAT 1	524010485		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC BAUD MONT – BAUD RIVAGE	501222038		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CARTOUCHERIE ILOT1.5 A	790832190	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV COTO	814221453		FC	50.9%	100.0%	NIC	0.0%	0.0%
SCCV FONTAINE DE LATTES	790866339		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV HOUILLES SÉVERINE	522144609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MASSY COLCOGE	504685884		FC	99.9%	100.0%	FC	79.9%	100.0%
SCCV NICE GOUNOD	499315448		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT ORENS LE CLOS	515347953		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TASSIN CONSTELLATION	499796159	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI DE LA PAIX	800702003	Joint venture	EM	36.0%	36.0%	EM	36.0%	36.0%
SCI LES OPALINES	413093170		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HANOI GUERIN	499516151	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI SERRIS QUARTIER DU PARC	444639926	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV SEVRAN FREINVILLE	801560079		FC	59.9%	100.0%	FC	59.9%	100.0%
SCCV SÈVRES FONTAINES	789457538		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV SÈVRES GRANDE RUE	531294346		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC A.G. INVESTMENT	342912094		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Altarea HABITATION	479108805		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Altarea INVESTISSEMENT	352320808		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LA BUFFA	394940183	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC COGEDIM AQUITAINE	388620015		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM ATLANTIQUE	501734669		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM CITALIS	450722483		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM DÉVELOPPEMENT	318301439		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM GRAND LYON	300795358		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM GRENOBLE	418868584		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM LANGUEDOC ROUSSILLON	532818085		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM MÉDITERRANÉE	312347784		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM MIDI-PYRÉNÉES	447553207		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM PARIS MÉTROPOLE	319293916		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM PATRIMOINE	420810475		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM SAVOIES-LEMAN	348145541		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM TRADITION	315105452		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Cogedim Vente	309021277		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CORESI	380373035		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CSI	751560483		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC DU RHIN	501225387		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Cogedim Gestion	380375097		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC PROVENCE L'ÉTOILE	501552947		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC RIVIERA – VILLA SOLANA	483334405		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC ST GENIS – RUE DARCIEUX	793115908		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT CLOUD PALISSY	792326704		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV SAINT CYR CŒUR DE PLAINE	813335148		FC	79.9%	100.0%	NIC	0.0%	0.0%
SCCV SAINT HERBLAIN PLAISANCE	498619444		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ST OUEN LES COULEURS DU PARC	789712528		FC	92.3%	100.0%	FC	92.3%	100.0%
SCCV TERRA MÉDITÉRRANÉE	503423782		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC DANUBE	483158382		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCI 123 AV CH. DE GAULLE	420990889		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV THONON – CLOS ALBERT BORDEAUX	512308404		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV RIOU	490579224		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI LE PARC DE BORDEROUGE	442379244	Joint venture	NIC	0.0%	0.0%	EM	39.9%	40.0%
SCCV SAINTE ANNE	499514420		FC	99.9%	100.0%	FC	99.9%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV Toulouse HARAUCOURT	501635437		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV Toulouse BUSCA	511512071		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV VALLEIRY LE VERNAY	750744575		FC	69.9%	100.0%	FC	69.9%	100.0%
SCI VANVES MARCHERON	484740295	Joint venture	EM	37.4%	37.5%	EM	37.4%	37.5%
SCCV VANVES BLEUZEN	513178830	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC VAUBAN	501548952		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV GREEN ATTITUDE	807582267		FC	89.9%	100.0%	FC	89.9%	100.0%
SNC PROVENCE LUBERON	520030206		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LC2 -VENISSIEUX	532790052		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VERCO	504664798		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LES AQUARELLES	492952635		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VAUGRENIER1214 V.LOUBET	434342648		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VILLEURBANNE LA CLEF DES PINS	961505641		NIC	0.0%	0.0%	FC	99.9%	100.0%
SNC CARNOT	433906120		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC D'ALBIGNY	528661721		NIC	0.0%	0.0%	FC	99.9%	100.0%
SCCV VITRY 82	793287392		FC	74.9%	100.0%	FC	74.9%	100.0%
SCI CIRY-VIRY	490793221		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV VITRY BALZAC	807649355		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC WAGRAM	500795034		FC	99.9%	100.0%	FC	99.9%	100.0%
Offices								
Altarea Cogedim Entreprise Promotion SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
ACEP INVEST 2 CDG NEUILLY/EX ACEP INVEST 4	794194274	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
ACEP INVEST 2 HOLDING SCI	794194274	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
ACEP INVEST 3 (société civile)	751731530	Affiliate	NIC	0.0%	0.0%	EM	16.6%	16.7%
AF INVESTCO 4 (SCI)	798601936	Affiliate	EM	58.3%	58.4%	EM	58.3%	58.3%
AF INVESTCO 5 (SCI)	798601936	Affiliate	EM	30.1%	30.1%	EM	16.6%	16.7%
MONTIGNY NEWTON SNC	750297137		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA VAI HOLDCO A (formally Salle Wagram and Theatre de l'Empire)	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
AltaFund General Partner SARL	NA		FC	99.9%	100.0%	FC	99.9%	100.0%
AltaFund OPCI (SPPICAV)	539124529	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
Altarea Cogedim Entreprise ASSET MANAGEMENT SNC	534207386		FC	99.9%	100.0%	FC	99.9%	100.0%
Altarea Cogedim Entreprise HOLDING SNC	534129283		FC	99.9%	100.0%	FC	99.9%	100.0%
ANDROMÈDE CAMPUS SNC	798013280		FC	99.9%	100.0%	FC	99.9%	100.0%
GERLAND 1 SNC	503964629	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
GERLAND 2 SNC	503964702	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
ISSY PONT SCI	524049244	Joint venture	EM	25.0%	25.0%	EM	25.0%	25.0%
LYON 7 GARNIER VERCORS SNC	798069365		FC	100.0%	100.0%	FC	100.0%	100.0%
PASCALHOLDCO (SPICCAV)	809845951	Affiliate	EM	15.0%	15.1%	NIC	0.0%	0.0%
PASCALPROPCO (SAS)	437929813	Affiliate	EM	15.0%	15.1%	NIC	0.0%	0.0%
WATT SNC	812030302		FC	99.9%	100.0%	NIC	0.0%	0.0%
SCCV BALMA ENTREPRISE	524105848	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC ISSY 25 CAMILLE DESMOULINS	390030542		FC	99.9%	100.0%	FC	99.9%	100.0%
SARL CLICHY EUROPE 4	442736963	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC CŒUR D'ORLY PROMOTION	504160078	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS COGEDIM OFFICE PARTNERS	491380101	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC EUROMED CENTER	504704248	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC FORUM 11	434070066	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SNC ISSY 11.3 GALLIENI	492450168	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LEVALLOIS ANATOLE FRANCE FRONT DE SEINE	343926242		NIC	0.0%	0.0%	FC	84.9%	100.0%
SCI AXE EUROPE LILLE	451016745	Joint venture	EM	44.9%	45.0%	EM	44.9%	45.0%
SCCV SILOPARK	799237722	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV TECHNOFFICE	799125109	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC ROBINI	501765382	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV SAINT ÉTIENNE – ILOT GRUNER	493509723		NIC	0.0%	0.0%	FC	99.9%	100.0%
SARL ASNIÈRES AULAGNIER	487631996	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS ALTA RICHELIEU	419671011		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS CLAIRE AULAGNIER	493108492		FC	94.9%	100.0%	FC	94.9%	100.0%
SAS COP BAGNEUX	491969952	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SAS LIFE INTERNATIONAL COGEDIM	518333448		FC	50.0%	100.0%	FC	50.0%	100.0%

			12/31/2015			12/31/2014		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCI COP BAGNEUX	492452982	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC COGEDIM ENTREPRISE	424932903		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC SAINT-DENIS LANDY 3	494342827	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC DU PARC INDUSTRIEL DE SAINT-PRIEST	443204714		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV BLAGNAC GALILÉE	501180160		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI ZOLA 276 – VILLEURBANNE	453440695		FC	74.9%	100.0%	FC	74.9%	100.0%

4.3. Changes in Group structure

(in number of companies)	12/31/2014	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	12/31/2015
Fully-consolidated subsidiaries	314	1	24	(6)	(25)	-	308
Joint ventures[a]	91		4	(1)	(1)	(1)	92
Affiliates[a]	50	1	2	(3)	(6)	1	45
Total	**455**	**2**	**30**	**(10)**	**(32)**	**-**	**445**

(a) Entities consolidated under the equity method.

Inclusions in the scope of consolidation pertains in particular to the acquisition of SAS Pascal Propco, which holds the Pascal Towers – La Défense through the AltaFund investment fund, and a residential development company, SCCV Rosso.

Removals from the scope of consolidation pertain in particular to the disposal of four shopping centers in Italy, two shopping centers in France, an office building in Paris (through the AltaFund investment fund), and three real estate development companies (two subsidiaries of the Histoire et Patrimoine Group and one subsidiary of Cogedim SAS).

4.4. Operation held for sale

In the summer of 2015, Carrefour made a commitment to the Group to purchase Rue du Commerce, under the terms of a preliminary sales agreement. The sale took place on January 1, 2016.

The Group's online retail operation, which was composed exclusively of the Rue du Commerce subsidiary is thus shown, in accordance with IFRS 5, as a discontinued operation.

The Group ceased amortization of the assets of this operation as of the date when they were classified as a discontinued operation.

Net income from this activity and its cash flow are shown on a separate line, respectively, in the consolidated statement of comprehensive income, the consolidated income statement, and the cash flow statement.

The assets and liabilities of this activity are presented on separate lines of the Group's balance sheet at December 31, 2015, without restating the balance sheet for the prior financial year.

Indicators of income and cash flow for the operation held for sale are presented as follows:

Indicators of income

(€ millions)	12/31/2015	12/31/2014
Distribution and other revenue	*245.0*	*305.5*
Cost of sales and other expenses	*(242.6)*	*(293.9)*
Retail margin	2.4	11.7
Marketplace commissions	10.8	11.1
Operating expenses	(43.3)	(42.2)
Net allowances for depreciation and impairment	(3.9)	(1.4)
Transaction costs	(2.6)	(3.4)
Operating Income	**(36.6)**	**(24.2)**
Cost of net debt	(0.0)	(0.5)
Profit (loss) before tax	**(36.6)**	**(24.7)**
Corporate income tax	0.7	(0.2)
Net profit	**(35.9)**	**(24.8)**
Non-controlling interests in discontinued operations	0.0	0.0
Net profit, attributable to Group shareholders	**(35.9)**	**(24.8)**
Impairment of the discontinued operation less costs to sell	(36.4)	-
Net profit from discontinued operations, attributable to Group shareholders	**(72.3)**	**(24.8)**

Indicators of cash flow

(€ millions)	12/31/2015	12/31/2014
Cash flow from operating activities	(26.3)	(21.1)
Cash flow from investment activities	(10.7)	(9.6)
Cash flow from financing activities	(0.8)	30.6
Net cash flow	**(37.8)**	**(0.0)**
Cash balance at period-end	(7.6)	-
Net cash flow discontinued operations [a]	**(45.3)**	**(0.0)**

(a) Line presented in the Group's cash flow statement.

These cash flows do not take costs to sell into account.

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

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

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

(€ millions)	Equity-accounting value of joint ventures	Equity-accounting value of affiliated companies	Value of stake in equity-method affiliates	Non-consolidated securities	Receivables from joint ventures	Receivables from affiliated companies	Receivables from equity-method subsidiaries and non-consolidated interests	Total securities and investments in equity affiliates and non-consolidated interests
At January 1, 2014	94.2	98.1	192.2	0.3	76.9	9.2	86.1	278.6
Dividend per share	(8.6)	(3.1)	(11.8)	-	-	-	-	(11.8)
Share of earnings	35.0	15.7	50.6	-	-	-	-	50.6
Capital increase	6.5	(7.7)	(1.3)	(0.0)	-	-	-	(1.3)
Change in financial receivables	(0.0)	0.0	-	0.0	36.8	3.2	40.0	40.0
Allocations to and reversals of provisions	-	-	-	(0.0)	-	-	-	(0.0)
Other changes	(5.6)	(0.3)	(5.9)	(0.0)	(0.0)	-	(0.0)	(5.9)
Change in scope of consolidation	(0.2)	11.8	11.6	0.2	(2.6)	2.6	0.0	11.8
At December 31, 2015	121.2	114.3	235.5	0.4	111.0	15.0	126.1	362.0
Dividend per share	(5.2)	(3.5)	(8.7)	-	-	-	-	(8.7)
Share of earnings	6.3	7.2	13.4	-	-	-	-	13.4
Capital increase	0.0	6.0	6.0	(0.0)	-	-	-	6.0
Change in financial receivables	-	0.0	0.0	(0.0)	30.9	48.3	79.3	79.3
Allocations to and reversals of provisions	-	-	-	0.0	-	-	-	0.0
Other changes	(0.5)	(0.2)	(0.7)	(0.0)	-	-	-	(0.8)
Change in scope of consolidation	(48.9)	0.3	(48.6)	(0.0)	(40.6)	(1.1)	(41.7)	(90.3)
At December 31, 2015	72.9	124.0	196.9	0.4	101.4	62.3	163.7	361.0

The change is scope is due to acquiring control of Alta Qwartz, which holds the shopping center located in Villeneuve-la-Garenne.

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

(€ millions)	Net value of equity-method affiliates 12/31/2015	Net value of equity-method affiliates 12/31/2014
Joint ventures:		
Brick-and-mortar retail	48.7	101.1
Residential	19.2	8.6
Offices	5.1	11.4
EQUITY-ACCOUNTING VALUE OF JOINT VENTURES	72.9	121.2
Affiliates:		
Brick-and-mortar retail	96.7	92.4
Residential	16.0	17.2
Offices	11.3	4.7
EQUITY-ACCOUNTING VALUE OF AFFILIATED COMPANIES	124.0	114.3
Value of equity investments in joint ventures and affiliated companies	196.9	235.5

The individual carrying value of each of these companies is not significant for the Group.

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

Share of balance sheet items of joint ventures

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2015	Brick-and-mortar retail	Residential	Offices	12/31/2014
Non-current assets	152.4	2.2	0.6	155.2	307.7	1.3	0.3	309.3
Current assets	(2.6)	141.5	78.3	217.3	61.6	103.8	50.6	216.0
Total assets	**149.9**	**143.7**	**78.9**	**372.5**	**369.2**	**105.1**	**50.9**	**525.3**
Non-current liabilities	86.9	11.7	1.3	99.9	190.8	14.9	3.4	209.1
Current liabilities	14.4	112.8	72.5	199.6	77.2	81.6	36.0	194.9
Total liabilities	**101.2**	**124.5**	**73.8**	**299.5**	**268.1**	**96.5**	**39.5**	**404.0**
Net assets (equity-accounting basis)	**48.7**	**19.2**	**5.1**	**72.9**	**101.1**	**8.6**	**11.4**	**121.2**

Share of income statement items

(€ millions)	Shopping centers	Residential	Offices	12/31/2015	Brick-and-mortar retail	Residential	Offices	12/31/2014
Operating income	**(1.2)**	**7.5**	**2.9**	**9.1**	**32.0**	**3.6**	**2.6**	**38.3**
Net borrowing costs	(2.2)	(0.0)	(0.1)	(2.3)	(4.9)	(0.1)	0.0	(4.9)
Change in value of hedging instruments	0.2	-	-	0.2	(0.0)	-	-	(0.0)
Pre-tax profit	**(3.3)**	**7.5**	**2.8**	**7.0**	**27.1**	**3.5**	**2.6**	**33.3**
Corporate income tax	(0.1)	(1.0)	0.4	(0.7)	0.1	(1.0)	2.5	1.6
Net profit after tax	**(3.4)**	**6.5**	**3.2**	**6.3**	**27.3**	**2.5**	**5.2**	**35.0**
Non-Group profit or loss	0.0	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Net profit, attributable to Group shareholders	(3.4)	6.5	3.2	6.3	27.3	2.5	5.2	35.0

Group revenues from joint ventures amounted to €17.0 million at December 31, 2015, compared to €20.1 million one year earlier.

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

Share of balance sheet items of affiliates

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2015	Brick-and-mortar retail	Residential	Offices	12/31/2014
Non-current assets	158.0	7.8	64.9	230.7	104.1	7.1	30.3	141.5
Current assets	37.9	66.6	9.9	114.4	39.0	86.2	16.0	141.2
Total assets	**195.9**	**74.4**	**74.8**	**345.1**	**143.1**	**93.3**	**46.3**	**282.7**
Non-current liabilities	23.6	2.2	51.8	77.6	23.5	5.3	25.8	54.7
Current liabilities	75.6	56.2	11.7	143.6	27.3	70.8	15.7	113.8
Total liabilities	**99.2**	**58.4**	**63.5**	**221.1**	**50.8**	**76.1**	**41.6**	**168.5**
Net assets (equity-accounting basis)	**96.7**	**16.0**	**11.3**	**124.0**	**92.4**	**17.2**	**4.7**	**114.3**

Share of income statement items

(€ millions)	Brick-and-mortar retail	Residential	Offices	12/31/2015	Brick-and-mortar retail	Residential	Offices	12/31/2014
Operating income	**10.0**	**(0.9)**	**1.6**	**10.6**	**12.6**	**3.3**	**5.4**	**21.3**
Net borrowing costs	0.1	(0.1)	(0.9)	(0.9)	0.3	0.0	(0.5)	(0.1)
Change in value of hedging instruments	(0.0)	-	(0.0)	(0.0)	0.0	-	(0.1)	(0.1)
Proceeds from the disposal of investments	-	(0.2)	-	(0.2)	(0.0)	-	0.0	(0.0)
Dividend per share	0.5	(0.0)	-	0.5	0.6	-	-	0.6
Pre-tax profit	**10.6**	**(1.2)**	**0.7**	**10.0**	**13.5**	**3.4**	**4.8**	**21.7**
Corporate income tax	(3.4)	1.0	(0.4)	(2.9)	(4.3)	(1.2)	(0.5)	(6.0)
Net profit after tax	**7.1**	**(0.3)**	**0.3**	**7.2**	**9.2**	**2.2**	**4.3**	**15.7**
Non-Group profit or loss	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net profit, attributable to Group shareholders	7.1	(0.3)	0.3	7.1	9.2	2.2	4.3	15.6

Group revenues from affiliates amounted to €7.0 million at December 31, 2015 compared to €5.3 million at the end of 2014.

4.5.5. Commitments given or received in connection with joint ventures (in Group share)

Commitments given

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

Completion guarantees were given in connection with Property Development activities for joint ventures in the amount of €15.0 million.

Commitments received

At December 31, 2015, the main commitments received by the joint ventures concerned security deposits received from tenants for €2.4 million (in Group share).

5. INCOME

5.1. Operating income

5.1.1. Net rental income

Group net rental income stood at €160.5 million in 2015, compared to €156.4 million in 2014. The main events of the year included acquiring 100% control of the Qwartz shopping center (previously held at 50% and consolidated by the equity method), the opening of the factory outlet in Aubergenville, the extension of the shopping center in Aix-en-Provence, and the disposal of four Italian shopping centers.

5.1.2. Net property income

The €71.1 million in Net property income for the Residential business, up by €16.3 million, is related to the high level of business activity in 2014 and 2015. Net property income for the Office business increased by €12.0 million, reaching €18.2 million, driven mainly by the completion of the Safran regional office in Blagnac (Andromède urban development zone) in the Toulouse metropolitan area and the future complex intended to house the "headquarters" operations of Sanofi's Animal Health and Vaccination divisions (Merial and Sanofi-Pasteur) in Lyon.

5.1.3. Net overhead expenses

Net overhead expenses relating to the Group's service providers came to €40.9 million in 2015, compared to €33.0 million for the prior year.

These include:

- staff costs;
- other overhead costs including operating expenses (rent for the registered office) and normal fees;
- services provided by Group service companies for third parties or on a proprietary basis.

Personnel costs

(€ millions)	12/31/2015	12/31/2014
Personnel compensation	(72.5)	(69.9)
Social security contributions	(32.3)	(30.9)
Share-based payments to personnel	(1.9)	(3.9)
Incentive and profit-sharing schemes	(6.1)	-
Other personnel expenses	(5.8)	(3.2)
Benefits payable at retirement (IFRS)	(0.7)	(0.6)
Personnel expense	**(119.2)**	**(108.5)**

5.1.4. Other items contributing to operating profit

Other income and expense

These include primarily fees, shopping center marketing expenses, insurance premiums, taxes and duties, bank fees incurred by Group companies that are not service providers, and ancillary income and expenses outside of the Group's activities. In 2015, the shopping center marketing fees totaled €4.6 million compared to €0.9 million. This increase is due to the development activities at centers include Cap 3000 (extension under construction at an open site) and at the recently opened or redeveloped Qwartz, Aubergenville and Aix shopping centers. These fees may not be capitalized under IFRS standards.

Depreciation expenses

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

Transaction costs

These concerned mainly transaction costs unrelated to ordinary business operations. No transactions costs were incurred in 2015 and 2014.

Gain (loss) on the disposal of investment assets

This line item concerns the disposal of two projects under development in Ruaudin (Sarthe).

Change in value of investment properties measured at fair value

The changes in value of investment properties represented a gain of €113.5 million in 2015.

Net impairment losses on investment properties and other non-current assets

This line item concerned, in 2015, the remeasurement of a project under development in Spain.

Net charge to provisions for risks and contingencies

This line item showed a positive balance in 2015 of €0.2 million.

Share in earnings of equity-method affiliates

The share of earnings of equity-method associates accounted for income of €13.4 million in 2015 (see note "Securities and investments in equity affiliates and non-consolidated interests").

5.2. Net borrowing cost and other financial items

5.2.1. Net borrowing costs

(€ millions)	12/31/2015	12/31/2014
Bond and bank interest expenses [a]	(47.5)	(44.9)
Interest on partners' advances	(1.4)	(1.8)
Interest rate on hedging instruments	(7.5)	(11.0)
Non-use fees	(2.3)	(1.5)
Other financial expenses	(0.4)	0.2
Capitalized finance costs	6.3	7.3
Financial expenses	(52.8)	(51.6)
Net proceeds from the sale of marketable securities	0.2	0.5
Interest on partners' advances	3.3	2.8
Other interest income	0.6	0.6
Interest income on bank current accounts	0.0	0.0
Interest on rate hedging instruments	11.4	9.1
Financial income	15.4	13.0
NET BORROWING COSTS	(37.4)	(38.6)

(a) Interest costs on loans from credit institutions include the effect of amortizing issuance costs in accordance with IAS 32 and IAS 39, for an amount of -€5.6 million compared to -€4.7 million. These fees incurred in the past have no cash impact over the period.

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

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

Altarea Cogedim's average cost of debt, including the credit spread, was 1.94% as of December 31, 2015 compared to 2.41% at the end of 2014.

5.2.2. Impact of income from financial instruments

Changes in value of financial instruments and proceeds from their disposal resulted in a net charge of -€40.5 million at December 31, 2015 compared to a net charge of -€72.8 million at December 31, 2014. This figure reflects the aggregate changes in value of interest-rate economic hedging instruments used by the Group and amounts paid to restructure several hedging instruments. Balancing cash payments at December 31, 2015 represented an outflow of €114.0 million compared to €55.1 million a year earlier.

The discounting of receivables represented an expense of €0.2 million at December 31, 2015.

5.3. Income tax

Analysis of tax expense

Tax expense is analyzed as follows:

(€ millions)	12/31/2015	12/31/2014 [a]
Tax due	**(1.0)**	**(1.6)**
Tax loss carryforwards and/or use of deferred losses	(5.5)	64.4
Valuation differences	0.0	0.2
Fair value of investment properties	(5.3)	4.6
Fair value of hedging instruments	(3.3)	(4.4)
Net property income on a Percentage-of-completion basis	12.8	21.2
Other temporary differences	(2.6)	0.7
Deferred tax	**(3.8)**	**86.6**
Total tax income (expense)	(4.8)	85.0

(a) The discontinued operation in 2015 is restated in the figures shown for 2014.

Effective tax rate

(€ millions)	12/31/2015	12/31/2014 [a]
Pre-tax profit of consolidated companies (excluding discontinued operations)	**247.9**	**149.1**
Group tax savings (expense)	**(4.8)**	**85.0**
Effective tax rate	**1.96%**	**N/A**
Tax rate in France	34.43%	34.43%
Theoretical tax charge	**(85.4)**	**(51.3)**
Difference between theoretical and effective tax charge	**80.5**	**136.3**
Differences related to entities' SIIC status	*57.5*	*68.8*
Differences related to treatment of losses	*22.3*	*67.5*
Other permanent differences and rate differences	*0.7*	*0.1*

(a) The operation held for sale in 2015 is restated in the figures shown for 2014.

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

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

Deferred tax assets and liabilities

(€ millions)	Tax loss carryforwards	Valuation differences	Fair value of investment properties	Fair value of financial instruments	Net property income on a percentage-of-completion basis	Other temporary differences	Total
At 01/01/2014	**115.2**	**(38.9)**	**(18.7)**	**4.6**	**(55.4)**	**17.2**	**24.0 [a]**
Expense (income) recognized in the income statement	64.4	0.8	4.6	(4.4)	21.2	(0.1)	86.5
Deferred taxes recognized in equity	-	-	-	-	-	(0.8)	(0.8)
Other changes	0.0	(0.6)	0.0	(0.0)	26.0	(26.0)	(0.6)
Change in scope of consolidation	-	-	-	-	(1.2)	1.1	(0.1)
At 12/31/2014	**179.6**	**(38.6)**	**(14.2)**	**0.2**	**(9.5)**	**(8.5)**	**109.0 [a]**
Reclassification of the assets/liabilities of the discontinued operation	-	10.4	-	-	-	0.1	10.5 [b]
Expense (income) recognized in the income statement	(5.5)	0.0	(5.3)	(3.3)	12.8	(2.6)	(3.8)
Deferred taxes recognized in equity	-	-	-	-	-	(0.0)	(0.0)
Other changes	-	3.5	(6.4)	0.0	(0.0)	2.6	(0.3)
Change in scope of consolidation	-	1.8	2.7	(0.0)	(0.9)	4.7	8.3
At 12/31/2015	**174.1**	**(22.9)**	**(23.1)**	**(3.1)**	**2.4**	**(3.7)**	**123.7 [b]**

(a) The operation held for sale in 2015 is not restated in the figures shown for 2014.
(b) Deferred taxes from the discontinued operation are reversed in 2015 for the balance at January 1, 2015.

(€ millions)	Deferred tax assets	Deferred tax liabilities	Net deferred tax
At 12/31/2014	**116.4**	**7.4**	**109.0**
At 12/31/2015	**126.2**	**2.5**	**123.7**

Deferred taxes recognized in equity relate to the stock option and stock grant plans expensed under staff costs with a corresponding adjustment to equity in accordance with IFRS 2 and the cancellation of gains and losses arising on sales of treasury shares. They also relate to valuation differences on defined-benefit pension plans (actuarial gains and losses).

Deferred taxes relating to valuation differences correspond primarily to the brands held by the Group.

Deferred taxes relating to recognition of tax losses primarily relate to losses recognized in the Altareit tax group.

Proposed adjustments

Coresi, a Property Development subsidiary, underwent a tax audit that concluded on March 23, 2015. In its proposed adjustment of May 29, 2015, the tax authorities mainly questioned the deductibility of provisions for impairment of securities – acquired solely to dispose of land – in the basic amount of €82.4 million, or a possible impact of cash outflow of €7 million, given the tax situation of its partners.

Coresi has several bases for rejecting these proposed adjustments.

On the advice of its counsel, the Group plans to continue its challenge procedure, which is only at the administrative stage. The Company had the opportunity to present its case before representatives of the tax authorities and is waiting to speak with its departmental contact person. Consequently, no provision was recorded at December 31, 2015.

Tax working capital requirement

(€ millions)	Tax receivables	Tax payables	Tax WCR of continuing operations	Tax WCR of discontinued operations	Tax WCR
At January 1, 2014	**1.3**	**(28.1)**	**(26.7)**	**0.9**	**(25.8)**
Tax paid over the year	3.8	11.0	14.9	(0.0)	14.9
Tax charge for the period	-	(1.6)	(1.6)	-	(1.6)
Other changes	-	0.1	0.1	-	0.1
Change in scope of consolidation	0.2	0.0	0.2	-	0.2
Accretion on receivables and payables	-	(0.2)	(0.2)	-	(0.2)
At December 31, 2014	**5.3**	**(18.7)**	**(13.4)**	**0.9**	**(12.5)**
Tax paid over the year	0.9	9.8	10.6	-	10.6
Tax charge for the period	-	(1.0)	(1.0)	-	(1.0)
Change in scope of consolidation	(0.2)	0.6	0.4	-	0.4
Accretion on receivables and payables	-	(0.1)	(0.1)	-	(0.1)
Reclassification of the discontinued operation	-	-	-	(0.9)	(0.9)
At December 31, 2015	**6.0**	**(9.5)**	**(3.5)**	**-**	**(3.5)**
Change in WCR at December 31, 2014	**3.8**	**11.0**	**14.9**	**(0.0)**	**14.9**
Change in WCR at December 31, 2015	**0.9**	**9.8**	**10.6**	**-**	**10.6**

Current tax liabilities consist mainly of the remaining balance of the exit tax payable by Aldeta, which opted for SIIC tax treatment in 2013.

5.4. Earnings per share

Basic net earnings per share (basic earnings per share) is the profit attributable to Group Shareholders compared to the weighted average number of shares in issue during the period, less the weighted average number of treasury shares.

To calculate the diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the potentially dilutive effect of all equity instruments issued by the company.

At December 31, 2015 and 2014, dilution derived only from the granting of rights to bonus shares in Altarea SCA to employees or corporate officers of the Group.

(€ millions)	12/31/2015	12/31/2014
Numerator		
Net income from continuing operations attributable to Group shareholders	180.7	139.1
Net income from discontinued operations attributable to Group shareholders	(72.3)	(24.8)
Total net income attributable to Group shareholders	108.4	114.3
Denominator		
Weighted average number of shares before dilution	12,367,215	11,943,751
Effect of dilution		
Stock options	*0*	*0*
Rights to grant stock awards	*75,100*	*111,246*
Total potential dilutive effect	75,100	111,246
Weighted diluted average number of shares	12,442,315	12,054,997
Basic earnings from continuing operations per share (in €)	**14.61**	**11.65**
Basic earnings from discontinued operations per share (in €)	(5.85)	(2.08)
Basic earnings per share (in €)	**8.77**	**9.57**
Diluted earnings from continuing operations per share (in €)	**14.52**	**11.54**
Diluted earnings from discontinued operations per share (in €)	(5.81)	(2.06)
Diluted earnings per share (in €)	**8.71**	**9.48**

6. LIABILITIES

6.1. Total shareholders' equity

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

Altarea SCA share capital

(number of shares and in €)	Number of shares	Nominal amount	Share capital
Number of shares outstanding at December 31, 2013	**11,592,805**	**15.28**	**177,146,239**
Capital increase following exercise of the option for dividend payment in shares	922,692	15.28	14,098,734
Number of shares outstanding at December 31, 2014	**12,515,497**	**15.28**	**191,244,972**
Number of shares outstanding at December 31, 2015	**12,515,497**	**15.28**	**191,244,972**

Capital management

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

The Group measures its capital in terms of net asset value (NAV) including unrealized gains and Loan To Value (LTV) ratio.

The Company's policy is to maintain its current LTV ratio, i.e. below 45%, excluding temporarily exceeding that level or exceptional transactions. The corporate loan agreement clauses specifically stipulate that the Group must maintain an LTV ratio below 60%.

Share-based payments

The gross cost recorded on the income statement for share-based payments was (€1.9) million in 2015, compared to (€3.9) million in 2014.

Stock option plan

No stock option plan was underway at December 31, 2015.

Stock grant awards

During 2015,

- 4,600 rights were canceled;
- 23,000 shares were delivered.

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2014	Awarded	Delivery	Rights canceled [a]	Rights in issue at 12/31/2015
Stock grant plans on Altarea shares							
February 18, 2013	82,900	February 18, 2016	65,900	-	-	(3,100)	62,800
April 2, 2013	14,000	April 2, 2015	14,000	-	(14,000)	-	-
May 15, 2013	9,000	June 15, 2015	9,000	-	(9,000)	-	-
June 17, 2013	3,000	April 17, 2016	3,000	-	-	-	3,000
February 26, 2014	1,500	February 26, 2016	1,500	-	-	(1,500)	-
Total	**110,400**	**-**	**93,400**	**-**	**(23,000)**	**(4,600)**	**65,800**

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

Treasury shares

The acquisition cost of treasury shares was €22.6 million at December 31, 2015 for 169,263 shares (including 167,762 shares intended for allotment to employees under stock grant or stock option plans and 1,501 shares allocated to a liquidity contract), compared with €19.6 million at December 31, 2014 for 160,349 shares (including 157,490 shares intended for allotment to employees under stock grant or stock option plans and 2,859 shares allocated to a liquidity contract). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or stock grants of treasury shares to company employees was recognized directly in equity in the amount of €2.7 million before tax at December 31, 2015 (€1.7 million after tax) compared with a loss of €0.9 million before tax at December 31, 2014 (€0.6 million after tax).

The negative impact on cash flow from purchases and disposals over the period came to €5.7 million at December 31, 2015 compared to €1.5 million at December 31, 2014.

6.1.2. Dividends proposed and paid

In respect of financial year 2015, payment of a cash dividend of €11 per share, representing a total of €135.8 million (based on the number of shares outstanding at the balance sheet date less treasury shares), will be put to a vote at the forthcoming General Meeting on April 15, 2016, called to approve the financial statements for the year ended December 31, 2015. It will be accompanied by a proportional payment to the sole General Partner, Altafi 2, of €2 million, representing 1.5% of the amount paid to limited partners.

At the same meeting, the shareholders will be offered the option to receive payment of the ordinary dividend in cash or in shares to be created by the Company. The issue price of new shares delivered in payment of the dividend will be set at no less than 90% of the average of the opening prices quoted on the 20 trading sessions preceding the date of the General Meeting, less the amount of the dividend per share of €11, which will be decided by the General Meeting.

In respect of financial year 2014, payment of a cash dividend of €10 per share was approved by the General Meeting of June 5, 2015 called to approve the financial statements for the year ended December 31, 2014 and paid on July 3, 2015 for a total of €123.8 million, calculated based on the number of shares with dividend rights at the effective date of distribution, or 12,380,754 shares. This distribution is accompanied by a proportional payment to the sole General Partner, Altafi 2, of €1.9 million, representing 1.5% of the amount paid to limited partners.

6.2. Net financial debt and guarantees

Current and non-current borrowings and financial liabilities, and net cash

(€ millions)	Bonds (excluding accrued interest)	Treasury Notes	Bank borrowings, excluding accrued interest and overdrafts	Net bond and bank debt, excluding accrued interest and overdrafts	Accrued interest on bond and bank borrowings	Bond and bank debt, excluding overdrafts	Cash and cash-equivalents	Bank overdrafts	Net cash	Net bond and bank debt	Participating loans and Shareholders' advances	Accrued interest on Shareholders' advances	Net financial debt from continuing operations	Net financial debt from discontinued operations	Net financial debt
At January 1, 2014	**248.6**	**28.0**	**1,750.1**	**2,026.7**	**5.8**	**2,032.5**	**(209.2)**	**39.7**	**(169.6)**	**1,862.9**	**78.8**	**3.0**	**1,944.6**	**(20.6)**	**1,924.0**
Increase	228.1	358.0	407.5	993.7	5.1	998.8	-	-	-	998.8	(6.0)	1.9	994.7	31.2	1,025.9
Decrease	0.5	(333.0)	(570.4)	(902.9)	(0.9)	(903.8)	-	-	-	(903.8)	(0.1)	(0.3)	(904.3)	-	(904.3)
o/w spreading of issue costs	*0.6*	-	*4.5*	*5.0*	-	*5.0*	-	-	-	*5.0*	-	-	*5.0*	-	*5.0*
o/w appropriation of income to current accounts	-	-	-	-	-	-	-	-	-	-	*10.4*	-	*10.4*	-	*10.4*
Change	-	-	(0.0)	(0.0)	-	(0.0)	(123.6)	(37.6)	(161.2)	(161.2)	-	-	(161.2)	0.0	(161.2)
Present value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Reclassifications	-	-	-	-	-	-	-	-	-	-	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Change in scope of consolidation	-	-	-	-	-	-	0.5	0.0	0.6	0.6	0.4	-	0.9	-	0.9
At December 31, 2014	**477.2**	**53.0**	**1,587.3**	**2,117.5**	**9.9**	**2,127.4**	**(332.3)**	**2.1**	**(330.2)**	**1,797.2**	**73.0**	**4.6**	**1,874.8**	**10.6**	**1,885.4**
Increase	-	607.5	1,213.3	1,820.8	1.5	1,822.4	-	-	-	1,822.4	11.5	3.4	1,837.2	5.7	1,842.9
Decrease	0.6	(600.0)	(729.7)	(1,329.1)	(1.0)	(1,330.1)	-	-	-	(1,330.1)	(15.9)	(3.1)	(1,349.1)	(0.7)	(1,349.9)
o/w spreading of issue costs	*0.6*	-	*5.3*	*5.9*	-	*5.9*	-	-	-	*5.9*	-	-	*5.9*		*5.9*
o/w appropriation of income to current accounts	-	-	-	-	-	-	-	-	-	-	*5.0*	-	*5.0*		*5.0*
Change	-	-	(0.0)	(0.0)	(0.0)	(0.0)	62.9	29.6	92.5	92.5	-	-	92.5	18.1	110.6
Reclassification of the discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)	(33.6)	(33.6)
Change in scope of consolidation	-	-	82.2	82.2	0.9	83.1	3.4	(26.9)	(23.5)	59.6	35.0	1.0	95.6	-	95.6
At December 31, 2015	**477.8**	**60.5**	**2,153.1**	**2,691.4**	**11.4**	**2,702.7**	**(266.0)**	**4.9**	**(261.1)**	**2,441.6**	**103.6**	**5.8**	**2,551.0**	**-**	**2,551.0**
Current assets at end of December 2014	-	-	-	-	-	-	*(332.3)*	-	*(332.3)*	*(332.3)*	-	-	*(332.3)*	*(25.7)*	*(358.0)*
Non-current liabilities at end of December 2014	*477.2*	-	*1,267.1*	*1,744.3*	-	*1,744.3*	-	-	-	*1,744.3*	*50.8*	-	*1,795.1*	-	*1,795.1*
Current liabilities at end of December 2014	-	*53.0*	*320.2*	*373.2*	*9.9*	*383.1*	-	*2.1*	*2.1*	*385.2*	*22.3*	*4.6*	*412.0*	*36.2*	*448.3*
Current assets at end of December 2015	-	-	-	-	-	-	*(266.0)*	-	*(266.0)*	*(266.0)*	-	-	*(266.0)*	-	*(266.0)*
Non-current liabilities at end of December 2015	*477.8*	-	*1,825.0*	*2,302.8*	-	*2,302.8*	-	-	-	*2,302.8*	*63.6*	-	*2,366.4*	-	*2,366.4*
Current liabilities at end of December 2015	-	*60.5*	*328.1*	*388.6*	*11.4*	*399.9*	-	*4.9*	*4.9*	*404.8*	*40.0*	*5.8*	*450.6*	-	*450.6*

At December 31, 2015, bank borrowings excluding accrued interest and bank overdrafts include a finance lease debt in the amount of €36.0 million, compared to €39.2 million at December 31, 2014. This debt is financing an investment property valued at €71.9 million at year-end 2015.

During the financial year, the Group notably:

- refinanced the Cap 3000 transaction in Saint Laurent du Var: €400 million in financing, including €100 million undrawn;
- refinanced the existing loans by extending their duration: in July, a mortgage refinancing agreement was signed concerning 16 assets, for a total of €854 million. At December 31, 10 assets were refinanced (of which nine at 100%) for an amount of €642 million;
- drew down certain corporate lines of credit previously taken out with its usual banks in the amount of €272.2 million.

In addition, the changes in scope correspond primarily to the removal of the Italian portfolio sold on April 29, 2015 and the consolidation of the financing of the Qwartz center, located in Villeneuve-la-Garenne, following its 100% control.

The change in net financial debt (bank and bond), which rose from €1.8 to €2.4 billion, is the result of the financing of the Group's development.

Borrowing costs are analyzed in the note on earnings.

Breakdown of bank and bond debt by maturity

(€ millions)	12/31/2015	12/31/2014
< 3 months	28.7	102.1
3 to 6 months	226.1	22.7
6 to 9 months	94.3	231.7
9 to 12 months	55.9	30.1
Less than 1 year	**405.1**	**386.6**
2 years	435.5	455.0
3 years	143.0	435.4
4 years	499.6	117.1
5 years	48.7	397.6
1 to 5 years	**1,126.8**	**1,405.1**
More than 5 years	**1,202.3**	**350.9**
Issuance cost to be amortized	(26.6)	(12.3)
Total gross bank debt	**2,707.6**	**2,130.3**

Refinancing operations have led to extending the duration of the debt, with the portion above five years representing 44% of gross bank debt at December 31, 2015, compared to 16% at December 31, 2014.

Breakdown of bank and bond debt by guarantee

(€ millions)	12/31/2015	12/31/2014
Mortgages	1,312.4	1,030.9
Mortgage Commitments	144.2	129.9
Moneylender lien	19.9	4.2
Pledging of securities	391.0	257.7
Altarea SCA security deposit	200.0	170.0
Not Guaranteed	666.7	549.9
Listed bonds	*330.0*	*330.0*
Private bond	*150.0*	*150.0*
Treasury notes	*60.5*	*53.0*
Bank borrowings	*110.0*	*4.9*
Bank overdrafts	*4.9*	*2.1*
Accrued interest not yet due	*11.4*	*9.9*
Total	**2,734.2**	**2,142.6**
Issuance cost to be amortized	(26.6)	(12.3)
Total gross bank debt	**2,707.6**	**2,130.3**

Mortgages are given as guarantees for financing or refinancing of shopping centers. Mortgage commitments and the lender's preferential right concern development activities. Pledges of securities and sureties are guarantees given for corporate financing or acquisition of shares.

Breakdown of bank and bond debt by interest rate

	Gross bank debt		
(€ millions)	Variable rate	Fixed rate	Total
At December 31, 2015	1,948.3	759.4	2,707.6
At December 31, 2014	1,550.3	580.0	2,130.3

The market value of fixed rate debt stood at €787.0 million at December 31, 2015 compared to €596.8 million at December 31, 2014.

Schedule of future interest expenses

(€ millions)	12/31/2015	12/31/2014
< 3 months	10.5	9.9
3 to 6 months	10.3	10.6
6 to 9 months	10.0	9.0
9 to 12 months	9.4	9.0
Less than 1 year	**40.1**	**38.4**
2 years	38.2	57.4
3 years	49.5	48.4
4 years	41.5	37.2
5 years	29.1	29.7
1 to 5 years	**158.3**	**172.7**

These future interest charges concern borrowings and financial instruments.

6.3. Provisions

(€ millions)	Provision for benefits payable at retirement	Other provisions			Total other provisions	Continuing operations	Operation held for sale	Total
		Brick-and-mortar retail	Residential	Offices				
At January 1, 2014	**7.7**	**1.7**	**6.1**	**0.9**	**8.8**	**16.4**	**4.7**	**21.1**
Increases	0.9	2.9	1.4	-	4.3	5.2	0.8	6.0
Reversals used	(0.3)	(1.0)	(0.7)	(0.0)	(1.7)	(2.0)	(2.1)	(4.1)
Reversals of unused provisions	-	(0.2)	(0.5)	-	(0.8)	(0.8)	(1.6)	(2.4)
Transfers to another heading	-	-	(0.1)	-	(0.1)	(0.1)	-	(0.1)
Change in scope of consolidation	(0.0)	-	-	-	-	(0.0)	-	(0.0)
Actuarial gains and losses	0.5	-	-	-	-	0.5	0.2	0.7
At December 31, 2014	**8.8**	**3.4**	**6.2**	**0.9**	**10.5**	**19.3**	**2.0**	**21.3**
Increases	1.0	0.4	1.1	-	1.6	2.5	0.6	3.1
Reversals used	(0.2)	(1.0)	(1.1)	(0.2)	(2.3)	(2.6)	(2.0)	(4.6)
Reversals of unused provisions	-	(0.4)	(0.3)	(0.3)	(1.0)	(1.0)	-	(1.0)
Transfers to another heading	-	-	-	-	-	-	0.7	0.7
Actuarial gains and losses	(0.9)	-	-	-	-	(0.9)	(0.2)	(1.0)
Reclassification of the discontinued operation	-	-	-	-	-	-	(1.1)	(1.1)
At December 31, 2015	**8.7**	**2.4**	**6.0**	**0.4**	**8.8**	**17.4**	**-**	**17.4**
o/w non-current at end of December 2014	*8.8*	*3.4*	*6.2*	*0.9*	*10.5*	*19.3*	*2.0*	*21.3*
o/w current at end of December 2014	-	-	-	-	-	-	-	-
o/w non-current at end of December 2015	*8.7*	*2.4*	*6.0*	*0.4*	*8.8*	*17.4*	-	*17.4*
o/w current at end of December 2015	-	-	-	-	-	-	-	-

Brick-and-mortar retail provisions

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

Residential and Office Property provisions

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

Pension commitments

At December 31, 2015, as at one year earlier, the Group engaged an outside actuary to calculate the post-employment benefits in the form of a retirement severance payment to employees.

These benefits fall under the category of a defined benefit plan. Upon retirement, employees receive, from the Altarea Group, a lump sum benefit defined in the collective agreement to which they belong, based on their seniority and monthly salary at retirement.

The main assumptions used when evaluating this commitment are turnover, the salary escalation rate and the change in the discount rate. A deviation from these assumptions represents the principal risk to the benefit scheme.

Weighted-average assumptions used to calculate pension obligations

	2015	2014
Retirement age	Voluntary retirement on the date of eligibility for full pension benefits	Voluntary retirement on the date of eligibility for full pension benefits
Discount rate	1.93%	1.70%
Expected return on investments	1.70%	3.12%
Rate of salary increase	2.40%	2.50%
Employee turnover	4% < > 4.7%	4% < > 4.5%
Inflation rate	1.90%	2.00%

The discount rate used is equivalent to the iBoxx rate (rate of return on AA-rated Eurozone corporate bonds with a residual life of more than 10 years).

Expected return on investments, set at 1.70%, represents the discount rate at the end of the previous period, in compliance with IAS 19, as amended.

A change of plus or minus 25 basis points in the expected investment return would not have a significant effect on the value of plan assets.

Change in commitment

(€ millions)	12/31/2015	12/31/2014
Gross liability at beginning of the year	**9.4**	**8.4**
Rights vested during the year	0.8	0.8
Interest expense	0.1	0.2
Service cost	(0.3)	(0.8)
Transfer	-	-
Actuarial differences observed	(0.5)	(0.8)
Actuarial differences assumed	(0.4)	1.6
Actuarial gains/losses	(0.9)	0.8
Liabilities of the discontinued operation	(0.5)	-
Gross liability at end of the year	**8.7**	**9.4**
Plan assets at beginning of the year	**0.1**	**0.5**
Withdrawal of funds for payment purposes	(0.1)	(0.5)
Return on plan assets	0.0	0.0
Actuarial gains and losses	-	-
Plan assets at end of the year	**-**	**0.1**
Net provisions at beginning of the year	**9.4**	**7.9**
Net provisions at end of the year	**8.7**	**9.4**
(Expense)/income for the period	**(0.8)**	**(0.7)**

The existing fund covered the pension commitments of Cogedim employees up to €0.1 million at December 31, 2014.

At December 31, 2015, the fund was at zero and no contributions to the insurance policy are expected to be made during the year.

Sensitivity of results to assumptions used

The sensitivity of post-employment benefit measurements is highlighted here. A change of plus or minus 0.25% was applied to the following assumptions: discount rate, salary escalation rate and turnover and plus or minus 10% change to the turnover tables used.

(€ millions)	12/31/2015
Value of the commitment at December 31, 2015	8.7
Discount rate of -0.25%	0.3
Discount rate of +0.25%	(0.3)
Rate of wage increase of -0.25%	(0.3)
Rate of wage increase of +0.25%	0.3
Turnover rate of -10%	0.1
Turnover rate of +10%	(0.1)

History of the provision

(€ millions)	2015	2014	2013	2012	2011
Commitment	8.7	9.4	8.4	9.1	7.3
Financial assets	-	(0.1)	(0.5)	(1.0)	(1.0)
Financial cover	**8.7**	**9.4**	**7.9**	**8.1**	**6.3**
Actuarial (losses) and gains recognized in equity on obligation	(0.9)	0.8	(1.0)	1.0	0.1
Actuarial (losses) and gains recognized in equity on assets	-	(0.0)	-	-	-

Maturity of the bond

(€ millions)	12/31/2015
Length of commitment	**10**
Payment scheduled for 2016	1.1
Payment scheduled for 2017	0.2
Payment scheduled for 2018	0.4
Payment scheduled for 2019	1.0
Payment scheduled for 2020	0.5
Payment scheduled for between 2021 and 2025	2.8

Detail of invested assets

At December 31, 2015, there were no longer any assets invested.

(€ millions)	2015	2014
Shares	-	0.0
Government bonds	-	0.0
Corporate bonds	-	0.0
Property	-	0.0
Detail of invested assets	**0.0**	**0.1**

7. ASSETS AND IMPAIRMENT TESTS

7.1. Investment properties

(€ millions)	Investment properties measured at fair value	Investment properties measured at cost	Total investment properties
At January 1, 2014	**2,917.9**	**111.1**	**3,029.0**
Subsequent investments and expenditures capitalized	73.3	50.9	124.2
Change in spread of incentives to buyers	3.8	-	3.8
Disposals/repayment of deposits	(79.6)	-	(79.6)
Net impairment/project discontinuation	-	(4.0)	(4.0)
Transfers to assets held for sale or to or from other categories	(30.2)	31.2	1.0
Change in fair value	89.2	-	89.2
At December 31, 2014	**2,974.4**	**189.2**	**3,163.6**
Subsequent investments and expenditures capitalized	131.9	124.4	256.3
Change in spread of incentives to buyers	(8.9)	-	(8.9)
Disposals/repayment of deposits	(2.1)	(0.1)	(2.2)
Net impairment/project discontinuation	-	5.2	5.2
Transfers to assets held for sale or to or from other categories	-	(7.1)	(7.1)
Change in fair value	113.5	-	113.5
Change in scope of consolidation	244.8	(5.6)	239.2
At December 31, 2015	**3,453.6**	**306.0**	**3,759.6**

During 2015, financial expenses amounting to €2.3 million were capitalized in respect of projects under development and construction (whether recognized at value or at cost).

Investment properties at fair value

The primary movements for 2015 concern:

- investments and expenditures associated with:
  - redevelopment of the Cap 3000 shopping center,
  - the Toulon-la-Valette shopping center redevelopment project,
  - the factory outlet in Aubergenville, which opened on April 22, 2015;
- changes in scope following the acquisition of 100% control of the Qwartz shopping center in Villeneuve-la-Garenne, fully consolidated as of March 11, 2015, and the disposal of a portfolio of four Italian shopping centers (Ibleo in Ragusa, Casetta Mattei in Rome, La Cittadela in Casale Monferrato and Le Due Valli in Pinerolo) on April 29, 2015.

Investment properties valued at cost

Investment properties valued at cost are buildings under development and under construction that do not meet the Group's criteria for determining whether their fair value can be measured reliably (see Note 2.3.6 "Investment properties").

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

Value Measurement – IFRS 13

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

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

		Initial capitalization rate	Rent in € per m²	Discount rate	Capitalization rate at exit	Compound annual growth rate of net rents
		a	b	c	d	e
	Maximum	8.2%	778	7.0%	6.0%	5.0%
France	Minimum	4.1%	103	5.6%	4.2%	1.3%
	Weighted average	**4.9%**	**378**	**6.3%**	**4.8%**	**3.7%**
Maximum		7.2%	398	7.5%	6.9%	2.5%
International	Minimum	5.8%	186	7.3%	5.8%	1.5%
	Weighted average	**6.6%**	**301**	**7.3%**	**6.3%**	**2.1%**

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

Based on a Group weighted average capitalization rate, a 0.25% increase in capitalization rates would lead to a reduction of €146.7 million in the value of investment properties (-4.38%), while a 0.25% decrease in capitalization rates would increase the value of investment properties by €163.1 million (4.87%).

At December 31, the entire portfolio of properties in operation underwent an external appraisal. The expert appraisers were Cushman & Wakefield and Jones Lang Lasalle.

Depreciation – Investment assets under development and construction valued at cost

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

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

Investment assets under development and construction are monitored by the Company depending on whether the project is at the study stage, "secured" (a project is completely secured when the property is under contract), has obtained administrative authorization (CNEC and CDAC commercial authorizations, building permits) or is in leasing and under construction. The projected value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The methods used are rental income capitalization or discounted cash flow.

Net impairment losses on investment properties at cost correspond to the impairment of shopping center or office projects that were discontinued, abandoned or delayed because of local market conditions that were more difficult than expected (see Note 5.1.4 "Other items contributing to operating profit").

Investment working capital requirement

(€ millions)	Receivables on fixed assets	Amounts payable on non-current assets	Investment WCR
At January 1, 2014	**11.7**	**(43.5)**	**(31.7)**
Change	0.8	(8.4)	(7.6)
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	-	0.1	0.1
Change in scope of consolidation	-	(0.5)	(0.5)
At December 31, 2014	**12.5**	**(52.3)**	**(39.8)**
Change	(8.2)	(14.3)	(22.5)
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	-	0.1	0.1
Change in scope of consolidation	-	(18.3)	(18.3)
At December 31, 2015	**4.4**	**(84.9)**	**(80.6)**
Change in WCR at December 31, 2014	**0.8**	**(8.4)**	**(7.6)**
Change in WCR at December 31, 2015	**(8.2)**	**(14.3)**	**(22.5)**

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

The change in scope concerns Alta Qwartz. The Group took control of the company during the first quarter of 2015 and now holds 100%.

7.2. Intangible assets and goodwill

	Goodwill	Brands	Customer relationships	Other intangible assets				Continuing operations	Discontinued operation	Total
Gross (€ millions)				Software	Leasehold Right	Other	Total			
At January 1, 2014	368.3	66.6	181.6	13.1	2.2	3.6	18.8	635.2	89.0	724.2
Acquisitions	-	-	-	3.3	0.4	0.0	3.7	3.7	9.9	13.6
Disposals/write-offs	-	-	-	-	-	-	-	-	(1.6)	(1.6)
Transfers	-	-	-	3.5	-	(1.0)	2.5	2.5	-	2.5
At December 31, 2014	368.3	66.6	181.6	19.8	2.5	2.6	24.9	641.4	97.3	738.7
Acquisitions	-	-	-	3.0	-	-	3.0	3.0	10.3	13.3
Disposals/write-offs	-	-	-	(1.4)	-	-	(1.4)	(1.4)	(1.5)	(2.9)
Transfers	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Changes in scope of consolidation	-	-	-	(0.0)	-	0.6	0.6	0.6	-	0.6
Reclassification of the discontinued operation	-	-	-	-	-	-	-	-	(104.6)	(104.6)
At December 31, 2015	368.3	66.6	181.6	21.5	2.5	3.2	27.1	643.6	-	643.6

	Goodwill	Brands	Customer relationships	Other intangible assets				Continuing operations	Discontinued operation	Total
Impairment losses (€ millions)				Software	Leasehold Right	Other	Total			
At January 1, 2014	(239.6)	-	(181.6)	(7.9)	(1.5)	(3.1)	(12.5)	(433.7)	(52.9)	(486.5)
Impairment, depreciation and amortization	-	-	-	(1.7)	(0.2)	(0.0)	(1.9)	(1.9)	(3.1)	(5.0)
Reversals/Disposals	-	-	-	-	-	-	-	-	0.0	0.0
Transfers	-	-	-	(3.1)	-	0.6	(2.5)	(2.5)	-	(2.5)
At December 31, 2014	(239.6)	-	(181.6)	(12.6)	(1.7)	(2.6)	(16.9)	(438.1)	(55.9)	(494.0)
Impairment, depreciation and amortization	-	-	-	(2.8)	(0.2)	(0.0)	(3.1)	(3.1)	(4.2)	(7.3)
Reversals/Disposals	-	-	-	0.2	-	-	0.2	0.2	-	0.2
Transfers	-	-	-	-	-	-	-	-	1.4	1.4
Changes in scope of consolidation	-	-	-	-	-	(0.6)	(0.6)	(0.6)	-	(0.6)
Reclassification of the discontinued operation	-	-	-	-	-	-	-	-	58.7	58.7
At December 31, 2015	(239.6)	-	(181.6)	(15.3)	(2.0)	(3.2)	(20.4)	(441.5)	-	(441.5)

	Goodwill	Brands	Customer relation-ships	Other intangible assets				Continuing operations	Dis-continued operation	Total
				Software	Leasehold Right	Other	Total			
Net values at 01/01/2014	128.7	66.6	-	5.2	0.7	0.4	6.3	201.6	36.1	237.7
Net values at 01/01/2015	128.7	66.6	-	7.2	0.8	0.0	8.0	203.3	41.4	244.7
Net values at 12/31/2015	128.7	66.6	-	6.2	0.5	0.0	6.7	202.1	-	202.1

The balance of goodwill, for €128 million, concerns development activities, specifically, the Cogedim brand.

Goodwill resulting from the acquisition of Cogedim

The monitoring of business indicators in the business review for the Residential and Office segments did not reveal any evidence of impairment for these activities.

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

- a discount rate of 9.0%;
- free cash flow over the period of the business plan based on assumptions regarding business volumes and the level of operating margin, which take account of economic and market forecasts in place at the time of preparation;
- ranges for terminal values for the residential (excl. the stake in Histoire et Patrimoine) and office segments (excl. the AltaFund investment fund) were calculated using a growth rate of 1.5% starting in 2021 applied to normative revenues, a normative EBITA range and a normative WCR.

At December 31, 2015, on the basis of these assumptions, the fair value of the economic assets in the residential and office segments were higher than their net book value at the same date regardless of the EBITA rate retained. No impairment charge was recognized.

Changes to the assumptions used, deemed reasonable by Management – namely, a growth rate of 1% instead of 1.5% and a discount rate of 9.5% instead of 9.0% – would result in valuations for operating assets (taking account of the average WCR for the period) exceeding their carrying values at December 31, 2015, on the basis of range of normative EBITA. This phenomenon includes intangible assets and goodwill of the Residential and Office segments.

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

Goodwill recognized in the acquisition of Cogedim thus remained unchanged at €128 million at December 31, 2015.

Brands

Cogedim Brand

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

7.3. Operational working capital requirement

Summary of components of working capital requirement

(€ millions)	Net inventories and work in progress	Net trade Receivables	Other operating receivables – net	Trade and other operating receivables – net	Trade payables	Other operating payables	Trade payables and other operating payables	Operational WCR of continuing operations	Operational WCR of the discontinued operation	Operational working capital requirement
At January 1, 2014	571.1	143.7	219.2	362.9	(267.0)	(332.0)	(599.0)	335.0	(7.8)	327.2
Change	7.5	(43.6)	4.0	(39.6)	8.1	(16.2)	(8.0)	(40.1)	0.2	(39.9)
Net impairment losses	(0.7)	2.1	(1.4)	0.8	-	-	-	0.1	(1.9)	(1.8)
Transfers	(0.4)	1.1	(1.3)	(0.2)	3.7	2.8	6.5	5.8	-	5.8
Change in scope of consolidation	0.0	(0.2)	(0.4)	(0.6)	0.0	1.5	1.5	0.9	-	0.9
At December 31, 2014	577.6	103.1	220.0	323.2	(255.1)	(343.3)	(598.5)	302.3	(9.5)	292.8
Change	127.4	47.0	53.7	100.6	(46.5)	(67.9)	(114.4)	113.6	(11.0)	102.6
Net impairment losses	(0.6)	(2.5)	(1.8)	(4.3)	-	-	-	(4.9)	3.4	(1.5)
Transfers	7.1	-	(0.4)	(0.4)	(0.1)	1.4	1.3	8.0	0.7	8.7
Change in scope of consolidation	(0.0)	1.7	49.8	51.5	(0.9)	(40.2)	(41.1)	10.4	-	10.4
Reclassification of the discontinued operation	-	-	-	-	-	-	-	-	16.4	16.4
At December 31, 2015	711.5	149.3	321.3	470.6	(302.7)	(450.0)	(752.7)	429.3	-	429.3
Change in WCR at December 31, 2014	(6.9)	41.5	(2.6)	38.8	8.1	(16.2)	(8.0)	40.0	1.6	41.6
Change in WCR at December 31, 2015	(126.8)	(44.4)	(51.9)	(96.3)	(46.5)	(67.9)	(114.4)	(108.7)	7.6	(101.1)

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

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

At December 31, 2015, the operational WCR represented 35.2% of revenues from continuing operations (over 12 months rolling) compared to 29.8% at December 31, 2014. This increase is due to the growth of residential and office development.

Changes in scope are due primarily to the acquisition of control of Alta Qwartz, which holds the shopping center located in Villeneuve-la-Garenne.

7.3.1. Inventories and work in progress

(€ millions)	Gross inventories	Impairment	Net inventories of continuing operations	Net inventories of the discontinued operation	Net inventories
At January 1, 2014	575.6	(4.4)	571.1	35.2	606.4
Change	7.5	0.0	7.5	5.2	12.7
Increases	-	(1.4)	(1.4)	(0.1)	(1.5)
Reversals	-	0.7	0.7	-	0.7
Reclassifications	(0.3)	(0.1)	(0.4)	-	(0.4)
Change in scope of consolidation	0.0	-	0.0	-	0.0
At December 31, 2014	582.8	(5.2)	577.6	40.3	617.9
Change	127.4	-	127.4	0.0	127.4
Increases	-	(0.6)	(0.6)	-	(0.6)
Reversals	-	0.1	0.1	0.1	0.1
Reclassifications	7.1	-	7.1	-	7.1
Change in scope of consolidation	(0.0)	-	(0.0)	-	(0.0)
Reclassification of the discontinued operation	-	-	-	(40.4)	(40.4)
At December 31, 2015	717.2	(5.8)	711.5	-	711.5

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

At December 31, 2015	Brick-and-mortar retail	Residential property development	Office property	Total net inventories and work in progress
New programs	-	36.7	8.6	45.3
Programs at land stage	-	119.2	39.6	158.7
Ongoing programs	0.1	429.5	27.0	456.5
Completed programs	-	18.1	7.0	25.1
Dealer transactions	-	19.3	6.5	25.8
Goods and merchandise	0.1	-	-	0.1
Total	**0.1**	**622.7**	**88.6**	**711.5**

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

7.3.2. Trade receivables and other accounts receivable

(€ millions)	12/31/2015	12/31/2014
Gross trade receivables	**168.2**	**154.7**
Opening impairment	**(23.7)**	**(24.1)**
Increases	(7.2)	(6.5)
Changes in scope of consolidation	2.3	-
Reversals	4.6	6.9
Reclassification of the discontinued operation	5.2	-
Closing impairment	**(18.9)**	**(23.7)**
Net trade Receivables	**149.3**	**130.9**
Advances and down payments paid	32.7	39.2
VAT receivables	232.4	126.9
Sundry debtors	25.1	30.6
Prepaid expenses	18.3	22.8
Principal accounts in debit	21.1	36.0
Total other operating receivables	**329.6**	**255.6**
Opening impairment	**(6.5)**	**(5.2)**
Increases	(2.3)	(1.5)
Reversals	0.6	0.2
Other changes	0.0	(0.0)
Closing impairment	**(8.3)**	**(6.5)**
Net operating receivables	**321.3**	**249.0**
Trade and other receivables	**470.6**	**380.0**
Receivables on sale of assets	4.4	12.5
Trade and other receivables	**475.0**	**392.5**

Depreciation allowances for net trade receivables mainly concern impairment of certain clients regarding recovery of rents.

Trade receivables

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

Breakdown of trade receivables due

(€ millions)	12/31/2015
Total gross trade receivables	**168.2**
Impairment of trade receivables	(18.9)
Total net trade receivables	**149.3**
Trade accounts to be invoiced	(33.1)
Receivables lagging completion	(7.9)
Trade accounts receivables due	**108.3**

(€ millions)	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivables due	108.3	67.8	2.9	9.8	7.5	20.2

Advances and down payments paid

Advances and down payments correspond primarily to compensation for loss of use paid by Cogedim to the sellers of land when preliminary sales agreements are signed (for those not covered by guarantees) as part of its development business. They are offset against the price to be paid on completion of the purchase.

Land advances are provisioned in the amount of €3.2 million.

Sundry debtors

The line item "Sundry debtors" mainly concerns real estate development sectors. In particular, this line item relates to advances paid by the developer ("prorated accounts") in the event of joint construction site management and which are distributed and passed on to the companies carrying out the construction.

Prepaid expenses

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

Principal accounts in debit

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

7.3.3. Accounts payable and other operating liabilities

(€ millions)	12/31/2015	12/31/2014
Trade payables and related accounts	302.7	335.0
Trade payables and related accounts	**302.7**	**335.0**
Advances and down payments received from clients	233.6	205.9
VAT collected	110.7	54.3
Other tax and social security payables	39.8	37.3
Prepaid income	2.9	3.6
Other payables	41.9	33.0
Principal accounts in credit	21.1	36.0
Other operating payables	**450.0**	**370.1**
Amounts payable on non-current assets	84.9	52.3
Accounts payable and other operating liabilities	**837.7**	**757.4**

Advances and down payments received from clients

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

Payables on acquisition of assets

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

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

(€ millions)	Accounts receivable from participating interests and Shareholders' accounts	Loans and other financial receivables	Deposits and advances paid	Subtotal: loans and advances	Other financial assets	Total receivables and other gross assets	Impairment	Total receivables and net assets from continuing operations	Total receivables and net assets from the dis-continued operation	Total receivables and other gross assets
At January 1, 2014	**18.0**	**1.4**	**4.8**	**24.2**	**0.4**	**24.6**	**(0.3)**	**24.3**	**0.4**	**24.7**
Increases/Allowances	37.1	-	0.3	37.3	36.8	74.1	-	74.1	0.0	74.1
Decreases/Reversals	(42.8)	(0.3)	(0.2)	(43.4)	(0.0)	(43.4)	-	(43.4)	(0.0)	(43.4)
Transfers/Reclassifications	(0.3)	-	-	(0.3)	0.5	0.2	0.3	0.5	(0.0)	0.4
Change in scope of consolidation	2.7	-	-	2.7	(0.0)	2.7	-	2.7	-	2.7
At December 31, 2014	**14.7**	**1.1**	**4.8**	**20.6**	**37.7**	**58.2**	**(0.0)**	**58.2**	**0.3**	**58.5**
Increases/Allowances	13.4	(0.0)	0.4	13.8	0.3	14.2	-	14.2	0.0	14.2
Decreases/Reversals	(0.0)	(1.2)	(0.1)	(1.4)	(0.1)	(1.5)	-	(1.5)	-	(1.5)
Transfers/Reclassifications	(0.0)	-	-	(0.0)	0.0	0.0	-	0.0	-	0.0
Change in scope of consolidation	0.1	1.0	(0.0)	1.1	0.1	1.2	-	1.2	-	1.2
Reclassification of discontinued operation	-	-	-	-	-	-	-	-	(0.3)	(0.3)
At December 31, 2015	**28.2**	**0.9**	**5.1**	**34.2**	**38.0**	**72.2**	**(0.0)**	**72.1**	**-**	**72.1**
o/w non-current at end December 2014	*0.1*	*1.1*	*4.8*	*6.0*	*37.0*	*43.0*	*(0.0)*	*43.0*	*0.3*	*43.3*
o/w current at end December 2014	*14.6*	*-*	*-*	*14.6*	*0.6*	*15.2*	*-*	*15.2*	*-*	*15.2*
o/w non-current at end December 2015	*-*	*0.9*	*5.1*	*6.0*	*37.0*	*43.0*	*(0.0)*	*42.9*	*-*	*42.9*
o/w current at end December 2015	*28.2*	*-*	*-*	*28.2*	*1.0*	*29.2*	*-*	*29.2*	*-*	*29.2*

Accounts receivable from participating interests and Shareholders' accounts

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

Deposits and advances paid

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

Other financial assets

This concerns primarily the uncalled amount for subordinated perpetual notes.

8. CASH FLOW STATEMENT

Operating cash flow from continuing operations totaled €86.1 million in 2015, compared to €206.3 million 2014. This change is related mainly to the growth of Property Development activities, which spurred a more visible increase in its working capital needs, particularly with regard to land acquisition at high prices at year-end.

Cash generated/(used) by investing activities of continuing operations amounted to (€421.5) million in 2015 compared to (€120.9) million in 2014, corresponding to the requirements of the period. These changed requirements are the result of the acceleration of the 2015 growth in the bricks-and-mortar business (particularly at the Cap 3000, Toulon-la Valette and Aubergenville shopping centers) and the 100% acquisition of control of the Qwartz shopping center in Villeneuve-la-Garenne. In addition, the Office business grew noticeably in 2015, with significant acquisitions through joint ventures, particularly the Pascal Towers (via AltaFund) and a building in Issyk les Molineux (via SCI Issyk Pont). Due to the continuing decline in interest rates, the mark-to-market of interest rate hedging instruments also had an impact on the period. Thus, (€113.4) million in balancing cash payments was disbursed, compared to (€55.1) million 2014.

Cash generated/(used) by financing activities of continuing operations amounted to €286.1 million in 2015, compared to €75.2 million in 2014. This increase results primarily, on the one hand, from the financing of part of the development of the bricks-and-mortar business and, on the other, from the working capital requirements of the Property Development activity. In 2015, the dividend was paid in cash, while in 2014, the dividend was paid largely in Company shares.

Cash flow from the operation held for sale concerns Rue du Commerce, which was financed by Group equity in 2014 and, in 2015, by consumption and management of its own cash.

Net cash and cash equivalents

(€ millions)	Cash and cash equivalents	Marketable securities	Total cash assets	Bank overdraft	Net cash from continuing operations	Net cash from the dis-continued operation	Net cash
At January 1, 2014	**57.8**	**151.5**	**209.2**	**(39.7)**	**169.6**	**25.6**	**195.2**
Change during the period	94.3	29.3	123.6	37.6	161.2	(0.0)	161.2
Change in fair value	-	-	-	-	-	-	-
Cash of acquired companies	0.0	-	0.0	(0.0)	(0.0)	-	(0.0)
Cash of companies sold	(0.0)	-	(0.0)	0.0	(0.0)	-	(0.0)
Impacts of other changes in scope	(0.6)	0.0	(0.5)	-	(0.5)	-	(0.5)
At December 31, 2014	**151.5**	**180.8**	**332.3**	**(2.1)**	**330.2**	**25.7**	**355.9**
Change during the period	8.3	(71.3)	(62.9)	(29.6)	(92.6)	(18.1)	(110.7)
Change in fair value	-	-	-	-	-	-	-
Cash of acquired companies	2.2	1.5	3.6	-	3.6	-	3.6
Cash of companies sold	(7.0)	-	(7.0)	26.9	19.9	-	19.9
Reclassification of discontinued operation	-	-	-	-	-	(7.6)	(7.6)
At December 31, 2015	**155.0**	**111.0**	**266.0**	**(4.9)**	**261.1**	**-**	**261.1**
Net change at end of December 2014	93.7	29.4	123.1	37.6	160.7	0.0	160.7
Net change at end of December 2015	3.5	(69.8)	(66.3)	(2.7)	(69.1)	(25.7)	(94.7)

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

The development of the business was financed in part by partial consumption of Group cash.

Other explanations regarding the cash flow statement

Breakdown of elimination of fair value adjustments

(€ millions)	12/31/2015	12/31/2014
Elimination of value adjustments on:		
Change in fair value of financial instruments (excluding marketable securities)	39.1	71.4
Change in value of investment properties	(113.5)	(89.2)
Impairment losses on investment properties	(5.2)	4.0
Present value adjustment	0.2	0.1
Total	**(79.5)**	**(13.7)**

Net acquisitions of assets and capitalized expenditures

(€ millions)	12/31/2015	12/31/2014
Type of non-current assets acquired:		
Intangible assets	(3.0)	(3.7)
Property, plant and equipment	(1.6)	(0.5)
Investment properties	(233.1)	(119.0)
Total	**(237.7)**	**(123.2)**

In 2015, investments in investment properties mainly concerned:

- the Toulon la Valette shopping center development;
- the factory outlet in Aubergenville (opened to the public over the period);
- the centers being redeveloped or improved (mainly the Cap 3000 center in Saint Laurent du Var).

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

(€ millions)	Intangible assets	Property, plant and equipment	Investment properties	Total acquisition of non-current assets
Investments during the period	(2.1)	(1.6)	(248.3)	(252.0)
Change in debt relating to non-current assets	(0.9)	-	15.2	14.3
Acquisition of net non-current assets	**(3.0)**	**(1.6)**	**(233.1)**	**(237.7)**

Net acquisitions of consolidated companies, net of cash acquired

(€ millions)	12/31/2015	12/31/2014
Investments in consolidated securities	(70.5)	0.1
Debt on acquisition of consolidated participating interests	(0.0)	(0.7)
Cash of acquired companies	3.6	(0.0)
Total	**(66.8)**	**(0.6)**

This pertains to the acquisition of control of Alta Qwartz, the holding company of the shopping center located in Villeneuve-la-Garenne.

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

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

(€ millions)	12/31/2015	12/31/2014
Income from disposal of investment assets in net income (net of transfer duties and allowances to and reversals of provisions)	**3.7**	**83.1**
Disposal proceeds recognized in other income statement aggregates	1.4	0.1
Neutralization of items reclassified in proceeds from disposals (including rent guarantees granted to purchasers)	(0.9)	0.0
Repayments of advances and down payments	-	-
Gross proceeds from disposals and repayments of advances and down payments	**4.2**	**83.2**
Receivables on sale of assets	8.2	(0.8)
Sale and repayments of advances and down payments	12.4	82.4

Disposals of consolidated companies, net of cash transferred

An impact of €52.2 million was noted at December 31, 2015, reflecting the Group's disposal of a portfolio of four Italian shopping centers (Ibleo in Ragusa, Casetta Mattei in Rome, La Cittadela in Casale Monferrato and Le Due Valli in Pinerolo) and a property complex in Paris (Austerlitz – SEMAPA).

Net change in investments and derivative financial instruments

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

9. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk, and currency risk.

9.1. Carrying amount of financial instruments by category in accordance with IAS 39

At December 31, 2015

(€ millions)			Financial assets and liabilities carried at amortized cost		Financial assets and liabilities carried at fair value				
	Total carrying amount	Non-financial assets	Loans and Advances	Liabilities at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level 1 [a]	Level 2 [b]	Level 3 [c]
NON-CURRENT ASSETS	**403.9**	**196.9**	**206.6**	**-**	**0.4**	**-**	**-**	**-**	**0.4**
Securities and investments in equity affiliates and non-consolidated interests	361.0	196.9	163.7	-	0.4	-	-	-	0.4
Loans and receivables (non-current)	42.9	-	42.9	-	-	-	-	-	-
CURRENT ASSETS	**790.2**	**-**	**659.1**	**-**	**-**	**131.1**	**111.0**	**20.0**	**-**
Trade and other receivables	475.0	-	475.0	-	-	-	-	-	-
Loans and receivables (current)	29.2	-	29.2	-	-	-	-	-	-
Derivative financial instruments	20.0	-	-	-	-	20.0	-	20.0	-
Cash and cash equivalents	266.0	-	155.0	-	-	111.0	111.0	-	-
NON-CURRENT LIABILITIES	**2,396.3**	**-**	**-**	**2,396.3**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,366.4	-	-	2,366.4	-	-	-	-	-
Deposits and security interests received	29.8	-	-	29.8	-	-	-	-	-
CURRENT LIABILITIES	**1,325.6**	**-**	**-**	**1,288.8**	**-**	**36.7**	**-**	**36.7**	**-**
Borrowings and financial liabilities	450.6	-	-	450.6	-	-	-	-	-
Derivative financial instruments	37.3	-	-	0.6	-	36.7	-	36.7	-
Accounts payable and other operating liabilities	837.7	-	-	837.7	-	-	-	-	-
Amount due to shareholders	0.0	-	-	0.0	-	-	-	-	-

(a) Financial instruments quoted on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.
Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

At December 31, 2014

(€ millions)			Financial assets and liabilities carried at amortized cost		Financial assets and liabilities carried at fair value				
	Total carrying amount	Non-financial assets	Loans and Advances	Liabilities at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level 1 [a]	Level 2 [b]	Level 3 [c]
NON-CURRENT ASSETS	**405.4**	**235.5**	**169.4**	**-**	**0.4**	**-**	**-**	**-**	**0.4**
Securities and investments in equity affiliates and non-consolidated interests	362.0	235.5	126.1	-	0.4	-	-	-	0.4
Loans and receivables (non-current)	43.3	-	43.3	-	-	-	-	-	-
CURRENT ASSETS	**781.6**	**-**	**584.8**	**-**	**-**	**196.8**	**181.0**	**15.9**	**-**
Trade and other receivables	392.5	-	392.5	-	-	-	-	-	-
Loans and financial receivables (current)	15.2	-	15.2	-	-	-	-	-	-
Derivative financial instruments	15.9	-	-	-	-	15.9	-	15.9	-
Cash and cash equivalents	358.0	-	177.0	-	-	181.0	181.0	-	-
NON-CURRENT LIABILITIES	**1,821.3**	**-**	**-**	**1,821.3**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	1,795.1	-	-	1,795.1	-	-	-	-	-
Deposits and security interests received	26.2	-	-	26.2	-	-	-	-	-
CURRENT LIABILITIES	**1,308.3**	**-**	**-**	**1,205.6**	**-**	**102.7**	**-**	**102.7**	**-**
Borrowings and financial liabilities	448.3	-	-	448.3	-	-	-	-	-
Derivative financial instruments	102.7	-	-	-	-	102.7	-	102.7	-
Accounts payable and other operating liabilities	757.4	-	-	757.4	-	-	-	-	-
Amount due to shareholders	0.0	-	-	0.0	-	-	-	-	-

(a) Financial instruments quoted on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.
Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

9.2. Interest rate risk

Altarea holds a portfolio of swaps, caps and collars designed to protect against interest rate risk on its floating rate debts.

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

Derivatives are carried at fair value.

In compliance with IFRS 13, these instruments are measured by taking into account the credit valuation adjustment (CVA) when positive, and the debit valuation adjustment (DVA) when negative. This adjustment measures, by application on each cash flow date of the valuation a probability of default, the counterparty risk defined as an obligation to replace a hedging operation at the market rate in force following the default by one of the counterparties. CVA, calculated for a given counterparty, takes into account the probability of default for this counterparty. DVA, based on the Company's credit risk, corresponds to the counterparty's exposure to loss in the event of the Company's default.

The resulting impact is a negative change in the fair value of derivative financial instruments of €0.4 million on net income for the period.

Position in derivative financial instruments

(€ millions)	12/31/2015	12/31/2014
Interest-rate swaps	(18.6)	(84.4)
Interest-rate collars	(2.1)	(3.4)
Interest-rate caps	0.5	0.0
Accrued interest not yet due	3.4	1.0
Premiums and balancing cash payments	(0.6)	-
Total	**(17.3)**	**(86.8)**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at December 31, 2015.

Maturity schedule of derivative financial instruments (notional amounts)

At December 31, 2015

	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020
Altarea – pay fixed – swap	1,312.5	1,349.7	1,465.7	1,720.6	1,487.8	1,486.5
Altarea – pay fixed – collar	50.0	-	-	-	-	-
Altarea – pay fixed – cap	187.0	148.9	75.0	75.0	75.0	75.0
Total	**1,549.5**	**1,498.6**	**1,540.7**	**1,795.6**	**1,562.8**	**1,561.5**
Average hedge ratio	0.62%	0.54%	1.01%	1.44%	1.16%	1.16%

At December 31, 2014

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

Management position

At December 31, 2015

	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020
Fixed-rate bond and bank loans	(762.7)	(751.9)	(550.0)	(548.1)	(396.2)	(394.2)
Floating-rate bank loans	(1,944.9)	(1,550.6)	(1,317.0)	(1,176.0)	(828.3)	(783.3)
Cash and cash equivalents (assets)	266.0	-	-	-	-	-
Net position before hedging	**(2,441.6)**	**(2,302.5)**	**(1,867.0)**	**(1,724.0)**	**(1,224.4)**	**(1,177.5)**
Swap	1,312.5	1,349.7	1,465.7	1,720.6	1,487.8	1,486.5
Collar	50.0	-	-	-	-	-
Cap	187.0	148.9	75.0	75.0	75.0	75.0
Total derivative financial instruments	**1,549.5**	**1,498.6**	**1,540.7**	**1,795.6**	**1,562.8**	**1,561.5**
Net position after hedging	**(892.1)**	**(803.9)**	**(326.3)**	**71.6**	**338.3**	**384.0**

At December 31, 2014

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

Analysis of interest-rate sensitivity

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit institutions and derivative instruments.

	Increase/decrease in interest rates	Impact of the gain or loss on pre-tax profit	Impact on the value of the portfolio of financial instruments
12/31/2015	+50 bps	-€2.6 million	+€58.9 million
	-50 bps	+€2.6 million	-€61.1 million
12/31/2014	+50 bps	-€1.3 million	+€27.7 million
	-50 bps	+€1.2 million	-€28.7 million

9.3. Liquidity risk

Cash

The Group had a positive cash position of €266 million at December 31, 2015, compared to €358 million at December 31, 2014. This represents the main tool for management of liquidity risk. (See the statement of cash flows and Note 8, "Notes to the cash flow statement").

Part of this cash is classified as restricted for the Group, but is available for those subsidiaries that carry it. At December 31, 2015, the amount of this restricted cash was €140.1 million.

At December 31, 2015, in addition to the available cash of €125.9 million, the Group also had €80 million of additional available cash (in confirmed corporate credit lines that had not been used and were not assigned to projects) and €159.2 million of available cash for projects, for total available cash of €304.6 million (excluding cash from treasury notes).

On the closing date, new confirmed corporate lines were obtained in the amount of €159 million and in the amount of €25 million for project financing, for a total of €184 million.

Covenants

The covenants (financial ratios) with which the Group must comply concern the listed corporate bond and banking credits, for €1,157 million, including the €200 million banking credit subscribed by Cogedim SAS.

The covenants with which Foncière Altarea's consolidated companies must comply (holding company for the bricks-and-mortar business with the exception of the shopping centers directly held by Altarea SCA or via its Altablue subsidiary for Cap 3000) concern the corporate banking credits subscribed (€126 million) and the private bond credit subscribed by Foncière Altarea (€150 million).

The bank credit subscribed by Cogedim SAS is also subject to leverage covenants.

	Altarea Group covenants	12/31/2015	Consolidated Altarea land covenants	12/31/2015	Consolidated Cogedim covenants	12/31/2015
Loan To Value (LTV) Net bond and bank financial debt/ re-assessed value of the Company's assets	< 60%	44.5%	< 50%	31.3%	-	-
Interest Cover Ratio (ICR) Operating income (FFO column or cash flow from operations)/Company's net borrowing cost (FFO column)	> 2	7.3	> 1.8	11.1	-	-
Leverage						
Leverage: Net financial debt/EBITDA	-	-	-	-	≤ 5	2.6
Gearing: Net financial debt/Equity	-	-	-	-	≤ 3	0.5
ICR: EBITDA/Net financial expenses	-	-	-	-	≥ 2	8.3

The covenants specific to mortgage loans to finance shopping centers in operation:

- DSCR = net rental income of the Group/net borrowing cost plus principal repayment > normally 1.50 (or a lower ratio);
- LTV ratio in operation = Loan To Value = Group net debt/Group net asset value is normally < 70%;
- the covenants specific to mortgage loans for shopping centers under development or redevelopment may be more restrictive than to loans for centers in operation, within the limit of the following values: DSCR > 2.0 and LTV < 60%.

At December 31, 2015, the company met all its covenants. In the highly likely event that certain mortgage debt may be required to be partially repaid at a subsequent date, the amount of these repayments is recognized under current liabilities until the maturity date.

Counterparty risk

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

Currency risk

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

10. RELATED PARTY TRANSACTIONS

Ownership structure of Altarea SCA

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

(percentage)	12/31/2015 % share capital	12/31/2015 % voting rights	12/31/2014 % share capital	12/31/2014 % voting rights
Founding shareholders and the expanded concert party[a]	47.75	48.40	47.70	48.32
Crédit Agricole Assurances	27.32	27.70	27.32	27.68
ABP	8.27	8.38	8.27	8.37
Opus Investment BV[b]	1.33	1.34	1.25	1.27
Treasury shares	1.35	-	1.28	-
Public + employee investment mutual fund	13.98	14.18	14.18	14.36
Total	**100.0**	**100.0**	**100.0**	**100.0**

(a) Alain Taravella and Jacques Nicolet, the founding shareholders in their own name (or the name of relatives) or via legal entities that they control, and Gilles Boissonnet and Stéphane Theuriau acting in concert.
(b) And related party (at December 31, 2015).

Related party transactions

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

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

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

Transactions with these related parties mainly relate to services rendered by Altafi 2 as Co-Manager of the Company and, to a lesser extent, services and rebillings by the Company to Altafi 2.

Executive compensation

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

	Altafi 2 SAS	
(€ millions)	12/31/2015	12/31/2014
Fixed executive compensation	2.5	2.5
- o/w amount recognized in other overhead costs	*2.5*	*2.5*
Variable executive compensation[a]	1.8	1.4
TOTAL	**4.3**	**3.9**

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

Assistance services and rebilling of rents

Assistance services and rebilling of rents and other items are recognized as a deduction from other Group overhead costs in the amount of €0.1 million. Services invoiced to related parties by the Altarea Group are invoiced on an arm's length basis.

	Altafi 2 SAS	
(€ millions)	12/31/2015	12/31/2014
Trade and other receivables	0.1	0.1
TOTAL ASSETS	**0.1**	**0.1**
Account payable and other operating liabilities[a]	2.5	1.6
TOTAL LIABILITIES	**2.5**	**1.6**

(a) Mainly corresponds to part of variable management compensation.

Compensation of the founding shareholder-managers

Mr Alain Taravella does not receive any compensation from Altarea SCA or its subsidiaries in his capacity as Manager. Mr Alain Taravella receives compensation from holding companies that own a stake in Altarea.

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

No share-based payments were made by Altarea SCA to its founding shareholder-managers. No other short-term or long-term benefits or other forms of compensation and benefits were granted to the founding shareholder-managers by Altarea SCA.

Compensation of the Group's senior executives

(€ millions)	12/31/2015	12/31/2014
Gross salaries [a]	5.7	5.3
Social security contributions	2.4	2.4
Share-based payments [b]	1.2	2.1
Number of shares delivered during the period	*23.000*	*6.000*
Post-employment benefits [c]	0.0	0.0
Other short- or long-term benefits and compensation [d]	0.0	0.0
Termination indemnities [e]	-	-
30% employer contribution for stock grants	-	-
Loans	-	0.1
Post-employment benefit liability	0.5	0.6

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

(In number of rights in circulation)	12/31/2015	12/31/2014
Rights to Altarea SCA's stock grant awards	24.000	46.500
Altarea share subscription warrants	-	-
Stock options on Altarea shares	-	-

"Senior executives" include members of the company's Executive Committee and members of Altarea's Supervisory Board who receive compensation [6] from Altarea or its subsidiaries.

Compensation paid to senior executives excludes dividends.

11. GROUP COMMITMENTS AND CONTINGENT LIABILITES

11.1. Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions.

Pledges of securities, assignments of receivables (intra-Group loans, interest rate hedges, VAT, insurance policies, etc.) and undertakings not to sell or assign ownership units are also made by the Company to secure certain loans.

These commitments appear in Note 6.2 "Net financial debt and guarantees".

In addition, the company has received commitments from banks for unused credit lines, which are described in Note 9.3, "Liquidity risk".

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

All other material liabilities are set out below:

(€ millions)	12/31/2014	12/31/2015	Less than 1 year	1 to 5 years	More than 5 years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**-**	**-**	**-**	**-**	**-**
Commitments received relating to company acquisitions	**103.7**	**55.2**	**49.8**	**2.0**	**3.3**
Commitments received relating to operating activities	**87.5**	**126.6**	**105.4**	**9.1**	**12.2**
Security deposits received from FNAIM (Hoguet Law)	50.0	55.0	55.0	-	-
Security deposits received from tenants	17.7	14.9	1.0	3.5	10.4
Payment guarantees received from customers	17.2	56.2	49.1	5.5	1.5
Unilateral land sale undertakings received and other commitments	0.4	0.4	0.1	-	0.3
Other commitments received relating to operating activities	2.3	0.2	0.2	0.0	-
Total	191.3	181.8	155.2	11.1	15.5
Commitments given					
Commitments given elating to financing (excl. borrowings)	**26.7**	**11.0**	**5.0**	**-**	**6.0**
Commitments given relating to company acquisitions	**142.1**	**186.4**	**0.4**	**149.6**	**36.5**
Commitments given relating to operating activities	**678.0**	**793.6**	**282.3**	**476.9**	**34.5**
Construction work completion guarantees (given)	453.3	500.3	174.6	321.8	3.9
Guarantees given on forward payments for assets	136.5	191.6	64.3	127.3	-
Guarantees for loss of use	35.4	41.9	21.9	20.1	-
Other sureties and guarantees granted	52.9	59.7	21.5	7.7	30.6
Total	846.8	991.0	287.6	626.4	77.0
Bilateral property purchase and other undertakings relating to operating activities	**89.2**	**68.5**	**55.0**	**11.4**	**2.1**
o/w Altarea as seller	*22.6*	*5.1*	*5.1*	*-*	*-*
o/w Altarea as purchaser	*66.6*	*63.4*	*49.9*	*11.4*	*2.1*
Total	89.2	68.5	55.0	11.4	2.1

Commitments received

Commitments received relating to acquisitions/disposals

The Group is covered by representations and warranties in connection with acquisitions of subsidiaries and equity interests, and in particular for the acquisition of Altareit. Relating to the latter, Altarea received a guarantee from the seller Bongrain that it shall be entitled to compensation for a period of 10 years, through a reduction in the selling price of the 100% share block, for any damage or loss originating from the business activities effectively incurred by Altareit with a cause or origin predating March 20, 2008.

The Group also received

- a guarantee provided to the Group by Allianz, given in conjunction with its acquisition of a stake in selected shopping centers guaranteed, whereby it would contribute up to €35 million to the remaining budget expenditures for a Property Development project. At December 31, 2015, this undertaking amounted to €11.2 million;
- an undertaking by the partners of Altablue, to subscribe, within the limits of their respective share, a capital increase for €100.3 million each. These amounts must be paid no later than June 30, 2016 to finance the extension of the Cap 3000 shopping center near Nice.

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

Commitments received relating to operating activities

• Security deposits

Under France's "Hoguet Law", Altarea holds a security deposit received from FNAIM in an amount of €55 million as a guarantee covering its property management and sales activity.

Altarea also receives security deposits from its tenants to guarantee that they will pay their rent.

• Payment guarantees received from customers

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to office Property Development operations

• Unilateral land sale undertakings received and other commitments

Other guarantees receive consist mainly of commitments received from property sellers.

• Other commitments received

In its Property Development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract – non-costed commitment).

Commitments given

Commitments given relating to financing activities

Altarea provided guarantees of €11 million to cover overdraft facilities granted to its subsidiaries.

Commitments given relating to acquisitions

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

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

The main commitments concern an undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €107.6 million (including a firm commitment for €50.4 million and €57.2 million unused).

Representations and warranties after the partner Allianz acquired a stake in certain shopping centers were given at year-end 2013 for €35 million as of December 3, 2015 and until its maturity. Following the disposal of the Italian assets in the first half-year and the disposal of Rue du Commerce, representations and warranties were given, respectively, for €35 and €6 million.

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

Commitments given relating to operating activities

• Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales, and are provided on behalf of Group companies by financial institutions, mutual guarantee organizations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

• Guarantees on forward payments for assets

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

• Compensation for loss of use

As part of its Property Development activities, the Group signs preliminary sales agreements with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative permits. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a guarantee (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met

• Other sureties and guarantees granted

The other sureties and guarantees granted relate primarily to the Group's involvement in AltaFund, the office Property Investment fund, the sureties granted in connection with its Property Development activity, as well as the REIT business in Italy for guarantees granted by companies to the Italian government regarding their VAT position.

Bilateral property purchase and other undertakings relating to operating activities

These commitments mainly include bilateral undertakings (secured by bank guarantees) relating to land or off-plan sales (VEFA) contracts.

Other commitments

In the conduct of its proprietary shopping center development business, Altarea has made commitments to invest in projects initiated and controlled by the company.

Moreover, in the conduct of its Residential property development, the Group signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether the customers meet the contingencies, particularly with respect to their ability to secure financing.

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

The amount of these commitments is shown in the Review of Operations.

Minimum future rents to be paid or received

Minimum future rents to be received

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

(€ millions)	12/31/2015	12/31/2014
Less than 1 year	142.5	144.4
Between 1 and 5 years	237.3	247.6
More than 5 years	71.4	69.2
Guaranteed minimum rent	**451.2**	**461.2**

Rents receivable relate only shopping centers owned by the Group.

Minimum future rents to be paid

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

(€ millions)	12/31/2015	12/31/2014
Less than 1 year	10.9	13.0
Between 1 and 5 years	14.5	24.7
More than 5 years	0.3	0.5
Minimum future rents to be paid	**25.7**	**38.1**

Rents to be paid concern:

- offices leased by the Group for its own operations;
- rents to be paid to the owner of the hotel building on Avenue Wagram in Paris.

11.2. Litigation and claims

No new litigation or governmental, legal, or arbitration proceedings that are likely to have significant effects on the Company's financial position or profitability arose in 2015 other than those for which a provision has been recognized (see Note 6.3 "Provisions") or that have been effectively challenged or are being challenged by the Company (see Note 5.3 "Corporate income tax" or 6.3 "Provisions").

12. POST-CLOSING EVENTS

The disposal of Rue du Commerce to Carrefour took place on January 1, 2016. The impairment recognized in the Company's financial statements at December 31, 2015 takes account of the sale price determined based on the financial statements of Rue du Commerce at December 31, 2015. No significant adjustment is expected in 2016. The Company has made, toward the purchaser, the standard undertakings for this kind of transaction.

On January 20, 2016, the General Meeting of Altarea SCA authorized Management to allot, on one or more occasions, bonus ordinary Company shares to employees or executive officers of the Company. On the closing date, 82,889 rights were granted under this scheme during the period from January 1, 2016 to the closing date.

On February 26, 2016, the Company acquired all the capital and voting rights of Pitch Promotion. In accordance with the agreements, the Terrassoux Group reinvested a portion of the sales proceeds, in the amount of €31.7 million, by subscribing 190,000 Altarea shares in a reserved capital increase, representing approximately 1.5% of the Company's capital. On the date of the transaction, the amount disbursed by Altarea stood at €60 million. In 2015, Pitch Promotion's activity represented less than 25% of the Company's activity.

3.7. AUDITORS' FEES

(€ millions)	ERNST & YOUNG				A.A.C.E.				Other				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Statutory audit, certification, examination of individual and consolidated financial statements																
Altarea SCA	0.3	0.3	22%	23%	0.3	0.3	32%	35%		-	0%	0%	0.6	0.6	26%	28%
Fully consolidated subsidiaries	0.9	0.9	70%	72%	0.6	0.5	65%	64%		0.0	100%	100%	1.5	1.4	68%	68%
Other work and services related directly to the statutory audit assignment																
Altarea SCA	0.1	0.1	5%	5%	0.0	0.0	1%	0%	-	-	0%	0%	0.1	0.1	3%	3%
Fully consolidated subsidiaries	0.0	0.0	3%	0%	0.0	0.0	3%	0%	0.0	-	0%	0%	0.1	0.0	3%	1%
Other services rendered by networks to fully consolidated subsidiaries																
Legal, tax, social, other	-	-	0%	0%	-	-	0%	0%	-	-	0%	0%	-	-	0%	0%
Total	**1.3**	**1.2**	**100%**	**100%**	**0.9**	**0.8**	**100%**	**100%**	**0.0**	**0.0**	**100%**	**100%**	**2.2**	**2.1**	**100%**	**100%**

3.8. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(financial year ended december 31, 2015)

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended December 31, 2015 on:

- our audit of Altarea's consolidated financial statements as attached to this report;
- the justification of our assessments;
- the specific verifications required by Law.

These consolidated financial statements have been approved by Management. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

II. Justification of our assessments

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

- As indicated in Note 2.3.6, "Investment property," of the Notes to the consolidated financial statements, the fair value of investment property in operation is determined on the basis of primarily external appraisals. Our work consisted of examining the evaluation method used by both the external experts and your own group, reading their evaluations and ensuring that the determination of the fair value of investment properties as shown in the balance sheet was made on the basis of these assessments.
- As stated in Note 2.3.11, "Financial assets and liabilities (excluding trade receivables and other receivables)" of the Notes to the consolidated financial statements, financial assets and liabilities are carried at fair value. Fair value is determined with reference to published market prices for listed shares and according to valuation models that are commonly accepted and used by actuaries for other items. We verified that the fair value of financial instruments as presented in the balance sheet and in Note 9, "Management of financial risks" of the Notes to the consolidated financial statements, had been determined on the basis of market values or actuarial variations.
- As indicated in Note 2.3.17, "Taxes," in the Notes to the consolidated financial statements, estimates are used in determining the recoverable amount of deferred tax assets. As part of our assessment, we acknowledged the assumptions used by Management and determined whether the estimates based on these assumptions were reasonable.
- As stated in Note 2.3.18, "Revenue and related expenses," section b) "Net property income" in the Notes to the consolidated financial statements, property revenue and Net property income for the development business are measured using the percentage-of-completion method. They thus depend on the estimated value at completion made by your Group as described in paragraph b) above. As part of our assessment, we examined whether the assumptions on which these estimates were based were reasonable, and we reviewed the calculations performed by your Group.
- As indicated in Note 7.2, "Intangible assets and goodwill," to the consolidated financial statements, your Group used certain estimates in monitoring the value of goodwill and the Cogedim brand. Our work consisted of assessing the data and assumptions on which these estimates are based, reviewing the calculations made by the group and its experts, if applicable, and verifying that the note to the consolidated financial statements provides appropriate information on the assumptions used.
- As indicated in Note 5.3, "Corporate income tax," of the Notes to the consolidated financial statements, one subsidiary of your Group received an adjustment proposal following a tax audit conducted by the tax authorities. Your Group, on the advice of its tax counsels, contested the adjustment in its entirety and, consequently, did not build up any provisions at December 31, 2015. Our work consisted in assessing the reasonableness of the data on which these assessments are based and verifying that the notes to the consolidated financial statements provide appropriate information.

Our assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. Specific verification

We also carried out specific verification, as required by Law, of information relating to the Group provided in the management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Paris and Paris-La Défense, March 15, 2016

The Statutory Auditors

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

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4.1. INCOME STATEMENT

INCOME STATEMENT (list)

(€ thousands)	2015	2014
Sale of goods	-	-
Sold production (goods and services)	29,426.2	25,462.3
NET REVENUE	**29,426.2**	**25,462.3**
Production held in inventory	-	-
Production held in inventory	425.4	7,424.7
Operating grants	-	-
Reversals of provisions (and depreciation/amortization), expense reclassifications	1,903.5	457.0
Other income	139.4	2,112.2
OPERATING INCOME	**31,894.5**	**35,456.1**
Purchase of goods	-	-
Change in inventory (goods)	-	-
Purchase of raw materials and other supplies	-	-
Change in inventory (raw materials and other supplies)	-	-
Other purchases and external costs	21,372.5	23,676.5
Taxes, duties and equivalent payments	590.3	700.2
Salaries and wages	1,029.3	1,833.8
Social security contributions	1,503.2	1,384.8
OPERATING ALLOWANCES		
Non-current assets: allowances for depreciation and amortization	4,279.4	4,150.5
Non-current assets: allowances for impairment	-	-
Current assets: allowances for impairment	469.3	208.0
Contingencies and expenses: allowances for provisions	876.0	885.8
Other expenses	751.5	292.2
OPERATING EXPENSES	**30,871.4**	**33,131.8**
OPERATING INCOME	**1,023.2**	**2,324.3**
JOINT TRANSACTIONS		
Profits or transferred losses	-	-
Losses or transferred profits	-	-
FINANCIAL INCOME		
Financial income from investments	84,124.2	65,534.2
Income from other marketable securities and receivables on non-current assets	3,874.8	3,633.4
Other interest and similar income	3,846.7	2,714.3
Reversals of provisions, impairment and expense reclassifications	-	40.2
Foreign exchange gains	-	-
Net gain on the disposal of marketable securities	-	-
FINANCIAL INCOME	**91,845.8**	**71,922.2**
Allowances for amortization, impairment and provisions	-	35,001.7
Interest and similar expenses	86,946.7	35,777.9
Foreign exchange losses	-	-
Net losses from the disposal of marketable securities	-	-
FINANCIAL EXPENSES	**86,946.7**	**70,779.5**
FINANCIAL INCOME	**4,899.1**	**1,142.7**
PROFIT BEFORE TAX	**5,922.2**	**3,467.0**

INCOME STATEMENT (continued)

(€ thousands)	2015	2014
Exceptional income from non-capital transactions	-	-
Exceptional income from capital transactions	2,349.1	753.6
Reversals of provisions, impairment and expense reclassifications	-	-
EXCEPTIONAL INCOME	2,349.1	753.6
Exceptional expenses on non-capital transactions	0.2	3.0
Exceptional expenses on capital transactions	2,566.0	145.7
Allowances for amortization, impairment and provisions	-	-
EXCEPTIONAL EXPENSES	2,566.2	148.7
EXCEPTIONAL INCOME	(217.1)	604.9
Employee profit-sharing	-	-
Income tax	(346.1)	338.3
TOTAL INCOME	126,089.4	108,131.8
TOTAL EXPENSES	120,038.1	104,398.3
PROFITS OR LOSSES	6,051.2	3,733.6

4.2. BALANCE SHEET

ASSETS

(€ thousands)	Gross	Amortization provisions	12/31/2015	12/31/2014
Uncalled subscribed capital	-	-	-	-
INTANGIBLE ASSETS				
Start-up costs	-	-	-	-
Research and development expenditures	-	-	-	-
Concessions, patents, licenses, trademarks, procedures, software, rights and similar items	1,131.0	628.1	502.9	32.4
Goodwill	9,417.0	-	9,417.0	9,417.0
Intangible assets in progress	147.3	-	147.3	1,078.3
Advances and down payments	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT				
Land	22,376.6	77.2	22,299.4	22,312.7
Buildings	103,698.2	35,295.8	68,402.5	60,183.3
Technical installations, plant and industrial equipment	-	-	-	-
Others	140.5	102.9	37.6	60.4
Property, plant and equipment in progress	126.1	-	126.1	12,027.0
Advances and down payments	-	-	-	-
NON-CURRENT FINANCIAL ASSETS				
Investments	1,281,054.2	14,745.8	1,266,308.4	1,204,372.0
Investment-related receivables	260,490.9	-	260,490.9	191,518.2
Other long-term investments	-	-	-	-
Loans	245,153.4	113,497.0	131,656.4	111,547.2
Other non-current financial assets	3,697.2	-	3,697.2	4,366.4
LONG-TERM ASSETS	**1,927,432.5**	**164,346.8**	**1,763,085.7**	**1,616,915.0**
INVENTORIES AND PIPELINE PRODUCTS				
Raw materials and other supplies	-	-	-	-
Production work in progress (goods and services)	-	-	-	-
Intermediate and finished products	-	-	-	-
Goods and merchandise	-	-	-	-
Advances and installments paid on orders	-	-	-	50.0
RECEIVABLES				
Trade receivables and related accounts	18,997.4	1,273.9	17,723.4	9,483.1
Others	10,868.7	-	10,868.7	7,170.9
Called, unpaid subscribed capital	-	-	-	-
MARKETABLE SECURITIES				
Marketable securities (of which treasury stocks: 22611890.27)	22,611.9	1.7	22,610.2	19,611.9
Cash and cash equivalents	1,627.9	-	1,627.9	1,579.5
Prepaid expenses	254.0	-	254.0	510.7
CURRENT ASSETS	**54,359.9**	**1,275.6**	**53,084.3**	**38,406.1**
Deferred charges	-	-	-	-
Redemption premiums	-	-	-	-
Translation differences – assets	-	-	-	-
TOTAL	**1,981,792.4**	**165,622.4**	**1,816,170.0**	**1,655,321.0**

LIABILITIES

(€ thousands)	2015	2014
Share capital (incl. paid-in 191 244 972)	191,245.0	191,245.0
Discounts, merger premiums, contribution premiums	396,550.0	518,664.3
Revaluation differences	-	-
Legal reserve	17,901.3	17,714.6
Statutory and contractual reserves	0.0	-
Regulated reserves	-	-
Others	-	-
Retained earnings	(0.0)	-
NET INCOME (LOSS) FOR THE YEAR	**6,051.2**	**3,733.6**
Investment grants	-	-
Regulated provisions	-	-
EQUITY	**611,747.5**	**731,357.5**
Provisions for contingencies	1,719.4	2,262.7
Provisions for expenses	-	-
PROVISIONS	**1,719.4**	**2,262.7**
Proceeds from issue of equity securities	195,078.3	195,078.3
Conditional advances	-	-
OTHER EQUITY	**195,078.3**	**195,078.3**
FINANCIAL LIABILITIES	-	-
Convertible bonds	-	-
Other bonds	334,336.1	334,259.6
Bank borrowings	427,761.2	186,197.7
Other borrowings and financial liabilities	232,859.1	195,616.4
Advances and down payments for orders in progress	0.9	14.0
OPERATING PAYABLES		
Trade payables and related accounts	6,249.3	3,275.7
Tax and social security payables	3,736.6	3,799.1
OTHER PAYABLES		
Financial liabilities on capital assets and related accounts	1,560.6	2,280.3
Other payables	837.5	396.3
ACCRUALS		
Prepaid income	283.5	783.5
PAYABLES	**1,007,624.8**	**726,622.5**
Translation differences – liabilities	-	-
TOTAL	**1,816,170.0**	**1,655,321.0**

4.3. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

Altarea is a *société en commandite par actions* (a form of French partnership), the shares of which have been traded since 2004 on the Eurolist of Euronext Paris S.A. regulated market (Segment A). Its head office is located at 8 Avenue Delcassé in Paris, 8th arrondissement.

Altarea has had the status of a listed Property Investment company (*société d'investissement immobilier cotée*, or "SIIC") since January 1, 2005. Altarea prepares consolidated financial statements.

These notes are presented in thousands of euros. These annual financial statements were drawn up by Management and reviewed by the Supervisory Board at its meeting on March 9, 2016.

4.3.1. MAJOR EVENTS DURING THE FINANCIAL YEAR

On July 24, 2015, the Company signed a framework agreement for the refinancing of 16 of the Group's assets, for a total amount of €854 million.

4.3.2. SIGNIFICANT ACCOUNTING POLICIES

4.3.2.1. Compliance statement and comparability of information

The annual financial statements have been prepared and presented in accordance with the provisions of applicable French laws and regulations. They are drawn up according to the 2014 accounting plan adopted by the CRC (*Comité de Réglementation Comptable*) on June 5, 2014 (regulation 2014-03) and approved by ministerial decree on September 8, 2014.

The accounting policies are identical to those used to prepare the annual financial statements for the year ended December 31, 2014. There have been no changes to the presentation of the financial statements.

4.3.2.2. Accounting principles and methods

INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at acquisition cost.

Intangible assets consist mainly of software acquired, which is usually amortized on a straight-line basis over three years.

Intangible assets may be written down when their carrying amount differs significantly from their value in use, as defined under French GAAP.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly consist of property assets, and more specifically shopping centers or business premises.

GROSS VALUE OF BUILDINGS

Buildings are initially recognized at acquisition cost. For contributed property, this is the contribution value excluding purchase costs and for new property, it is the construction or refurbishment cost. As a general rule, purchase costs (transfer duties, expert fees, commissions, and stamp duties) are recognized as expenses.

Buildings are broken down into major components with specific uses and replacement rates. In accordance with the recommendations of the FSIF (*Fédération des Sociétés Immobilières et Foncières*), four property components are used: structural work, facades and weatherproofing, technical equipment and fixtures and fittings.

BUILDING DEPRECIATION

Building components are depreciated on a straight-line basis over the following useful lives:

Components	Useful life (shopping centers)	Useful life (business sites)
Structural work (structures, road and utilities works)	50 years	30 years
Facades, weatherproofing	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

BUILDING IMPAIRMENT

Property assets are appraised twice a year at market value by outside appraisers (Cushman & Wakefield and John Lang Lasalle).

The Company considers that the present value of property is value in use equivalent to the appraisal value including transfer duties. If there is any near-term development potential not included in the appraisal, the appraisal value is increased by estimated unrealized gains. Where there is a preliminary sales agreement or a firm sale commitment for the property, its present value is the value stated in the agreement or commitment excluding transfer duties.

The Company recognizes an impairment loss for the difference whenever the present value of a property asset (the higher of market value and value in use) falls significantly below its carrying amount.

OTHER TANGIBLE ASSETS

Other tangible assets are initially recognized at acquisition cost.

Vehicles, along with office and computer equipment are depreciated over five years.

PARTICIPATING INTERESTS

Participating interests are recognized at cost or transfer value.

Participating interests may be impaired where their carrying amount falls substantially below their value in use for the Company. This value in use is determined according to multiple criteria such as net asset value, profitability forecasts, long-term growth prospects and the economic environment. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account.

INVESTMENT AND LOAN-RELATED RECEIVABLES

Investment-related receivables or receivables related to indirect equity holdings of the Company are carried at their contribution or nominal value.

When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential.

RECEIVABLES

The company's receivables are carried at nominal value. They consist of Group receivables and trade receivables from shopping centers.

When there is evidence that the company will not be able to collect all amounts due, receivables are recorded in doubtful accounts. Impairment losses are calculated separately for each customer after subtracting the security deposit and accounting for the length of time that the receivable has remained outstanding, any progress made on collection efforts, and any guarantees that have been received.

TREASURY SHARES

Treasury shares are recognized as either:

- financial assets, if held for the purposes of a capital reduction;
- marketable securities:
  - when they are held under the "liquidity agreement" with a service provider for the purpose of ensuring the liquidity and orderly trading of its shares, or,
  - when they are held for purposes of grants to employees of the Company or its subsidiaries.

Treasury shares are recognized at acquisition cost. The FIFO method is used to determine the gross value of treasury shares that are sold.

An impairment loss is recognized if the value of shares held under the liquidity agreement is less than their acquisition cost.

Treasury shares held for grant to the Company's employees are covered by a provision calculated over the past vesting period on a pro rata basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries when granted. These rules comply with the provisions of CRC Regulation 2008-15 of December 4, 2008.

OTHER MARKETABLE SECURITIES

Marketable securities are stated in the balance sheet at cost. The FIFO method is used to determine the value of any Sicav mutual fund holdings sold.

An impairment loss is recognized on marketable securities when their realizable value falls below the net carrying amount.

PROVISIONS

In accordance with CRC Regulation 2000-06 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

RETIREMENT SEVERANCE BENEFITS

No provisions are recorded for severance benefits payable on retirement. These items are presented in the notes to the financial statements under off-balance sheet commitments.

LOAN ARRANGEMENT COSTS

Loan arrangement costs are expensed.

RENTAL INCOME AND EXPENSES

Rental income comprises income from the rental of property assets. Invoice amounts are recognized over the relevant rental period.

Income is not recognized for any rent holidays granted to tenants over the period during which the rent holiday is in effect.

Initial lease payments paid by tenants or stepped rents and rent holidays granted to tenants are not spread over the lease term.

MARKETING COSTS

Marketing fees for letting, lease renewals and re-letting are recognized as expenses.

FINANCIAL INSTRUMENTS

The Company uses interest swap contracts (swaps) or interest purchase options (caps) to hedge credit lines and borrowings. The corresponding interest income and expense are recognized in the income statement. Any premiums or commissions paid when contracts are executed are fully expensed.

Unrealized gains and losses equal to the estimated market value of the contracts on their closing date are not recognized. Nominal value, maturity schedule and estimated unrealized gains or losses are presented under off-balance sheet commitments.

TAX

Altarea adopted the SIIC status on January 1, 2005. Under this status, there are two separate categories with respect to tax treatment:

- a SIIC category exempt from French Corporate income tax, capital gains tax on property sales and tax on dividends received under the SIIC category; and
- a taxable category comprising all the Company's other operations not eligible for SIIC treatment.

Altarea must comply with the following three rules to be eligible for exemptions from French Corporate income tax and notably an obligation to distribute:

- 95% of earnings from property rentals during the financial year following the year in which the earnings were generated;
- 60% of any gains on the sale of property, participating interests in tax transparent companies with the same corporate purpose as a SIIC, or interests in subsidiaries subject to French Corporate income tax which have chosen the SIIC status, before the end of the second financial year after the year in which the gains were generated; and
- all dividends from subsidiaries having chosen a SIIC status during the financial year following the year in which the dividends were received.

Under the provisions applicable to the SIIC status, at least 80% of the Company's operations must be eligible for SIIC status and no single shareholder or group of shareholders acting in concert can own more than 60% of the Company's shares or voting rights.

4.3.3. NOTES TO THE FINANCIAL STATEMENTS

4.3.3.1. Notes related to the balance sheet – assets items

4.3.3.1.1. Intangible assets

Gross intangible assets

Intangible assets (€ thousands)	12/31/2014	Increase	Decrease	12/31/2015
Software	747.7	383.3	-	1,131.0
Total	**747.7**	**383.3**	**-**	**1,131.0**

Amortization of intangible fixed assets

Amortization (€ thousands)	12/31/2014	Allowances	Reversals	12/31/2015
Software	715.3	69.5	156.8	628.1
Total	**715.3**	**69.5**	**156.8**	**628.1**

Other intangible assets

Other intangible assets (€ thousands)	12/31/2014	Increase	Decrease	12/31/2015
Merger loss	9,417.0	-	-	9,417.0
Intangible assets in progress	1,078.3	92.3	1,023.3	147.3
Total	**10,495.3**	**92.3**	**1,023.3**	**9,564.3**

4.3.3.1.2. Property, plant and equipment

Gross property, plant and equipment

Property, plant and equipment (€ thousands)	12/31/2014	Acquisition/ Contribution	Outgoing/ Sale	12/31/2015
LAND	22,376.6	-	-	22,376.6
BUILDINGS	91,305.4	12,392.8	-	103,698.2
Structural work (structures, road and utilities works)	36,492.0	4,957.1	-	41,449.2
Facades, weatherproofing	9,123.0	1,239.2	-	10,362.3
Technical equipment	27,369.0	3,717.9	-	31,086.9
Fixtures and fittings	18,321.3	2,478.6	-	20,799.9
OTHER TANGIBLE FIXED ASSETS	140.5	-	-	140.5
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Vehicles	114.5	-	-	114.5
Office and computer equipment, furniture	26.0	-	-	26.0
Recoverable packaging and related items	-	-	-	-
TANGIBLE ASSETS IN PROGRESS	12,027.0	-	(11,901.0)	126.1
Land	263.6	-	(258.8)	4.8
Buildings	10,013.7	-	(9,913.1)	100.6
Others	1,749.8	-	(1,729.1)	20.7
Total	125,849.6	12,392.8	(11,901.0)	126,341.5

Amortization of property, plant and equipment

Amortization (€ thousands)	12/31/2014	Allowances	Reservals	12/31/2015
LAND	63.9	13.3	-	77.2
BUILDINGS	31,122.1	4,173.7	-	35,295.8
Structural work (structures, road and utilities works)	6,174.0	816.0	-	6,990.0
Facades	3,069.2	409.4	-	3,478.6
Technical equipment	11,535.6	1,546.5	-	13,082.1
Fixtures and fittings	10,343.3	1,401.7	-	11,745.1
OTHER TANGIBLE FIXED ASSETS	80.1	22.8	0.0	102.9
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Vehicles	57.5	20.6	0.0	78.1
Office and computer equipment, furniture	22.6	2.2	-	24.8
Recoverable packaging and related items	-	-	-	-
Total	31,266.8	4,209.8	0.0	35,475.9

No impairment was recognized on property, plant and equipment.

4.3.3.1.3. Non-current financial assets

Non-current financial assets (€ thousands)	12/31/2014	Increase	Decrease	31/12/2015
PARTICIPATING INTERESTS	1,219,117.8	61,936.4	-	1,281,054.2
FINANCIAL RECEIVABLES	420,928.8	118,418.4	30,005.7	509,341.5
Investment-related receivables	191,518.2	68,972.7	-	260,490.9
Loans and other fixed assets	229,410.6	49,445.7	30,005.7	248,850.6
Total	1,640,046.6	180,354.8	30,005.7	1,790,395.7

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interest in each subsidiary.

The change in participating interests is mainly due to the increase in Alta Blue participating shares following the subscription to the capital increase of that company.

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

Provisions for non-current financial assets

Provisions for impairment (€ thousands)	12/31/2014	Increases during the year	Decreases during the year		12/31/2015
		Allowance	Reversal of unused provisions	Provisions used in the period	
Impairment of equity securities	14,745.8	-	-	-	14,745.8
Impairment of other non-current financial assets	113,497.0	-	-	-	113,497.0
Total	**128,242.8**	**-**	**-**	**-**	**128,242.8**

4.3.3.1.4. Receivables

These items consist of Group receivables, trade receivables from shopping centers and tax receivables.

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

Receivables

Receivables (€ thousands)	Gross 2015	Provision	Net 2015	Net 2014
TRADE RECEIVABLES AND RELATED ACCOUNTS	18,997.4	1,273.9	17,723.4	9,483.1
OTHER RECEIVABLES	10,868.7	-	10,868.7	7,170.9
Personnel and related accounts	180.8	-	180.8	605.5
Advances and down payments				
Government, other authorities: value-added tax	2,030.1	-	2,030.1	1,908.2
Government, other authorities: sundry receivables	184.0	-	184.0	111.3
Group and partners	6,698.2	-	6,698.2	1,032.1
Sundry debtors	1,775.6	-	1,775.6	3,513.7
Total	**29,866.1**	**1,273.9**	**28,592.1**	**16,654.0**

Breakdown of receivables by maturity date

Receivables (€ thousands)	Gross 2015	Up to 1 year	1 to 5 years	More than 5 years
Trade receivables and related accounts	18,997.4	18,997.4	-	-
Personnel and related accounts	180.8	180.8	-	-
Advances and down payments				
Government, other authorities: value-added tax	2,030.1	2,030.1	-	-
Government, other authorities: sundry receivables	184.0	184.0	-	-
Group and partners	6,698.2	6,698.2	-	-
Sundry debtors	1,775.6	1,775.6	-	-
Total	**29,866.1**	**29,866.1**	**-**	**-**

Accrued income

Accrued income included in the balance sheet line items (€ thousands)	12/31/2015	12/31/2014
Loans	3,602.0	4,247.6
Government – accrued income	184.0	111.3
Trade receivables	12,300.6	3,370.3
Other sundry debtors	147.7	153.6
Total	**16,234.3**	**7,882.8**

4.3.3.1.5. Marketable securities

Marketable securities consist entirely of treasury shares for an amount of €22.6 million.

(€ thousands)	12/31/2014	Increase	Decrease	Provision	12/31/2015
Treasury shares	19,613.6	9,827.9	6,829.5	-	22,611.9
Total	**19,613.6**	**9,827.9**	**6,829.5**	**-**	**22,611.9**
No. of shares	160,349	57,611	48,697	-	169,263

At December 31, 2015, treasury shares consisted in part of shares intended to provide liquidity for trading in the shares and in part of shares intended for grant to employees of the Company's subsidiaries.

4.3.3.1.6. Provisions for impairment

Impairment

Provisions for impairment (€ thousands)	12/31/2014	Increases during the year	Decreases during the year		12/31/2015
		Allowance	Reversal of unused provisions	Provisions used in the period	
Impairment of equity securities	14,745.8	-	-	-	14,745.8
Impairment of other non-current financial assets	113,497.0	-	-	-	113,497.0
Impairment of inventory and pipeline products	-	-	-	-	-
Impairment of trade receivables	913.5	1,768.1	1,407.6	-	1,273.9
Other impairment	1.7	-	-	-	1.7
Total	**129,157.9**	**1,768.1**	**1,407.6**	**-**	**129,518.4**

4.3.3.2. Notes to the balance sheet – liabilities

4.3.3.2.1. Shareholders' equity and equity equivalents

Changes in equity

Equity (€ thousands)	12/31/2014	Appropriation	Capital reduction, issue costs	Capital increase and contributions	Change in 2015	12/31/2015
Share capital	191,245.0	-	-	-	-	191,245.0
Share premium/additional paid-in capital/revaluation differences	518,664.3	-	-	-	(122,114.3)	396,550.0
Legal reserve	17,714.6	186.7	-	-	-	17,901.3
General reserve	0.0	-	-	-	-	-
Retained earnings	(0.0)	3,546.9	-	-	(3,546.9)	-
Net income for the year	3,733.6	(3,733.6)	-	-	6,051.2	6,051.2
Investment grants	-	-	-	-	-	-
Regulated provisions	-	-	-	-	-	-
Total	**731,357.5**	**(0.0)**	**-**	**-**	**(119,609.9)**	**611,747.5**

After appropriating 5% of net income for the year (€187 thousand) to the legal reserve, the Combined Ordinary and Extraordinary General Meeting of June 5, 2015 decided to pay a dividend of €10 per share for the financial year ended December 31, 2014, or a total of €123.9 million to the limited partners, and a preferential dividend of €1.9 million to the General Partner.

At December 31, 2015, share capital stood at €191.2 million divided into 12,515,497 shares with a par value of €15.28 each and 10 General Partner shares with a par value of €100 each.

The amount of the perpetual subordinated notes was €195 million as of December 31, 2015, of which €37 million can be called until December 29, 2016. This amount was recorded in financial assets.

4.3.3.2.2. Provisions

Changes in provisions

Provisions for contingencies and expenses (€ thousands)	12/31/2014	Increases during the year	Decreases during the year		12/31/2015
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for litigation	282.6	-	-	282.6	-
Other provisions for contingencies and expenses	1,980.2	876.0	-	1,136.8	1,719.4
Total	2,262.7	876.0	-	1,419.4	1,719.4

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

4.3.3.2.3. Borrowings and other financial liabilities

Breakdown of payables by maturity date

Borrowings and other financial liabilities (€ thousands)	12/31/2015	Up to 1 year	1 to 5 years	More than 5 years	12/31/2014
FINANCIAL LIABILITIES	994,957.3	361,847.9	551,000.0	82,109.4	716,087.7
Other bonds	334,336.1	4,336.1	330,000.0	-	334,259.6
Bank borrowings	469,323.5	168,323.5	221,000.0	80,000.0	213,163.7
Deposits and security interests received	2,109.4		-	2,109.4	2,018.6
Group and partners	189,187.4	189,187.4	-	-	166,631.8
Other payables	0.9	0.9	-	-	14.0
ACCOUNTS PAYABLE AND OTHER LIABILITIES	12,667.5	12,667.5	-	-	10,534.8
Suppliers and related accounts	6,249.3	6,249.3	-	-	3,275.7
Employee-related and social security payables	354.5	354.5	-	-	722.2
Tax payables	3,382.1	3,382.1	-	-	3,077.0
Financial liabilities on capital assets and related accounts	1,560.6	1,560.6	-	-	2,280.3
Other payables	837.5	837.5	-	-	396.3
Prepaid income	283.5	283.5	-	-	783.5
Total	1,007,624.8	374,515.3	551,000.0	82,109.4	726,622.5

During the financial year, Altarea SCA negotiated €243 million in lines of credit with its usual banks.

At December 31, 2015, bank borrowings excluding accrued interest amounted to €427 million.

Accrued expenses

Expenses included in the balance sheet line items (€ thousands)	12/31/2015	12/31/2014
Borrowings and financial liabilities	5,651.9	4,781.6
Suppliers and related accounts	777.0	870.9
Financial liabilities on capital assets and related accounts	1,151.5	1,838.0
Taxes, duties and equivalent payments	33.2	103.5
Group and partners	5,287.4	1,537.5
Miscellaneous	97.5	110.0
Total	**12,998.4**	**9,241.5**

4.3.3.3. Notes to the income statement

4.3.3.3.1. Revenue

The Company's revenue consists of rental income, service charges and costs of works billed to tenants of portfolio shopping centers and revenue from services rendered by Altarea to its subsidiaries under the terms of agreements related to ordinary operating activities.

Revenue (€ thousands)	12/31/2015	12/31/2014
Rent and re-invoiced leasing costs	16,713.8	11,815.5
Initial lease fees	265.3	123.0
Services	6,745.8	12,338.5
Others	5,701.4	1,185.3
Total	**29,426.2**	**25,462.3**

4.3.3.3.2. Other operating income

Operating income (€ thousands)	12/31/2015	12/31/2014
Production held in inventory	425.4	7,424.7
Reversals of provisions and depreciation	1,685.0	48.3
Intra-group chargebacks and expense transfers	218.5	408.7
Others	139.4	2,112.2
Total	**2,468.3**	**9,993.8**

Reversals of provisions primarily relate to grants under free share plans.

4.3.3.3.3. Operating expenses

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

Operating expenses (€ thousands)	12/31/2015	12/31/2014
Rental and co-ownership costs [a]	1,403.3	1,757.4
Maintenance and repairs	523.1	481.7
Insurance premiums	74.8	161.2
Sales commissions and professional fees [b]	8,532.1	8,668.9
Advertising and public relations	563.5	174.9
Banking services and related accounts [c]	8,035.4	3,636.6
Taxes and duties	590.3	700.2
Personnel costs	2,532.4	3,218.6
Allowances for depreciation and impairment	5,624.7	5,244.3
Capitalized purchases [d]	549.8	7,344.2
Lessee termination and early termination fees	338.8	100.0
Other expenses	2,103.1	1,643.8
Total	**30,871.4**	**33,131.8**

(a) Nearly all of these taxes are passed on to tenants.
(b) Fees include shopping center management and marketing fees, Statutory Auditors' fees, expenses relating to certain projects and service fees, as well as compensation paid to Management.
(c) Bank service fees correspond essentially to loan fees, which are reinvoiced to refinanced companies, as provided for in the framework agreement.
(d) In 2015, capitalized purchases related to work carried out on portfolio assets and were recognized under assets with an offsetting entry in other operating income.

4.3.3.3.4. Financial income (expense)

(€ thousands)	12/31/2015	12/31/2014
Financial income		
- Dividends	79,873.6	63,093.7
- Interest on loans	3,874.8	3,633.4
- Income from current accounts	2,029.7	1,897.3
- Other financial income/swaps	-	9.0
- Commissions on guarantees	3,592.0	2,601.8
- Paid by subsidiaries	2,220.9	543.3
- Reversals from provisions for impairment of non-current financial assets	-	40.2
- Reversals from provisions for impairment of marketable securities	-	-
- Other financial income	254.5	86.4
- Net gain on the disposal of marketable securities	0.2	17.0
Total	**91,845.8**	**71,922.2**
Financial expenses		
- Allowances for amortization, impairment and provisions	-	35,000.0
- Allowances for impairment of marketable securities	-	1.7
- Interest on external borrowings	16,069.4	12,499.7
- Expenses on current account balances	2,823.2	2,384.7
- Expenses on financial instruments (swaps, caps)	61,872.5	13,348.4
- Bank interest	5,417.5	6,426.7
- Paid by subsidiaries	764.1	1,081.8
- Other financial expenses	-	36.6
Total	**86,946.7**	**70,779.5**
Financial income	**4,899.1**	**1,142.7**

Dividends essentially comprise distributions by Alta Blue and Foncière Altarea.

Accrued expenses on financial instruments include interest paid by Altarea during the year and balancing cash payments incurred in 2015 (including €60.8 million with respect to swap restructuring).

4.3.3.3.5. Exceptional items

(€ thousands)	12/31/2015	12/31/2014
Exceptional income		
- Exceptional income from capital transactions	2,349.1	753.6
- incl. proceeds from disposal of assets	683.7	391.1
- incl. re-invoicing of delivery of free shares to employees	1,665.4	362.5
- Reversals of provisions and expense reclassifications	-	-
- incl. reversal of provisions for rental guarantees	-	-
Total	**2,349.1**	**753.6**
Exceptional expenses		
- Exceptional expenses on non-capital transactions	0.2	3.0
- incl. tenant construction	-	-
- incl. provisions for rental guarantees	-	-
- Exceptional expenses on capital transactions	2,566.0	145.7
- Exceptional allowances for amortization, impairment and provisions	-	-
- incl. provisions for rental guarantees	-	-
Total	**2,566.2**	**148.7**
Exceptional income	**(217.1)**	**604.9**

4.3.3.3.6. Corporate income tax

In 2005, Altarea Group opted to adopt the special tax-exempt status established for publicly traded real estate investment companies (Sociétés d'Investissement Immobilier Cotées or SIIC) under Article 208 C of the French General Tax Code.

Breakdown of tax expenses

Tax evidence			Profit before tax	Tax			Net profit
(€ thousands)	Tax-exempt sector	Taxable sector	Total	Taxable sector	Tax-exempt sector	Taxable sector	Total
Operating income/(loss)	(1,977.2)	2,574.3	597.1	-	(1,977.2)	2,574.3	597.1
Financial income (expense)	4,953.3	(9,014.0)	(4,060.7)	-	4,953.3	(9,014.0)	(4,060.7)
Exceptional items	265.1	5,569.8	5,834.9	-	265.1	5,569.8	5,834.9
Total	**3,241.2**	**(869.9)**	**2,371.3**	**-**	**3,241.2**	**(869.9)**	**2,371.3**

Changes in deferred tax liabilities

(€ thousands)	12/31/2014		Change	12/31/2015
Reductions		+	-	
Organic	*(51.6)*	*-*	*51.6*	*-*
Fiscal deficit	*(383,634.3)*	*(869.9)*	*-*	*(384,504.2)*
Total base	(383,685.9)	(869.9)	51.6	(384,504.2)
Tax or tax savings (33.33%)	**(127,895.3)**	**(290.0)**	**17.2**	**(128,168.1)**

TAX AUDIT

The Company received an adjustment notice regarding FY 2011 through 2013. In accordance with the recommendations of its counsel, Altarea SCA is challenging this adjustment. At the date of the financial statements, contingent liabilities under Article 208 C *ter* stood at €0.850 million.

4.3.3.4. Other information

4.3.3.4.1. Related company transactions

Balance sheet line item (€ thousands)	Balance sheet amount	Of which related parties
Assets		
Shareholdings and other securities	1,281,054.2	1,281,054.1
Investment-related receivables	260,490.9	260,490.9
Loans	245,153.4	245,153.4
Trade receivables and related accounts	18,997.4	15,729.8
Other receivables	10,868.7	-
Cash and prepaid expenses	24,493.8	-
Amortization and provisions	165,622.4	128,242.8
Liabilities		
Provisions	1,719.4	-
Borrowings and financial liabilities	994,956.4	-
Trade payables	7,809.8	5,301.5
Tax and social security payables	3,736.6	-
Other payables and prepaid income	1,121.0	11.4

Income statement line item (€ thousands)	Net amount on the income statement	Of which related parties
Operating income		
Sale of goods held for resale and properties	-	-
Sold production (goods and services)	29,426.2	16,422.4
Reversals and expense reclassifications	1,903.5	218.5
Other income	139.4	-
Operating expenses		
Purchases and external costs	21,372.5	6,764.6
Allowances for amortization, impairment and provisions	5,624.7	-
Other expenses	751.5	-
Financial income		
Financial income from investments	84,124.2	84,124.2
Other interest and financial income	3,846.7	3,592.0
Reversals and expense reclassifications	-	-
Financial expenses		
Share of losses from subsidiaries	-	-
Allowances for amortization, impairment and provisions	-	-
Interest and similar expenses	86,946.7	3,587.4
Exceptional income		
Exceptional income from non-capital transactions	-	-
Exceptional income from capital transactions	2,349.1	1,665.4
Reversals and expense transfers	-	-
Exceptional expenses		
Exceptional expenses on non-capital transactions	0.2	-
Exceptional expenses on capital transactions	2,566.0	-
Exceptional allowances for depreciation, amortization and impairment	-	-

4.3.3.4.2. Transactions by the Company with related parties not concluded on an arm's-length basis

No material transactions have been concluded by the Company with related parties that were not on an arm's-length basis.

4.3.3.4.3. Off-balance sheet commitments

FINANCIAL INSTRUMENTS

Altarea holds a portfolio of swaps and caps to hedge interest rate risk for a portion of its current and future floating-rate debt and that of its subsidiaries.

Financial instruments (€ thousands)	2015	2014
Swaps/Total (Nominal)	590,500.0	515,500.0
Caps/Total (Nominal)	-	-
Total	**590,500.0**	**515,500.0**

The fair value of the hedging instruments represented a negative amount of €22 million at December 31, 2015.

IMPACT ON THE INCOME STATEMENT

Impact on income statement (€ thousands)	2015	2014
Interest income	-	-
Interest expense	488.9	418.3
Other impacts related to financial instruments	61,383.5	12,930.1
Total	**61,872.5**	**13,348.4**

SWAPS AND CAPS AT DECEMBER 31

Swap and cap maturities at December 31 (€ thousands)	2015	2016	2017	2018	2019
Swap	590,500.0	690,500.0	931,500.0	1,206,500.0	1,125,000.0
Cap	-	-	-	-	-
Altarea – fixed rate payer (Total)	**590,500.0**	**690,500.0**	**931,500.0**	**1,206,500.0**	**1,125,000.0**

The benchmark rate used is 3-month EURIBOR.

Use of derivatives as hedging instruments could expose the Group to the risk of counterparty default. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

EMPLOYEE BENEFIT OBLIGATIONS

Employee commitments relating to retirement benefits are estimated at €78 million as of December 31, 2015.

COMMITMENTS GIVEN

A loan from Natixis is guaranteed by unregistered mortgages on assets held by Altarea SCA, as well as the assignment of business receivables on present or future leases. In addition, the guarantees are subject to covenants, of which the two principal criteria are an LTV ratio of below 60% and a ratio of net interest cover by recurring EBITDA above 2.0.

Altarea SCA has guaranteed loans to other Group companies for an amount of €806 million. These commitments mainly comprise joint and several guarantees and first demand guarantees granted by Altarea SCA to its subsidiaries.

Specific covenants for corporate loans held by Altarea SCA for maximum authorized amounts of €837 million (including €80 million in undrawn funds on the corporate debt) are as follows:

- Counterparty: Natixis/BECM/LCL/Société Générale/AMUNDI (fixed-rate debt)/HSBC.
- Principal covenants covering Altarea Group:
  - ratio of Company net debt to net asset value (Consolidated Altarea LTV ratio) < 60% (44.5% at December 31, 2015),
  - operating Profit (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (7.3 at December 31, 2015).

Altarea SCA provided rent guarantees as part of asset disposals, primarily concerning a real estate complex located on Avenue de Wagram in Paris. These guarantees, for an amount that remains committed until December 31, 2015, run until May 2016 for a net amount of €2 million.

BONUS SHARE PLANS

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2014	Awarded	Delivery	Rights canceled[a]	Rights in issue at 12/31/2015
Stock grant plans on Altarea shares							
February 18, 2013	82,900	February 18, 2016	65,900	-	-	(3,100)	62,800
April 2, 2013	14,000	April 2, 2015	14,000	-	(14,000)	-	-
May 15, 2013	9,000	June 15, 2015	9,000	-	(9,000)	-	-
June 17, 2013	3,000	April 17, 2016	3,000	-	-	-	3,000
February 26, 2014	1,500	February 26, 2016	1,500	-	-	(1,500)	-
Total	**110,400**	**-**	**93,400**	**-**	**(23,000)**	**(4,600)**	**65,800**

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

COMMITMENTS RECEIVED

In connection with the acquisition of Altareit, Altarea received a guarantee from the seller Bongrain that it shall be entitled to compensation for a period of 10 years, through a reduction in the selling price of the 100% share block, for any damage or loss originating from the business activities effectively incurred by Altareit with a cause or origin predating March 20, 2008.

4.3.3.4.4. Headcount

The Company's average headcount was 3.25 employees at December 31, 2015.

4.3.3.4.5. Post-closing events

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

4.3.3.4.6. Disclosures on business combinations

No business combination was carried out in FY 2014.

4.3.3.5. Subsidiaries and affiliates

Companies	Share capital	Equity other than share capital	Group share	Securities, gross	Securities, net	Loans and advances granted	Loans and advances, net	Sureties and gua-rantees	Earnings in the financial year	Dividends received by the Company	Revenues excl. tax
SUBSIDIARIES (+50%)											
SAS Foncière Altarea -353 900 699	7,783.7	533,075.2	99.99%	779,239.8	779,239.8	57,932.5	57,932.5	-	15,718.6	68,107.1	(362.2)
SCA Altareit (553,091,050)	2,626.7	237,536.6	99.63%	91,635.0	91,635.0	70,186.5	70,186.5	-	21,049.2	-	644.7
SNC Altarea Management (509,105,537)	10.0	1,667.2	99.99%	10.0	10.0	11,348.4	11,348.4	-	1,667.2	-	16,642.7
SAS Alta Développement Italie (444,561,476)	12,638.2	(66,045.5)	99.80%	14,745.8	-	53,717.2	53,717.2	-	(709.3)	-	-
SAS Alta Blue (522,193,796)	205,827.2	314,904.8	61.77%	375,752.5	375,752.5	-	-	-	29.1	11,766.6	-
SARL Socobac (352,781,389)	8.0	153.2	100.00%	0.0	0.0	-	-	-	(0.2)	-	-
SARL Altalux Spain	1,100.0	(61.5)	100.00%	1,100.0	1,100.0	4,303.2	4,303.2		7.6	-	-
AFFILIATES (10% to 50%)											
Bercy Village 2	1,633.6	3,692.2	15.00%	18,560.0	18,560.0	209.9	209.9	-	3,692.2	-	-
SCI ISSY PONT	40.0	(2,975.7)	25.00%	10.0	10.0	25,793.2	25,793.2	-	(2,975.7)	-	-
AF Investco 4 (SCI)	1.0	(2,958.4)	50.00%	0.0	0.0	6,017.9	6,017.9	-	(2,096.6)	-	-
TOTAL AFFILIATES > 10%	**-**	**-**	**-**	**1,281,053**	**1,266,307**	**229,509**	**229,509**	**-**	**-**	**-**	**-**

Registered offices of subsidiaries and equity investments: 8, avenue Delcassé Paris 8th.

4.4. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(For the financial year ended December 31, 2015)

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended December 31, 2015 on:

- our audit of the accompanying financial statements of Altarea, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by Law.

These financial statements have been approved by Management. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the company's operations during the financial year, as well as the company's assets, liabilities, and financial position at the end of the financial year, in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

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

- As indicated in Note 4.3.2.2, "Accounting Methods and Principles," under "Depreciation of buildings," the company's property assets undergo an external expert assessment to identify and estimate, if applicable, potential depreciation. Our work particularly consisted of examining the assessment methodology used by the experts, reading their evaluations and evaluating the data and assumptions used by Management to determine the present value of properties. We also verified that the resulting estimates were reasonable in nature.
- Equity investments and the loans and receivables related thereto are evaluated as indicated in Note 4.3.2.2, "Accounting Methods and Principles," under "Equity investments" and "Receivables from investments and loans." Our assessment of these evaluations is based on the process set up by your company to determine the useful value of equity securities and the recoverability of receivables related to investments and loans. Our work consisted of assessing the data used by the Company to determine the value of its subsidiaries as well as the recoverability of receivables and related loans. On this basis, we assessed whether or not these estimations were reasonable.

Our assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. Specific verifications and information required by Law

We also carried out the specific verifications required by Law, in accordance with professional standards applicable in France.

We have no matters to report as to the true and fair nature and the consistency with the full-year financial statements of the information provided in the management report and documents sent to Shareholders concerning the company's financial position and the full-year financial statements.

As regards the information provided in accordance with Article L. 225-102-1 of the French Commercial Code concerning compensation and benefits paid to corporate officers, as well as commitments made in their favor, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the company from the companies controlling it or controlled by it. On the basis of this work, we confirm the Accuracy and sincerity of this information.

In accordance with the Law, we have confirmed that the required information on acquisitions of the company's shares and voting rights, along with the identities of the Company's shareholders and voting right holders, are disclosed in the management report.

Paris and Paris-La Défense, March 15, 2016

The Statutory Auditors

A.A.C.E. Ile-de-France
French member of Grant Thornton International

Michel RIGUELLE
Partner

Laurent BOUBY
Partner

ERNST & YOUNG et Autres

Jean-Roch VARON
Partner

4.5. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(General Meeting called to approve the financial statements for the year ended December 31, 2015)

To the Shareholders,

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

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

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

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

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

Agreements and commitments authorized during the past financial year

We would like to inform you that no notice was given of any agreement or commitment authorized over the last financial year to be submitted to the general Meeting of Shareholders in under Article L. 226-10 of the French Commercial Code.

2. Agreements and commitments previously approved by the General Meeting

Agreements and commitments approved in past years and remaining in effect during this financial year

In accordance with Article R. 226-2 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, which were approved by Annual General Meetings in prior years, remained in effect during the past financial year.

With APG Strategic Real Estate Pool

Person affected
APG, Member of the Supervisory Board of Altarea

Type and purpose

By the subscription contract on December 11, 2012, subordinated perpetual notes (Titres Subordonnés à Durée Indéterminée – TSDI) were issued for a nominal value of €109 million, entirely subscribed by APG Strategic Real Estate Pool (transaction authorized by the Supervisory Board on December 11, 2012).

By addendum to the subscription contract on December 29, 2014, the face value of Subordinated Perpetual Notes (Titres Subordonnés à Durée Indéterminée – TSDI), was increased to €130 per TSDI, representing a total amount of €195.1 million entirely subscribed by APG Strategic Real Estate Pool (transaction authorized by the Supervisory Board on December 29, 2014).

Conditions

The amount of subordinated perpetual notes is reported under "Equity equivalents."

In this respect, your Company incurred a financial expense in the amount of €5 416 550 for the financial year.

Paris and Paris-La Défense, March 15, 2016

The Statutory Auditors

A.A.C.E. Ile-de-France
French member of Grant Thornton International

Michel RIGUELLE
Partner

Laurent BOUBY
Partner

ERNST & YOUNG et Autres

Jean-Roch VARON
Partner

CORPORATE SOCIAL RESPONSIBILITY

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IN 2016, THE ENERGY TO MOVE FORWARD

In order to meet development needs and respond to new uses without compromising the quality of our living environment, it is important to find a new equilibrium on a global scale. As a top developer of major French metropolises, we have a special obligation to create business that is more sustainable and has less impact. With our finger on the pulse of ways of life, we strive to offer our customers an innovative and sustainable way to live, consume and work. We believe in modular, reversible and more intense buildings, and our CSR policy, which is now more cross-cutting and integrated, helps us to develop our positive footprint across France and to envisage a world that uses less carbon and benefits the public at large.

Committing to a "low carbon" world

At the international level, 2015 was marked by the Paris Climate Change Conference (COP21). This event culminated in a historic agreement to limit global warming to 2°C on a worldwide scale.

Attuned to environmental issues, Altarea Cogedim has long worked to analyze and reduce its carbon footprint. Ambitious goals were achieved in 2015: in five years, we lowered the greenhouse gas emissions of our managed assets by 37%. With a desire to perform above and beyond the current thermal regulations, we are studying new building methods that are less energy intense. In this vein, in 2015, we inaugurated the 1st 100% wood-built French shopping center, Marques Avenue A13 in Aubergenville in the greater Paris region. Its carbon impact is nearly 30% lower than that of traditional shopping centers.

This outcome expresses a strong commitment to the environment, metropolises and their residents. Altarea Cogedim currently has a certification that applies to all its managed Retail assets; this makes it the first landowner that is 100% BREEAM® In-Use certified.

Finally, Altarea Cogedim is a founding member of the BBCA [Bâtiment Bas Carbone, or Association for Low-Carbon Construction], which seeks to mobilize the energies of industry players to reduce the carbon footprint of buildings and to promote more eco-friendly constructions.

"Paris Climate Action": a binding charter

As evidence of its actions to help create a world that uses less carbon, in October 2015, the Group signed the Paris Climate Action partnership agreement with the City of Paris. By 2020, Altarea Cogedim must reduce its greenhouse gas emissions by 50% and its primary energy consumption by 40% over its portfolio of shopping centers. In addition, for its office real estate projects in Paris, Altarea Cogedim has committed to improving its energy performance by at least 40% in relation to the thermal regulations for new projects and renovated projects. For new residential programs in Paris, the Group is committed to improving energy performance by at least 10% in relation to the thermal regulations.

Intensifying our actions with regard to our customers and employees

Increasing customer satisfaction

In order to respond to changes in use and to boost customer satisfaction, our "labs" help us to devise cutting-edge solutions. In retail, the Digital Factory enables the Group to come up with new initiatives to satisfy the customers of the shopping centers while abiding by privacy protection rules. The Digital Factory, which has already been rolled out at Qwartz and will soon be introduced at Cap 3000 or L'Avenue 83, is a digital eco-system combined with a data management platform designed to better grasp the habits of our customers and to provide high value-added solutions to our visitors and our retailers.

In its Property Development business, in 2015 the Group focused on the satisfaction of customers buying Residential property, with the confirmed desire to better understand their expectations and to promote dialogue. An internal structure with this focus was created: the Customer Division, whose role is to be more engaged with the buyer and that offers advice and dialogue throughout the buying process, from the reservation agreement to delivery and After-Sales Service.

Reshaping our social contract

In order to fulfill the ambitious growth plan the Group has set between now and 2018, in late 2015 Altarea Cogedim offered all its employees the opportunity to reshape its new social contract. This initiative, called "Tous en actions!", arose from the conviction that the Group has great potential to develop in the coming years and that the success of the enterprise depends on the involvement of every individual.

This initiative is simultaneously groundbreaking and innovative: it empowers all employees, giving them the latitude they need to manage their earnings: For instance, they can choose to receive part of their individual bonus in shares or to convert their "RTT days" (days for recuperation of time worked) into cash.

Serving metropolises and their residents

Participating in the "battle for jobs"

Steadfastly committed to the battle for jobs, in 2015 Altarea Cogedim continued its initiatives by directly hiring 185 employees on permanent contracts and by indirectly creating more than 22,000 jobs across France.

Taking advantage of its strong local presence, the Group is devoting its efforts to hiring employees in the regions where it operates. As such, Altarea Cogedim is forming partnerships with local authorities as well as with the French National Employment Agency with the goal of recruiting, training and integrating employees at its shopping centers. In March 2015, an "employment" charter was signed with the Var employment agency, aiming to encourage residents of the Toulon region to enter the labor force by working at the L'Avenue83 shopping and leisure center, which is set to open in spring 2016. In another important step, the Group signed a "responsible jobs" charter with the town hall for the 19th arrondissement of Paris, in December 2015. This agreement aims to give the residents of the area a chance to benefit from the job opportunities related to the future retail space on boulevard Macdonald, for which Altarea Cogedim is the marketer.

Designing the "urban life"

As a global real estate operator, Altarea Cogedim is dedicated to housing and socially integrating the most disadvantaged persons. For more than seven years, the Group has been collaborating with the association Habitat et Humanisme as part of a lasting partnership that seeks to enact an ambitious program to build family boardinghouses for the most underprivileged persons and to devote more resources to prospecting land that can be developed.

As part of its support, Altarea Cogedim also funds three managerial positions in the association and has contributed directly to the creation of 280 housing units with capacity for nearly 400 people.

An important event in 2015 was the opening of the Cézanne family boardinghouse in Aix-en-Provence, in which Altarea Cogedim's financial support played a vital role. Since March, this new establishment has welcomed 30 residents, including men and young women with children who are experiencing a family separation and isolation.

Harnessing energy and deploying innovative solutions

For a number of years, the Group has been structuring its sustainable development approach around a materiality matrix that defines the most crucial issues for it. While in 2015 the Group focused more on reducing its carbon footprint and on the relations formed with its stakeholders, in 2016 it is targeting a new CSR dynamic.

Combining innovation and sustainability to improve communal life

The year 2015 marked the end of a first cycle of social, environmental and societal goals that the Group formulated three years ago. 2016 is therefore a time for the company to relaunch initiatives that are consistent with existing strategic action plans and the macroeconomic changes the company is experiencing in France.

The Group is currently in the process of identifying ambitious goals to achieve by 2020, which coincide perfectly with the areas the Group is already working on. Accordingly, beginning this year, Altarea Cogedim plans to compare its CSR priorities with those of its stakeholders by updating its materiality matrix.

More concretely, building on the successes of 2015, the Group has already embarked on a few environment-related approaches. For instance, with regard to the shopping center portfolio, the Group wishes to extend its CSR approach to include its Italian centers. The company will also continue its efforts to reduce energy consumption even beyond the significant progress it achieved between 2010 and 2015. The notion of "low-carbon building" is also central to the planning of Altarea Cogedim's teams, and will remain so in 2016.

In the retail, Residential property development and office real estate businesses, the Group strives to keep up with societal changes. To support its efforts, Altarea Cogedim has created an Innovation team, which is connected to the Sustainable Development team and aims to guide the Group's practices by promoting a culture of innovation and encouraging experimentation with new products and services.

It will accomplish this by seeking new concepts (spaces, services, support, etc.) in order to build more efficient, sustainable districts that focus on well-being, while simultaneously upholding its quality standards and the principle of integration into the urban environment.

As a top metropolis developer, we are convinced that our long-term CSR approach, which combines sustainability and innovation, is a driver of progress for metropolises and their residents.

5.1. CSR CONTEXT, GOVERNANCE AND STRATEGY

5.1.1. THE REAL ESTATE SECTOR IN FRANCE

5.1.1.1. Environmental, social and societal footprint

Real estate accounts for 44% of energy consumption, nearly a quarter of greenhouse gas (GHG) emissions, and has significant responsibility in terms of waste production, water consumption and impacts on biodiversity. Along with transport, real estate is the sector in which sustainability issues – especially environmental – play the greatest role.

The extent of impacts creates a risk of value impairment of property assets. Real estate companies therefore have to remain a step ahead of the changes in social responsibility under way and those to come:

- growing difficulty of access to housing;
- worsening public health issues and energy insecurity;
- population aging and dependency;
- diminishing tax incentives promoting acquisition of sustainable property;
- pressure on energy markets impacting buildings' energy costs and means of transportation;
- pressure on urban sprawl.

As a springboard for technological and socially responsible innovations, sustainable development provides a beacon within the sector and represents a genuine source of value creation for real estate market players.

5.1.1.2. Environment and regulations

5.1.1.2.1. COP21

A highlight of 2015 was the Paris Climate Conference, which culminated in an agreement signed by 195 countries ratifying the goal to limit global warming "to well below 2°C above preindustrial levels" and calling on countries to "pursue efforts to limit the temperature increase to 1.5°C" above preindustrial levels.

In addition to the international agreement, the French hosts and the conference organizers supported an "agenda of solutions": the set of non-state initiatives (local authorities, private sector, etc.) that help to strengthen governments' commitments to reducing greenhouse gas emissions, adapting to the impacts of climate imbalance and providing funding. Beyond the official document, a robust, multi-partner global initiative to build resilient, low-carbon societies took shape.

5.1.1.2.2. Grenelle Environment Round Table

Some objectives of the Grenelle Environment Round Table have a direct impact on the Group's development and REIT activities.

Building

Improve the energy performance of new buildings: France's 2012 thermal regulations (RT 2012) establish the Low Energy Building (Bâtiment Basse Consommation® or BBC®) label for energy performance as standard, but the future 2020 Responsible Building Regulations (RBR) will require the construction of positive-energy buildings (BEPOS) as well as performance-based quality criteria for health, comfort, durability and limited use of natural resources.

Improve the energy performance of existing buildings: The issue of renovating private and public office facilities between now and 2020 is addressed in the Grenelle Act. A forthcoming decree will specify the objectives and methodology for reducing energy consumption, drawing on the Charter for a Sustainable Building Plan, a voluntary commitment signed in 2013 by industry associations, investors and large users, including Altarea Cogedim.

Governance

Strengthen corporate non-financial transparency: Article 225 of the Grenelle II Act of July 2010 requires Altarea, as a listed company, to publish non-financial information in its registration document and to have it verified by an independent third party. To illustrate that the Group's reporting is compatible with the provisions of Grenelle II, Altarea Cogedim has drawn up a dedicated cross-reference table available in section 5.8.1.

5.1.1.2.3. Law on energy transition

In 2015, the Law on energy transition was enacted in France. It sets goals for green growth: by 2030, a 40% reduction in greenhouse gas emissions from their 1990 levels; by 2050, reduce final energy consumption by 50% from 2012 levels; by 2030, increase the contribution of renewable energies to final energy consumption to 32%, etc.

It sets three objectives for the construction industry: "renovate buildings to save energy, lower bills, and create jobs," and it stipulates a variety of measures (in particular, imposing standards that are more stringent than the regulations in development documents, introduce positive-energy buildings, etc.) that will be specified by decree.

5.1.1.2.4. DDADUE Law

In addition, the DDADUE Law and decree of December 4, 2013, require certain companies to perform an energy audit on their business before December 31, 2015. Altarea Cogedim fulfilled this obligation as of 2015.

5.1.1.3. Sustainable development, an opportunity for value creation

Working at the heart of a particularly dynamic sector, Altarea Cogedim looks to turn sustainable development into an opportunity by fostering "green value" in its REIT and Property Development businesses.

As a developer, the Group has established societal and environmental performance as one of its quality requirements for all production. As such, its positioning and the development of its business and teams are grounded in complementary areas of progress, covering direct and indirect responsibility:

- improving the comfort of use of new projects by choosing certifications and environmental profiles adapted to each type of asset;
- extending the durability of development projects by reducing their energy requirements and protecting them from energy price increases;
- promoting best practices by applying stringent criteria to the choice of sites and locations with regard to services and public transportation, as well as to support of indirect local jobs during construction;
- reducing the environmental footprint of the construction and end of life of new projects by encouraging more energy-efficient construction materials and processes that produce fewer greenhouse gas emissions.

Altarea Cogedim provides its stakeholders with clear and comparable information to help them evaluate the green value and societal performance of new projects.

For its REIT business, the Group gears its strategy toward managing and improving the environmental footprint and societal performance of its assets. It reports on the performance of its assets using specific, transparent indicators in line with sector recommendations to ensure their comparability.

Altarea Cogedim seeks to limit the environmental impact of its assets, as well as its technical and energy obsolescence and vulnerability to future environmental regulations. Altarea Cogedim will thus boost the appeal and liquidity of its shopping centers for investors while maintaining their appraisal value.

Since 2011, Altarea Cogedim has called upon an independent auditor to verify the main environmental, social and societal indicators applied to its assets in order to improve its reporting process and the reliability of the data.

5.1.1.4. Challenges and outlook 2015-2020

In 2015, Altarea Cogedim continued to provide regular reporting, and to control and improve its environmental and societal footprint, and its social action that is focused on the sector-specific and strategic material challenges that were identified when it completed its first CSR materiality matrix in 2013.

The year 2015 also marked the deadline for most of the CSR objectives that were set when this matrix was drafted. Altarea Cogedim is therefore beginning to update its CSR strategy. Some indicators already have more long-term objectives, while others will be set in 2016.

Procedures for monitoring initiatives, objectives and indicators are set out in the tracking table included in section 5.2.1.

5.1.2. CSR GOVERNANCE

5.1.2.1. CSR organization and governance model

The Sustainable Development Department is part of a cross-cutting department within Altarea Cogedim that encompasses innovation, communication and institutional affairs.

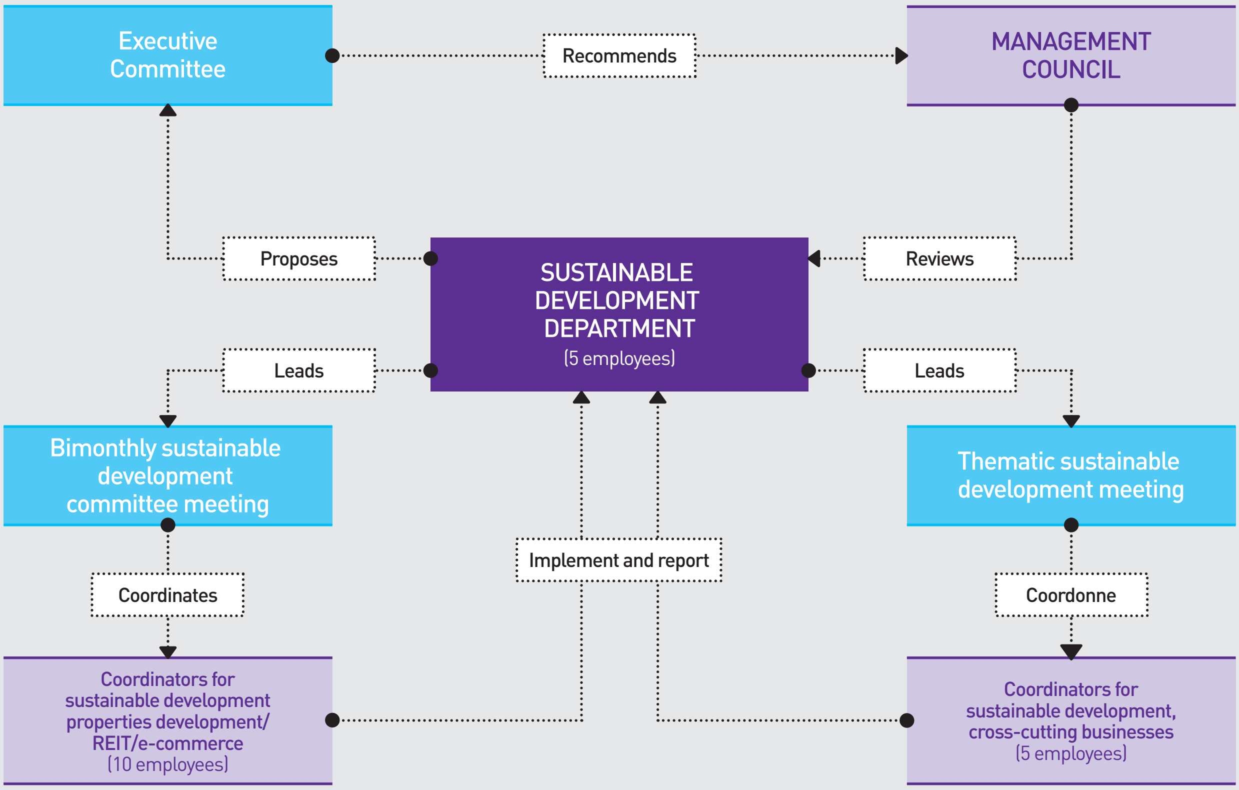
It comprises five employees and is connected to a member of the Executive Committee.

The Department advises the Management Council and the Executive Committee in defining Altarea Cogedim's sustainable development strategy. It also coordinates all of the Group's non-financial communication. It relies on a network of sustainable development coordinators who represent each of the Group's divisions at the sustainable development committee meetings that take place approximately twice per year. In addition, *ad hoc* working groups may be formed to focus on targeted and operational topics with particular coordinators and other participants.

The Sustainable Development Department also has a network of regular advisers representing all the cross-cutting activities: human resources, communication, finance, internal oversight and general services. Targeted meetings are also held with them for exchange and feedback.

Contact: developpementdurable@altareacogedim.com

Structure of Altarea Cogedim's CSR governance



This structure makes it possible to significantly advance the Group's sustainable development approach and to facilitate the exchange of information and the operational deployment within the business, drawing on a cross-cutting network of coordinators. Altarea Cogedim endeavors to raise its CSR maturity level and its non-financial performance while sustaining an ambitious but tenable effort.

5.1.2.2. General Management System (GMS)

Altarea Cogedim is gradually implementing customized management systems for all its teams to standardize and improve the reliability of priority practices for all Group businesses. This management system encompasses the entire CSR approach, based on the materiality matrix, and it is deployed in Group reporting and certification initiatives.

The implementation of this General Management System (GMS) provides easier access to the requirements of qualitative and environmental certification guidelines while developing employees' skills.

Altarea Cogedim's General Management System

PROPERTY		DEVELOPMENT
RESIDENTIAL Guide to Best Practices for residential properties	**RETAIL, OFFICES, HOTELS** SME Altagreen® Commercial projects	**RETAIL** EMS Altagreen® Patrimoine

5.1.2.2.1. Environmental Management System (EMS) for residential development certifications

As a Residential property developer, Altarea Cogedim has integrated a certification approach into its development and construction process: the "Guide to Best Practices for Residential property." Through this process certification, the Group enjoys "NF Logement" qualitative certification on all of its production and can apply the "NF Logement Démarche HQE®" (High Environmental Quality) certification to all projects in the Paris Region. Beginning in March 2016, all Residential property will have "NF Habitat HQE®" certification, except for renovations and assisted housing.

5.1.2.2.2. Environmental Management System (EMS) for office development certifications

In parallel, in 2010 and 2011 the Group designed the SME Altagreen® Projets Tertiaires. This system offers each developer or operational unit a tool to meet all requirements for "NF Démarche HQE®," BREEAM® (Building Research Establishment Environmental Assessment Method) or LEED® (Leadership in Energy and Environmental Design) certifications at every stage of the project, as well as guidance for development and construction of the Group's office operations (shops, offices and hotels). This guide is regularly updated to include the new requirements of certification standards.

5.1.2.2.3. Environmental Management System (EMS) for certifications

In 2015, the Group continued to use SME Altagreen® Patrimoine, which was developed in 2014. Altarea Cogedim was therefore able to introduce the BREEAM® In-Use certification to all its shopping centers managed in France. This structuring approach makes it possible to continually improve operations while also making the reported environmental data more reliable.

5.1.3. CSR STRATEGY

5.1.3.1. CSR Materiality Matrix

In 2013, Altarea Cogedim Group committed to an approach to define and prioritize its CSR issues with a focus on two factors:

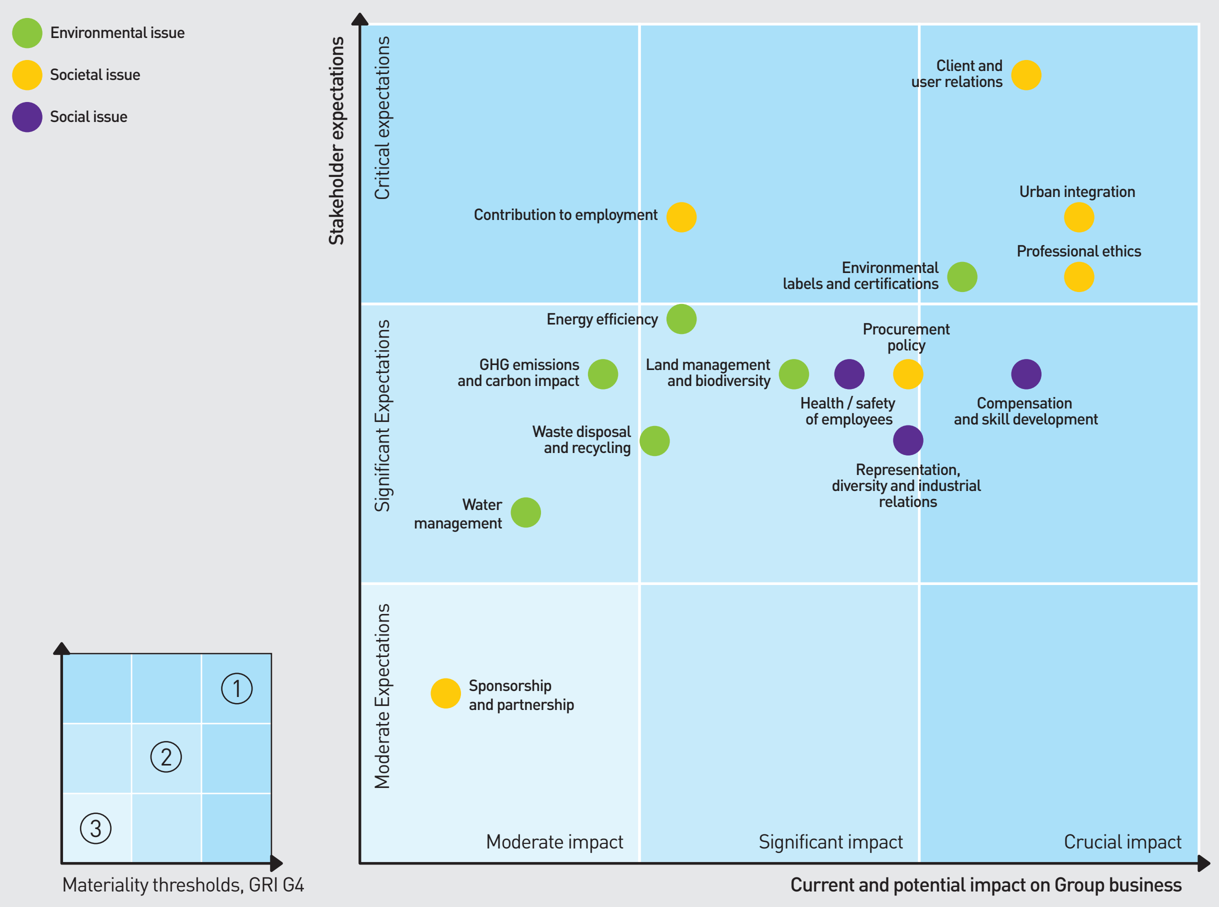
- economic impact on the company's business model depending on its activities;
- perception of the expectations of internal and external stakeholders (investors, local authorities, corporate and individual clients, associations, suppliers, etc.).

The result of these efforts, officially released in the form of a "materiality matrix," enables Altarea Cogedim to define its priority CSR undertakings. Following the recommendations of GRI G4, Altarea Cogedim used this matrix in 2013-2015 in order to determine the material areas on which to focus its action plans and transparency efforts. The tracking table has therefore been drawn up based on the priority issues for the Group.

Details on the design methodology and the issues that were identified appear on the website.

In light of sudden changes in its competitive and regulatory environment, major external events such as COP21, and internal changes – in particular, through disposals and acquisitions of businesses – the Group would like to update this matrix in 2016. The presumed methodology would be to compare the Group's issues with those of outside stakeholders.

Altarea Cogedim's Materiality Matrix



5.1.3.2. Design Methodology

This CSR materiality approach, led by the Group's Sustainable Development Department, was carried out in four phases between June 2013 and February 2014:

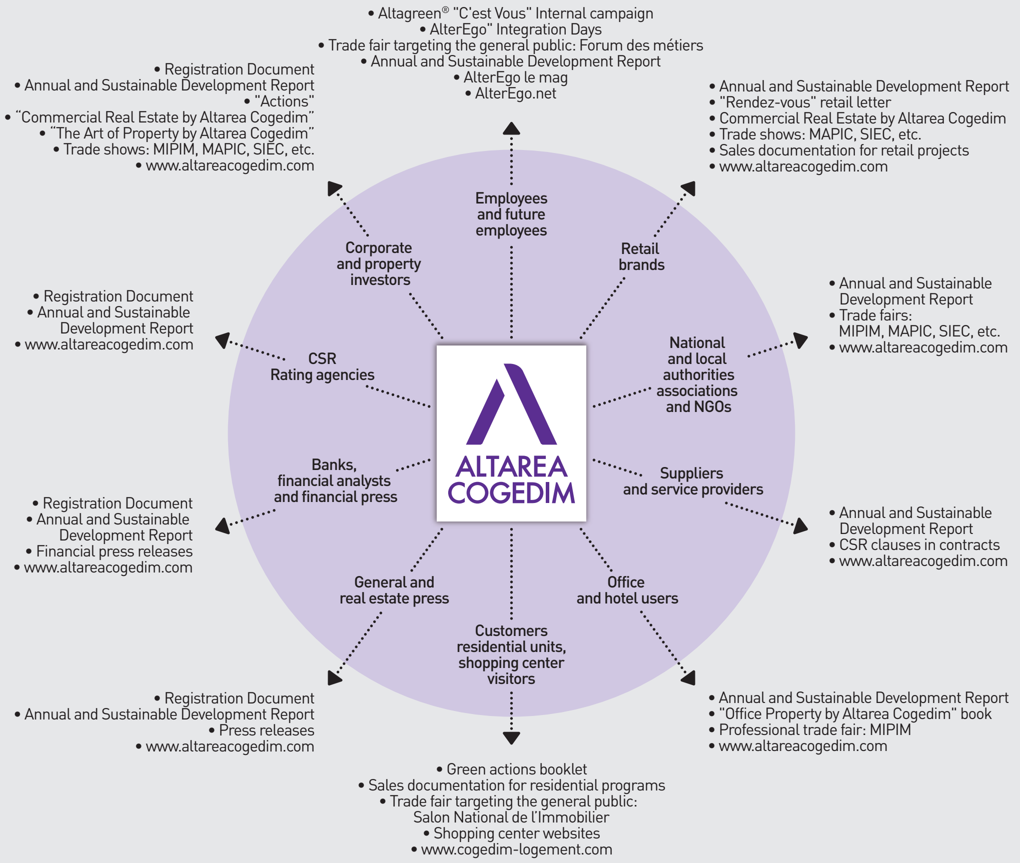
- defining the methodology;
- defining the issues and their impacts on the Group's businesses;
- meeting with Executive Management to assess each issue;
- summarizing the meetings and submitting the materiality table to the Management Council for approval.

5.1.3.3. Relations with stakeholders

The property and retail segment includes a broad number of stakeholders, which have been applying increasing pressure on all sector operators in France, particularly since the publication of the Grenelle environmental standards. Altarea Cogedim's growth, the broadening of its shareholder base and the impact of its development projects have resulted in more stringent requirements for transparency, Accuracy and comparability for non-financial information from all its stakeholders. These stakeholders aim to assess the actual performance of new projects and existing real estate assets, as well as, more broadly, the Group's operating actions as a whole. This provides many opportunities to demonstrate the relevance of the sustainable development approach adopted by Altarea Cogedim.

The Group has many ways of disseminating information about its actions. Communication is adapted to each internal and external stakeholder to foster dialogue and follow-up over time. The frequency and types of communication with the aforementioned stakeholders are described on the website.

Mapping of Altarea Cogedim's stakeholders



5.1.3.4. CSR Awards

5.1.3.4.1. Global Real Estate Sustainability Benchmark (GRESB)

The Group voluntarily participates in the GRESB (Global Real Estate Sustainability Benchmark) survey program, a worldwide reference in non-financial rankings for evaluating the CSR strategies of groups and real estate funds.

In 2014, Altarea Cogedim received a score of 82/100. It improved in 2015, scoring 86/100 and ranking:

- 18th out of 688 in the world for its REIT business;
- 3rd out of 304 in the world for its new retail developments.

5.1.3.4.2. Carbon Disclosure Project (CDP)

In 2015, Altarea Cogedim also voluntarily participated in the CDP (Carbon Disclosure Project), the benchmark international ranking of the carbon strategies of major corporations. This was the third time the Group participated in this project, and it improved from 2014, earning a 99% score for transparency and an A- for performance.

5.1.3.5. Participation in sector-specific organizations

Partner organizations

Altarea Cogedim participates in outside committees and working groups, particularly in order to anticipate regulatory trends in sustainable development, and to share best practices in the sector.

Accordingly, in the area of sustainable development, the Group is an active member of in the following organizations:

- CNCC (*Conseil National des Centres Commerciaux*), the French industry federation of shopping centers;
- FSIF (*Fédération des Sociétés Immobilières et Foncières*), the French property company association;
- FPI (*Fédération des Promoteurs Immobiliers*), the federation of real estate developers;
- C3D (*Collège des Directeurs du Développement Durable*), the French sustainable development officers' group;
- the HQE® association;
- France GBC.

In addition, Altarea Cogedim is a founding member of the Observatoire de l'Immobilier Durable (Sustainable Real Estate Observatory – OID) and serves as its vice president. This is an independent association made up of public and private players in the office real estate sector and which aims to promote sustainable development in real estate.

Finally, the Group signed a diversity charter in December 2013.

2015 events

In 2015, Altarea Cogedim illustrated its commitment to a "low-carbon" world through two major undertakings:

- It was a founding member of the BBCA [Bâtiment Bas Carbone, or Association for the Low-Carbon Construction]. The goal of the organization is to reduce the carbon footprint of construction.
- Altarea Cogedim also made a commitment to the City of Paris as part of the metropolis' Energy Climate Plan by signing the Paris Climate Action charter, under which the Group sets quantified, measurable objectives for reducing greenhouse gases and energy consumption between now and 2020. The following pledges have been made:
  - between 2010 and 2020, in the portfolio of shopping centers managed in France:
    - -50% reduction in greenhouse gas emission,
    - -40% reduction in energy consumption,
  - for new projects in Paris, improve energy performance in relation to the applicable thermal regulations:
    - on new Residential property: by 10%,
    - on new and renovated offices: by 40%.

5.2. TRACKING TABLE AND SCOPE

5.2.1. TRACKING TABLE

In the interests of relevance and clarity, some key indicators are presented differently in 2015. In particular, the indicators on the Property Development division are now grouped together, including office, residential and retail spaces.

SOCIETAL		Reference data	2015	Change	Verification	Objectives	Trend toward achieve-ment
Customer and user relations and satisfaction							
Group	Real estate customer satisfaction index (scale of 1 to 10, current scope)[1]	7.5/10 (2014)	7.5/10	0%	✓	Standardize customer surveys in order to identify levers for improvement for each center. Continue to improve and enrich the customer visitor experience in order to increase customer satisfaction	☺
	Customers' likelihood to recommend Residential Property Development		Qualitative indicator		✓	Indicator was created this year. Objective: achieve 85% positive response rate on this indicator within 3 years	NA
Comments	Altarea Cogedim has established a special Customer Division for its residential development division, and in 2015 it embarked on an initiative to track customer satisfaction over the long term by using surveys. The satisfaction index of shopping center visitors is stable and testifies to the efforts made by the centers' teams to keep the sites appealing and welcoming, even when construction is under way.						
REIT	Percentage of green leases signed and not expired at December 31 of year N in relation to total number of leases	6.9% (2010)	65.7%	+852%	✓	Achieve a coverage rate for green leases above 65% for the entire portfolio by the end of 2015	☺
Comments	The Group achieved its objective by signing 900 green leases.						
Urban integration							
Promotion	Percentage of surface areas located less than 500 m from a public transportation network (office, residential, retail)	98% (2014)	96%	-2%	✓	Consistent selection of new plots of land located less than 500 m from a public transportation network (bus, tramway, metro, RER suburban train, mainline train)	😐
Comments	Slight drop in number of projects located less than 500 m from a public transportation network.						
REIT	Percentage of sites located less than 500 m from a transportation network with a maximum frequency factor of 20 min[2]	69% (2012)	78%	+13%	✓	Incorporate the "frequency factor" criterion into the strategy of purchase and sale of Group assets	😐
Comments	In spite of the growing use of eco-friendly transportation, Altarea Cogedim is aware that many of its customers will always travel by car to its shopping centers. The Group is therefore equipping its new projects with parking spaces dedicated to hybrid and electric vehicles.						
Professional ethics							
Group	Train and raise awareness of the most at-risk employees on concepts related to corruption		Qualitative indicator		✓	Train employees affected by the various concepts of corruption, illegal acquisition of interest, delegations of power and potential related criminal liability risks	☺
Comments	Initiatives to raise awareness among employees identified as being most at risk were taken in 2014.						
Contribution to employment							
Group	Number of indirect and related jobs supported by the Group in one year	8,722 (2014)	9,769	NA	✓	Annual calculation of the increased employment footprint for all Group activities	NA
Comments	In 2015, the Group continued working on the calculation methodology for its employment footprint. The increase is accounted for mainly by jobs related to construction or expansion work on shopping centers, particularly Cap 3000.						
Procurement policy							
Group	Group responsible procurement initiative		Qualitative indicator		✓	- Implement a "Responsible Procurement" charter - Put together and standardize a scheme to evaluate service providers by the end of 2016	😐
Comments	In its construction contracts, Altarea Cogedim requires adherence to social and environmental clauses. In order to effectively prevent illicit work, in 2015 Altarea Cogedim used an external service provider to manage regulatory certificates for new residential and office projects. In the real estate division, the charter and environmental appendix are applied to all service providers.						
Group	Sum allocated to sponsorship and partnership initiatives (€)	2,140,000 (2013)	3,000,000	+40%		Commit to a sponsorship approach that is in line with the Group's convictions and activities	☺
Comments	Over the last seven-plus years, Altarea Cogedim has helped finance 10 residences and helped create 280 housing units with capacity for nearly 400 people. In 2015, the Cézanne family boardinghouse opened in Aix-en-Provence.						

Note: coverage rate is 100% unless stated otherwise below:
(1) On 76% of the portfolio in value terms.
(2) On 93% of the portfolio in value terms.

SOCIAL		Reference data	2015	Change	Verification	Objectives	Trend toward achievement
Representation, diversity, industrial relations							
Group	Total headcount	971 (2014)	1,045	+7.6%	✓	Guide Group growth	☺
	Permanent contract hires	138 (2014)	185	+34.1%	✓		
	Percentage of women on the Committee of Managers	26.7% (2014)	26.3%	-1.5%	✓	Increase the proportion of women in management bodies	😐
Comments	Hiring and workforce expansion are evidence of a significant growth trend. The proportion of women on the Committee of Managers is stable, while one woman joined the Executive Committee in 2015.						
Compensation and skills development							
Group	Average number of training hours per trained employee	12.6 (2014)	15.2 (2015)	+21%	✓	Increase the proportion of "business line" courses	☺
Comments	In 2015, the Group ramped up its investment in training by offering a broad selection of personal and professional development initiatives and by starting an internal sales school, the Cogedim Academy.						
Employee health and safety							
Group	Total absentee rate (excluding parental leave)	2.9% (2014)	3.4%	+17%	✓	Promote a safe working environment and ensure employee health and well-being	😐
Comments	97% of absences are due to non-occupational illness.						

ENVIRONMENT		Reference data	2015	Change	Verification	Objectives	Trend toward achievement
Environmental labels and certifications							
Promotion	Percentage of surface area that is certified or undergoing certification (office, residential, retail)	70% (2014)	63%	-10%	✓	- Certify 100% of new retail projects as BREEAM® "Very Good" or higher - Certify 100% of new office projects as NF B "Excellent" and BREEAM® "Very Good" or higher* - Certify 100% of new hotel projects as NF B or BREEAM® "Very Good" or higher* - Certify 100% of new residential projects as "NF Habitat HQE®" (excluding for co-development, rehabilitations and managed residences)	😐
Comments	Slight drop in number of certified projects related to decrease in certifications for regional residential division projects. Nevertheless, the consolidated result at the Group level is satisfactory.						
REIT	Percentage of sites with BREEAM® In-Use certification at December 31 of year N [2]	30% (2010)	100%	+233%	✓	- Certify 100% of the retail portfolio included in the reporting scope as BREEAM® In-Use "Good" or higher by 2015 - Obtain "Very Good" or higher for the following reassessments for the Management category	☺
Comments	This objective was achieved in 2015, with all sites obtaining certification.						
Energy efficiency							
Promotion	Percentage of surface area exceeding the thermal regulation energy requirements that apply to each project (office, residential, retail)	73% (2014)	59%	-19%	✓	- Systematically perform Dynamic Thermal Simulations and improve by at least 50% on the regulatory consumption items of RT 2012 - Develop all office projects in compliance with the RT 2012 -10% minimum energy performance level - Perform pilot operations at an energy performance level of RT 2012 -10% Effinergie+	😐
Comments	Drop in rate of operations exceeding thermal regulation requirements related to the fact that most residential operations in the scope of reporting were subject to RT 2012.						
REIT	Primary energy consumption (kWhep/m²) of retail assets (like-for-like and constant climate) [2]	226 (2010)	150	-34%	✓	By 2020, lower the portfolio's primary energy consumption by 40% compared with 2010 on a like-for-like basis	☺
Comments	The Group set a goal to reduce consumption by 22% between 2010 and 2015 and easily achieved this goal. A new objective was set for the period from 2010 to 2020.						
Greenhouse gas emissions and carbon impact							
Group	Group Bilan Carbone®: total CO_2 eq. emissions, in tons	678,000 (2012 excluding RDC)	792,000	+17%	✓	- Conduct Bilan Carbone®, scopes 1, 2, 3, of all Group businesses - Conduct a Bilan Carbone® Construction (scopes 1, 2, 3) for all new projects with surface area greater than 10,000 m² - Conduct 5 Bilan Carbone® Construction (scopes 1, 2, 3) corresponding to the 5 lines of new residential projects	
	- including total CO_2 eq. emissions, in tons, on scope 3	669,000	788,000	+18%	✓		
	- including total CO_2 eq. emissions, in tons, on scope 2	6,000	2,000	-67%	✓		
	- including total CO_2 eq. emissions, in tons, on scope 1	3,000	2,000	-33%	✓		
Comments	The Group is committed to reducing emissions on the 3 scopes. In particular, it instituted new objectives in 2015 as part of the Paris Climate Action charter applying to the real estate and property development divisions, and it committed to sustainable construction through its involvement in the Association for Low-Carbon Construction (BBCA). The increase in CO_2 emissions is the result of more intensive activity. Emissions per employee fell from 927 tCO_2/employee to 758 tCO_2/employee between 2012 and 2015 (excluding Rue du Commerce).						
REIT	Emissions related to energy consumption ($kgCO_2$ eq./m²) of retail assets (like-for-like and constant climate) [2]	8.9 (2010)	5.6	-37%	✓	By 2020, lower greenhouse gas emissions related to the portfolio's energy consumption by 50% compared to 2010, on a like-for-like basis	☺
	Average emission rate of visitors' transportation methods to shopping centers (gCO_2 eq./visitor/km) [3]	108 (2011)	92	-15%	✓	Increase reliability of studies on customers' transportation methods and create designated parking spaces for hybrid and electric vehicles	☺
Comments	The Group set a goal to reduce emissions related to the energy consumption of the real estate division by 24% between 2010 and 2015 and easily achieved this goal. A new objective was set for the period from 2010 to 2020.						
Land management and biodiversity							
Promotion	Portion of retail surface area that was subject to an ecological survey	100% (2014)	100%	0%	✓	Conduct ecological surveys before all new projects in order to further incorporate biodiversity into each project	☺
Comments	Objective achieved for 2015. A biodiversity strategy is currently being developed for 2016.						

ENVIRONMENT		Reference data	2015	Change	Verification	Objectives	Trend toward achievement
REIT	Average BREEAM® In-Use score of the sites in the category "Land Use & Ecology" at December 31, year N (weighted for surface area)[2]	17% (2013)	30%	+76%	✓	Create a biodiversity action plan making it possible to improve the inclusion of flora and fauna and to improve the BREEAM® In-Use score in this category for all assets within the reporting scope by 2018	☹
Comments	Biodiversity audits continue to be conducted on the assets and make it possible to implement targeted action plans in this area.						
Waste disposal and recycling							
Promotion	Actual waste recovery rate on active construction sites during the year (Retail)	NA	91%	NA	✓	Standardize an objective to recover (matter and/or energy) 70% of construction waste on new projects (excluding demolition waste)	☺
Comments	This indicator, which is new in 2015, enables us to confirm that our constant objective was achieved this year.						
REIT	Percentage of managed waste sorted on the retail assets within the scope of current reporting[2]	30% (2010)	43%	+43%	✓	Sort more than 50% of waste within the scope of current reporting by the end of 2015	☹
	Recovery rate of managed waste on the retail assets within the scope of current reporting[2]	82% (2013)	88%	+7%	✓	Maintain a recovery rate for energy or matter higher than 80% within the current scope	☺
Comments	Waste recovery is progressing and makes it possible to reach this target, but sorting efforts must continue.						
Water management							
Promotion	Annual water consumption for all retail projects under development (m^3)	NA	13,678	NA	✓	The indicator applies to all projects under construction	NA
Comments	New indicator. The 2015 value will be a benchmark for future fiscal periods.						
REIT	Water consumption in common areas (L/visitor), scope of current reporting[2]	0.74 (2010)	1.31	+77%	✓	Maintain below 1.25 L/visitor within the scope of current reporting	☹
Comments	The year 2014 was satisfactory (0.88 L/visitor), but performance worsened in 2015 due to several leaks and the opening of new sanitary facilities to the public.						

* Unless technically impossible or not approved by the investor.
Note: coverage rate is 100% unless stated otherwise below:
(2) On 93% of the portfolio in value terms.
(3) On 75% of the portfolio in value terms.

5.2.2. SCOPE OF REPORTING AND GUIDELINES

With the aim of comprehensively measuring the societal, social and environmental impact of its business within the broadest possible scope, Altarea Cogedim defines and specifies all of its scopes and reporting periods, thus making it easier to fully understand its reporting. For greater transparency and ease of comparison, the Group bases its reporting on the main national and international indicators and guidelines (GRI G4 CRESS, EPRA, etc.).

5.2.2.1. Comprehensiveness of reporting scopes and guidelines used

Reporting covers nearly all of Altarea Cogedim's REIT and Property Development activities, as well as the operations of its head office. CSR reporting coverage rates demonstrate the comprehensiveness of this exercise compared to financial reporting.

Comprehensiveness of Altarea Cogedim's non-financial reporting

	ENVIRONMENT					SOCIAL
	CORPORATE	PROPERTY			DEVELOPMENT	CORPORATE
REFERENCE	GRI CRESS	Internal definition ("Methodology and table of indicators" section)			GRI CRESS EPRA recommendations	GRI CRESS
PERIOD	September 1, year N-1 August 31, year N	January 1, year N December 31, year N			January 1, year N December 31, year N	January 1, year N December 31, year N
SCOPE	HEAD OFFICE 9,631 m² usable	RESIDENTIAL 310 operations 24,989 Residential properties	OFFICES & HOTELS 29 operations 462,941 m² hors œuvre nette (net surface area) or floor area	RETAIL 8 operations 307,352 m² hors œuvre nette (net surface area) or floor area	RETAIL 646,897 m² GLA	GROUP (Property development, REIT) 1,045 employees
REPORTING COVERAGE	100%	100%	100%	100%	90.2% (in surface area) 93.1% (in value terms)	100%

5.2.2.1.1. Compliance of reporting with national and international guidelines

In its drive to ensure transparency and a durable environmental reporting process, Altarea Cogedim used the National Council of Shopping Centers' (CNCC) sector-specific CSR reporting guide to establish its internal reporting guidelines and non-financial communication.

The CNCC guide, published on July 9, 2013, sets out reporting recommendations suited to the shopping center industry following publication of Article 225 of the Grenelle II Law governing corporate non-financial communication. These recommendations are entirely compatible with the "Best Practices Recommendations for Sustainability Reporting" of the European Public Real Estate Association (EPRA), released in September 2011, as well as with the sector-specific GRI G4 CRESS (Construction & Real Estate Sector Supplement).

In 2014, a consulting firm specializing in non-financial reporting evaluated the compliance level of the CSR chapter of Altarea Cogedim's registration document against the Global Reporting Initiative GRI G4 criteria and found that Altarea Cogedim met the requirements of the GRI's Core compliance level. For 2015, Altarea Cogedim is retaining the same amount of information in this document and on its website (which includes the table showing correspondence with the GRI G4), but it is not seeking validation of the GRI.

5.2.2.1.2. Reporting period

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

5.2.2.2. Description of social reporting scopes

Because the e-commerce operations were transferred on January 1, 2016, the information on Rue du Commerce is not presented in detail in the sections below on the Group's social, societal and environmental performance.

Information on the Rue du Commerce workforce is presented in section 5.6.3.

5.2.2.3. Description of social reporting scopes

The scope of social reporting includes all legal entities with full financial consolidation and a payroll that is not nil, except for Rue du Commerce. Data for these entities are recognized at 100% regardless of the extent of the Group's ownership.

5.2.2.4. Description of environmental reporting scopes

5.2.2.4.1. Scope of reporting for corporate activities

The scope of corporate reporting includes the environmental data for Altarea Cogedim's head office, which is located at 8, avenue Delcassé, Paris 8. This data is managed either directly by Altarea Cogedim (waste) or directly by the owner of the building (water, energy, CO_2) and sent to Altarea Cogedim for annual (or more frequent) follow-up.

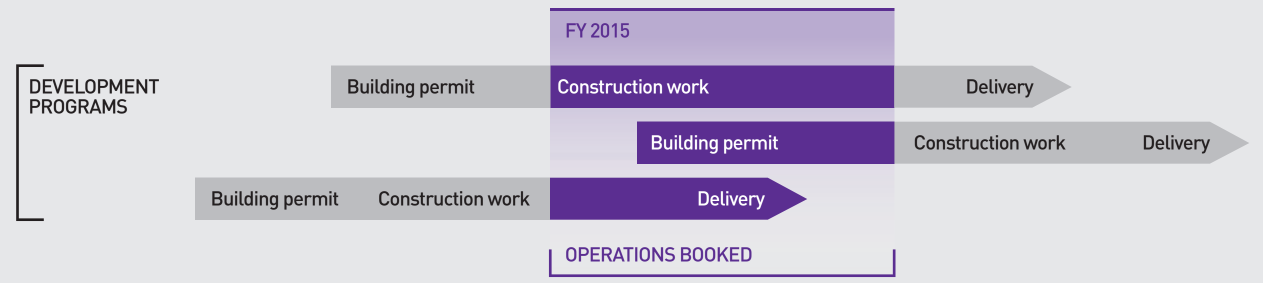
5.2.2.4.2. Scope of reporting for development activities (new developments)

For its Property Development business, the Group developed indicators to assess the true quality of its production for a given year.

A development year includes projects launched through new building permits, projects under construction that were launched in previous financial years and are to be delivered in subsequent financial years, and projects that were delivered in the course of the year. In order to reflect all these projects in one indicator comparable to the operating and financial activity of the Property Development division, the calculation scope of the indicators includes all the office, Residential property, retail or hotel operations that are subject to a building permit (provisional or permanent) and under construction or delivered during the given year.

Because there are few hotel projects under development, the office and hotel data were combined.

Method for accounting for new developments in the scope of reporting



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

In order to facilitate understanding of the indicators related to the Property Development operations, the Group opted to retain the same accounting method for each category, each environmental certification and each energy label (however, the key dates for obtaining certification vary based on each asset category and each environmental certification).

5.2.2.4.3. Scope of reporting for REIT activities (existing assets)

Scope of ownership

The scope of ownership includes all French assets in which Altarea Cogedim ownership is not nil. Assets included in this scope are those that have been held for at least 12 months in the reference year. As a result, any acquisitions or disposals made during the reference year are excluded from the scope of ownership.

Sites undergoing construction during the reference year are included in this scope unless they are completely closed for at least one month in the reference year or if creation of GLA (gross leasable area) exceeds 20%. If the creation of GLA (gross leasable area) exceeds 20%, it is nonetheless included if overconsumption related to construction can be isolated.

Scope of current reporting

All assets included in the scope of ownership are also included in the scope of current reporting with the exception of:

- sites not managed by Altarea Cogedim and therefore over which the Group has no operational control;
- sites on which no Altarea Cogedim representative carries out on-site management.

Scope of overall reporting

The "scope of overall reporting" is defined as all assets included in the scope of current reporting that have been held throughout the period under review, i.e., 72 months over the 2010-2015 period. The scope of overall reporting does not include the acquisitions and disposals carried out during this period.

All assets included in the scope of current reporting and the overall scope – including partially owned assets – are recognized in full if Altarea Cogedim manages them directly. Assets directly managed but not owned by the Altarea Cogedim Group are excluded from the scope of current and overall reporting.

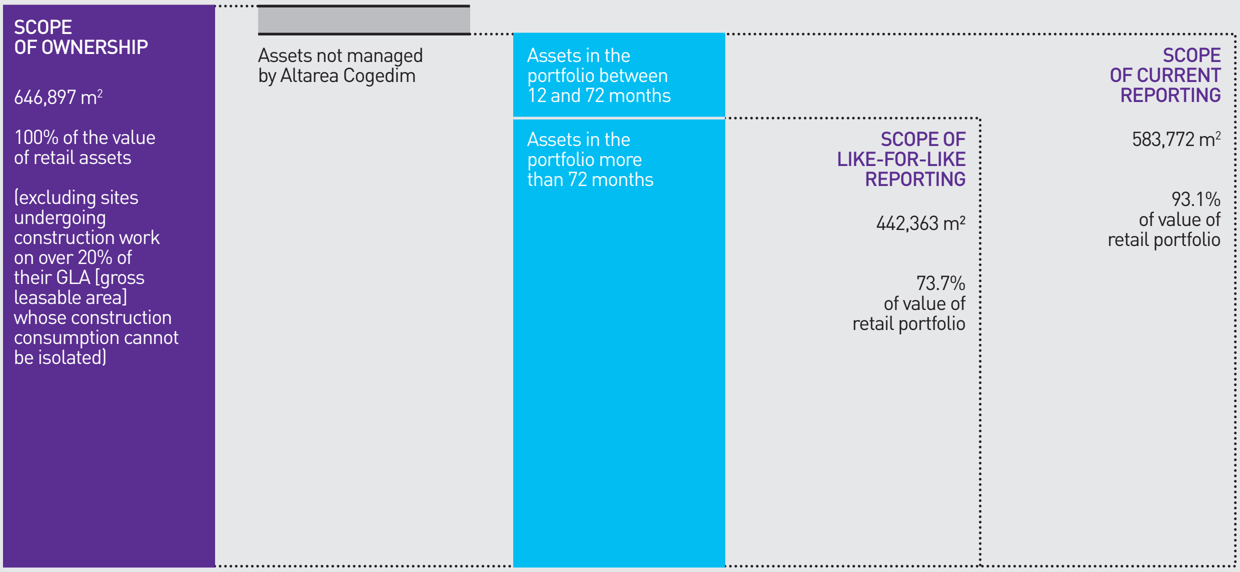
For indicators covering all assets (shopping centers, Lifestyle Centers, Family Villages® and Retail Parks), we specify the proportion of the current or the overall scope covered by the indicator, compared with the Group's scope of ownership for the reference year. This proportion is expressed as a percentage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

Scope of reporting at December 31

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

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

Reporting scopes for the real estate division



Reporting scopes for the real estate division

We include only consumption managed or paid for directly by Altarea Cogedim within the current and overall scopes. As a result, environmental data that are directly managed by tenants are excluded, except for centers for which a specific collection process for merchant consumption has been implemented this year. This approach is described in paragraph 5.5.2.2.2.

5.3. SOCIETAL RESPONSIBILITY

5.3.1. CUSTOMER AND USER RELATIONS

Definition of the issue	Adherence to and exceeding of health and safety regulations for new construction and existing shopping centers Respect for and availability to the customer, provision of complete and accessible sales information and high-quality after-sales service
Materiality level	Share capital
Relevant scopes	Property Development, Real Estate

5.3.1.1. Customer satisfaction

5.3.1.1.1. Customer satisfaction in the residential development business

In order to reaffirm is commitment to customer satisfaction, in 2015 Altarea Cogedim established a customer division. In 2015, the division introduced two major initiatives to meet the expectations of customers buying residential property: it instituted a dedicated customer process and customer satisfaction surveys.

The dedicated customer process takes two forms:

- for each sale of residential property, a customer relations manager is appointed; this manager reports to the development director. he or she is the buyer's sole contact person throughout the sales process, which lasts several months, from the reservation agreement to delivery and after-sales service;
- buyers have access to an online personalized customer page, from which they can learn about the steps of the buying process and get answers to questions (alterations, progress of construction, visits, etc.).

In order to collect detailed data on customer satisfaction throughout france, the division implemented a far-reaching system of satisfaction surveys with the assistance of TNS sofres. The purpose of these surveys was to measure customer satisfaction at different stages of the buying process: first, upon signature of the purchase deed, then four months after delivery of the property.

More than 500 buyers answered the survey, thus providing a broad set of responses in France. These responses were consolidated by subsidiary and at the national level in order to enable the Group and the subsidiaries to better understand customers' expectations and possible shortcomings encountered during the buying process. Another role of the Customer Division is to suggest improvement plans and to use these surveys to measure the effectiveness of the actions that are implemented.

The questions asked in the surveys focus broadly on customers' confidence at the time of purchase, their satisfaction upon delivery, their likelihood to recommend, etc. This likelihood to recommend is the indicator that is considered to best express customers' experience because it makes it possible to measure their attachment to the brand by qualifying their likelihood to recommend Cogedim to friends, family or colleagues. Hence Altarea Cogedim has set a goal of achieving an 85% positive rating on this indicator within three years.

5.3.1.1.2. Customer satisfaction in the real estate division

Since 2014, the Group has been monitoring a consolidated indicator measuring the overall satisfaction of visitors to the shopping centers. To this end, quantitative and qualitative customer surveys are conducted in order to understand customers' behaviors and expectations, measure the satisfaction level and the center's appeal and reputation, and determine ways to attract customers and strengthen loyalty, etc. For new sites, studies are conducted every year for the first three years. For established centers, a study is generally carried out once every three years.

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

For 2015, the customer satisfaction rate was 7.5/10. It was calculated based on on-site customer surveys, which were conducted at 10 shopping centers representing 76% of the scope of current reporting.

This is the same rate that was achieved in 2014. It is a testament to the efforts made by the centers' teams to ensure that the sites are always appealing and pleasant. This is also the case when large construction projects are under way, such as at Cap 3000, which is currently undergoing a large renovation and expansion.

5.3.1.2. Comfort of use and health features in real estate development

For all of its new projects, Altarea Cogedim complies with the health and safety regulations in force. For projects undergoing environmental certification, i.e., over 99% of its office projects (shops, offices and hotels) and 45% of its residential projects, Altarea Cogedim surpasses regulatory requirements for visual, acoustic, olfactory and thermal comfort, and for the air quality of living areas.

5.3.1.2.1. Indoor air quality and olfactory comfort

For new residential developments, Altarea Cogedim addresses the issue of air quality in a comprehensive manner, imposing health criteria for materials used and equipment commissioned, as well as by supporting buyers in a healthy and responsible approach to building use.

The Group's approach to improving the indoor air quality of residential properties

Materials	X	Ventilation	X	Awareness	=	Air quality
Progressively standardize materials labeled A or A + for surfaces in contact with indoor air		Thorough and systematic checks of ventilation systems (DIAGVENT 2)		Gradual availability of an indoor air quality guide for residential properties		Improvement of interior air quality for future occupants

For all of its new office developments undergoing environmental certification, the Group identifies sources of pollution, both internal (VOCs and formaldehyde) and external (major roads, construction products, business conducted on premises, soil, etc.) and sees to it that there is effective ventilation and adequate air flows for business activities on the premises to ensure healthy distribution of new air. It also works to control sources of unpleasant odors.

When building the head office of Sanofi Pasteur, which has BREEAM® "Excellent" and "NF Démarche HQE®" "Exceptional" certifications, Altarea Cogedim sought to tighten its comfort requirements for the future user:

- the office spaces have a 32 m³/h/person air renewal (28% higher than the French Labor Code), as well as CO_2 sensors installed in all areas with a high occupation density;
- the filtration systems are equipped with F7a class filters, which stop 100% of PM10 fine particles and 90% of PM2.5 particles;
- all VOC and formaldehyde emissions from flooring, walls and ceilings at the head office were assessed.

Furthermore, the commissioning process initiated for all of its new office properties in 2014 ensures that technical equipment, in particular heating, cooling and ventilation systems, will be installed properly to guarantee optimal comfort for occupants.

For its new retail properties, Altarea Cogedim involves tenants in its goal of improving the air quality of its shopping centers. In 2015, 100% of projects under development in terms of surface area (307,352 m²) used green leases to require retailers to meet health quality standards for furnishings.

5.3.1.2.2. Hygrothermal comfort

The Group performs Dynamic Thermal Simulations during the design phase in projects to build offices, shops and hotels. These tests are used to decide on the technical and architectural options that strike the best balance between comfort of use and energy consumption. For example, Dynamic Thermal Simulations are used when installing fixed solar protection designed to improve the thermal comfort of occupants while reducing cooling and lighting needs.

In these simulations, the comfort of occupants is based on the "PMV" (Predicted Mean Vote) model, which indicates the average of votes of a large group of subjects about their thermal sensation on a seven-point scale. This index weighs the following factors: metabolic rate, clothing insulation, air temperature, mean radiant temperature, air speed, relative humidity and level of activity. The indicator is used in BREEAM® certifications.

65% of retail projects under development in terms of surface area (201,196 m²) underwent Dynamic Thermal Simulations, which revealed favorable levels of comfort under the BREEAM® certification criteria.

Based on the various design studies, Altarea Cogedim uses systems that provide the most comfortable temperature and humidity levels in both summer and winter:

- in winter, a suitable overriding control makes it possible to maintain a stable temperature in the building;
- in summer, protection from the sun and dissipation of excess heat are essential for comfortable temperature and humidity levels.

For example, hygrothermal comfort is being improved considerably for the Altarea Cogedim renovation project on Boulevard Raspail in Paris. It is has obtained "NF Démarche HQE®" "Excellent" and BREEAM® "Excellent" certification. To prevent overheating in the summer, the southwest-facing facades in the courtyard have been fitted with an opaque covering. However, the northwest-facing street facades are largely covered in glass to promote the capture of solar heat and offset heating needs. All facades are fitted with indoor blinds that can be opened or closed by the user to protect against sunlight.

A high-performance Building Management System (BMS) will also be installed to turn the heating back on before the offices are occupied and to program all production and GHG-emitting equipment to operate on two settings (occupied/unoccupied).

5.3.1.2.3. Acoustic comfort

Noise comes from a variety of sources. Altarea Cogedim's customers expect optimal acoustic comfort. Whether it comes from an external source (air traffic), a collision of objects or mechanical vibrations (equipment), noise is a source of discomfort that must be taken into account when designing a project. Altarea Cogedim goes further to offer its customers high acoustic performance, optimizing layout among different spaces in relation to internal noise disturbances. For example, the noise level of equipment is below 45 dB in open office space and below 40 dB in individual and shared offices.

For example, 90% of retail projects under development in terms of surface area (276,364 m²) were subject to internal acoustic studies to assess the level of ambient noise and sound insulation between spaces.

5.3.1.2.4. Health quality

The health quality of the spaces includes two major concerns: limiting electromagnetic disturbances and creating specific hygiene conditions. The creation of specific hygiene conditions includes identification of sensitive areas as well as measures taken to create optimal health conditions in accordance with the specific health environment of each project.

As part of assessment measures for the Nework office project in Nanterre, currently undergoing the certification process to achieve BREEAM® "Excellent" and "NF Démarche HQE®" "Excellent" ratings, Altarea Cogedim called on Bureau Veritas to identify "energy" sources surrounding the site (railway lines). "Telecom" sources were identified in the initial survey of the area, and electromagnetic waves were measured upon completion of construction. Finally, construction materials were chosen with an eye to limiting fungal and bacterial growth.

5.3.1.3. Deployment of green leases

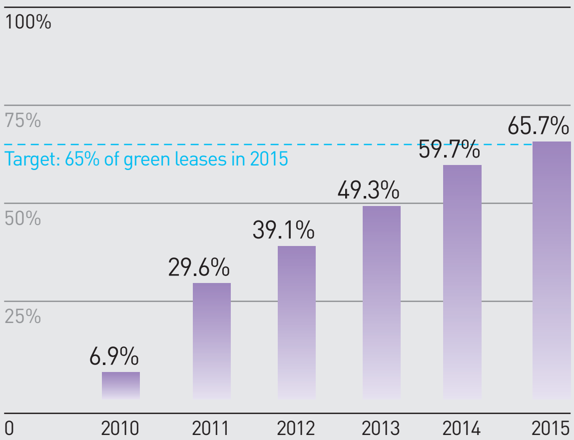
Altarea Cogedim intends to work more closely with all tenants in developing environmentally friendly practices. The ultimate goal is to extend environmental reporting to tenants' environmental data and to improve sites' overall environmental performance.

As a result, the Group standardized the application of green leases in 2010, where possible from the very first square meter (excluding lease renewal under leasehold assignment, building leases and exempted leases).

Furthermore, as of July 14, 2013, Grenelle II has made an environmental appendix mandatory for all existing leases over 2,000 m². In response to this new requirement, the Group has sent environmental appendices to all affected retailers.

At December 31, 2015, 900, or 65.7% of the Group's 1,370 leases, were green leases.

Green lease coverage rate
(percentage)



Thus the Group achieved its goal of having 65% of its leases be green leases in 2015.

This type of lease is a formalized framework that imposes commitments on both the owner and tenants: it stipulates the regular sharing of environmental and energy information and the creation of an environmental committee that includes owners, tenants and all the stakeholders at each site.

Under a green lease on assets subject to such environmental certification, tenants undertake to comply with a set of technical, architectural and environmental guidelines that provide maximum power thresholds for any equipment they may install and recommendations regarding inner materials. To ensure compliance with these guidelines, they must submit their planning documents to the Environment Works Management assistant before undertaking any interior finishing work.

As indicated in paragraph 5.5.2.2.2, in 2014 Altarea Cogedim began collecting energy data from lessees in four of its shopping centers, representing 57% in value terms of the sites owned and operated by the Group at December 31, 2015 (190,108 m² GLA). This study applied especially to the green leases of these centers, given that these leases are legal documents that make it possible to report information.

This allowed us to better understand lessee energy consumption from a representative sample of the Group's assets. These studies also made it possible to learn about the shopping centers' total consumption and to make comparisons between centers, independently of the distributions among common areas and private areas.

The initiative will continue in the coming years, with the goal of working to reduce sites' overall energy consumption.

A guide for lessees describing the Group's sustainable development approach and how they can make a concrete contribution to reducing sites' environmental footprint was also finalized in 2015. This document aims to improve interactions between lessor and lessee on environmental questions.

5.3.2. URBAN INTEGRATION

Definition of the issue	Proximity and connectivity to public and alternative means of transportation Fitting projects into the local urban context
Materiality level	Crucial
Relevant scopes	Property development, REIT

Taking advantage of its position as a developer of retail, office, residential and hotel properties, Altarea Cogedim firmly believes in the importance of integrating its projects architecturally and harmoniously in their environment and interconnecting the various living spaces. Conscious of the economic and ecological impacts of travel, Altarea Cogedim strives to promote the use of more practical and economic modes of transportation with lower CO_2 emissions.

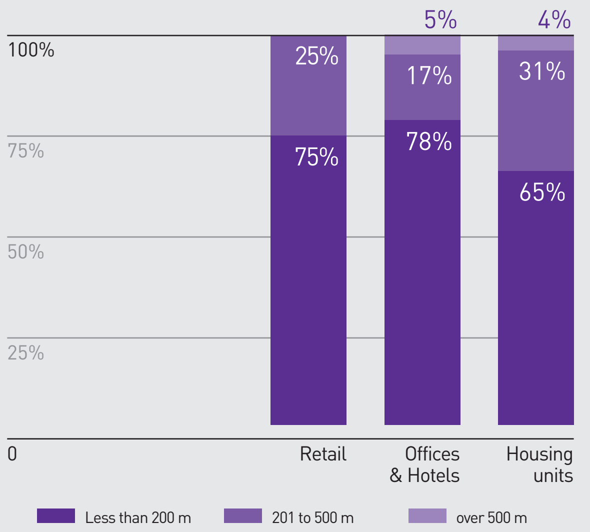
5.3.2.1. Urban integration – Property Development division

5.3.2.1.1. Transportation accessibility – Property Development division

The Group has chosen to be transparent regarding the distance to public transportation for all of its new projects and properties. With this approach, the Group can foster a more sustainable and comfortable use and lifestyle for its customers and users.

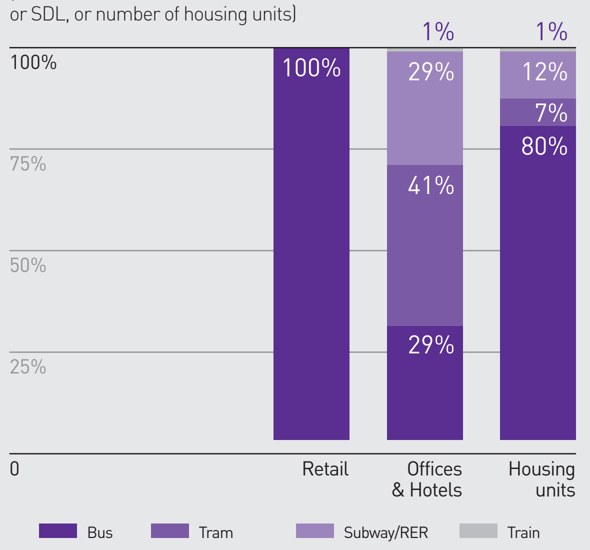
Proximity of public transportation methods to new development properties

(Surface area of offices in m² total net floor area or SDL, or number of housing units)



Breakdown of public transportation methods closest to new developments

(Surface area of offices in m² total net floor area or SDL, or number of housing units)



For its new retail projects, the Group is also taking the following steps:

- real-time information on the passing of public transportation lines and traffic conditions;
- alternative modes of transportation (carpooling, pedestrian and cycling infrastructure, charging stations for electric vehicles, etc.).

5.3.2.1.2. Relationship of new projects to their environment

Altarea Cogedim strives to promote projects that respect sites' neighbors and environment.

For all new Group developments, an impact analysis is carried out prior to studies. This analysis addresses the following subjects: visual, olfactory, acoustic and electromagnetic disturbances; access to the sun and light; construction site pollution; road and parking lot congestion around the plot.

During the construction phase, construction site charters are applied to all new Group projects to provide for effective communication with local residents. Through mailings or poster campaigns, this charter describes the project and its architecture, specifies the construction work to be undertaken, puts forth a provisional schedule and provides a way to contact the Group directly. Information meetings may also be held with local residents at the start of construction.

To monitor the impact of construction sites, the contractor follows up on and is obligated to respond to any possible complaints.

5.3.2.2. Transportation accessibility – real estate division

Since 2012, Altarea Cogedim's reporting on the connectivity of the shopping centers in its portfolio and customers' modes of transportation has made it possible to calculate three indicators representing the connectivity of the Group's portfolio:

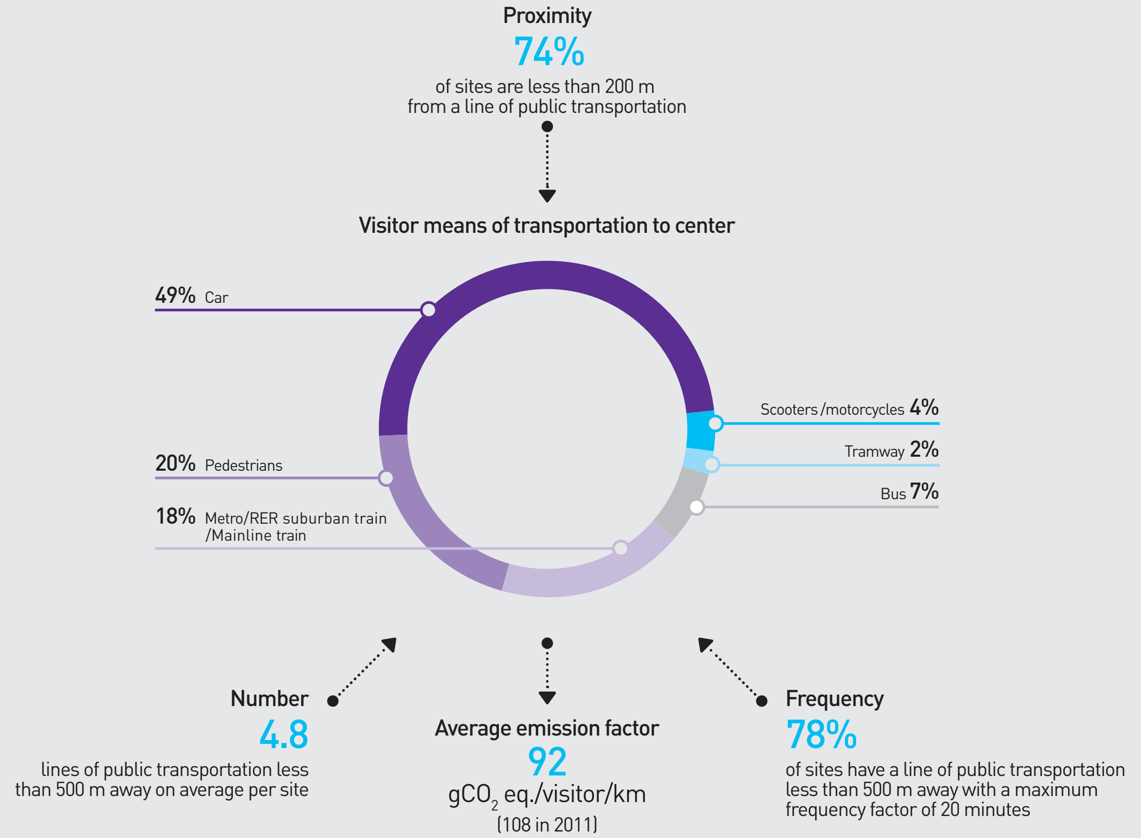
- proximity to public transportation: percentage of sites with at least one line less than 200 meters away;
- availability of public transportation: number of available lines less than 500 meters away per site on average;
- frequency of public transportation: percentage of sites with at least one line less than 500 meters away and a frequency factor of less than 20 minutes.

Furthermore, the Group continues to assess visitors' modes of transportation to its centers, via on-site surveys for the main sites in the portfolio.

The indicator used to track emissions resulting from travel to shopping centers, expressed in grams of CO_2e/visitor/km, dropped 15% between 2011 and 2015.

In spite of the growing use of eco-friendly transportation, Altarea Cogedim is aware that many of its customers will always travel by car to its shopping centers. The Group is therefore equipping its new projects with designated parking spaces for hybrid and electric vehicles. Thirty such spaces were created at the Qwartz site in Villeneuve-la-Garenne, and 59 spaces are planned as part of the expansion of Cap 3000. This is another way to encourage less carbon-intensive and more economical travel in the long term.

Connectivity and carbon footprint of customer travel to shopping centers



The distance, number of lines and frequency factor were calculated for 100% of the sites in the scope of current reporting, as detailed in section 5.2.2.3.3.
The distribution of visitors' transportation modes is based on customer surveys carried out on-site on 75.1% (in value terms) of the scope of current reporting.

5.3.3. PROFESSIONAL ETHICS

Definition of the issue	Professional ethics, combating corruption and introducing ways to prevent and monitor practices that are inconsistent with the Group's integrity and ethics
Materiality level	Crucial
Relevant scopes	Group

5.3.3.1. Values and ethics

All of Altarea Cogedim's employees and officers must abide by the Ethics Charter that has been enforced since 2010 and was updated in 2013. This Ethics Charter, which is available on the Group's intranet site and systematically appended to the employment agreements of new hires, covers all aspects of the relations between Altarea Cogedim and its stakeholders, employees, customers/tenants, service providers/suppliers, and best practices for internal functioning:

- protection of privacy;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the Law and applicable regulations; and
- environmental protection and the principle of integrity, prohibited practices and corruption.

To this end, Management has appointed an ethics director. Any employee who has trouble discerning how to behave in a particular situation can refer the situation to his/her superior or, if need be, to the Ethics Director. The consultation with the Ethics Director and his/her advice are confidential under the Ethics Charter.

IT security and protection of customer data are described in section 8.3.3.

5.3.3.2. Governance and compensation

The information necessary to understand Altarea Cogedim's governance and compensation policies is provided in the description of these policies in sections 7.1 and 7.2.

5.3.3.3. Fight against money laundering, fraud and corruption

The Group's anti-corruption policy is restated in its Ethics Charter. The policy aims primarily to set forth the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical question or conflict of interest they may be confronted with. For example, Group prohibits individuals from commissioning work for their own benefit from companies or service providers who maintain a business relationship with the Group, unless such work is authorized by the Ethics Director. It also prohibits payment in cash, even within the limits authorized by applicable regulations, unless such payment is explicitly authorized.

These principles must also be mutually enforced in relations with the authorities and customers: Any act that is likely to be construed as an attempt to corrupt is prohibited. Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the Ethics Director must be consulted immediately for his/her opinion.

As part of its activities, Altarea Cogedim uses the services of many outside companies. They are selected according to formalized and supervised tender procedures (no supplier monopolies, one-year contracts for service providers in shopping centers, etc.). In view of the Group's most recent risk map, which was created in 2013, the risk of fraud is limited given the Group's activities and structure. The outlook for this risk will be specified when the risk map is updated; this process is currently under way.

Furthermore, since 2012, specific anti-corruption clauses have been systematically added to service contracts, business finder contracts and agreements with third parties. In particular, these clauses stipulate that third parties must undertake to respect the applicable anti-corruption rules and, in the event they are not respected, that the contract may be terminated in advance.

To ensure that this process of guaranteeing professional ethics and monitoring of practices inconsistent with the integrity and ethics of the Group is properly implemented, awareness campaigns were conducted with employees in 2014. With the help of a Law firm, training courses on different ideas of corruption, unlawful taking of interest, trafficking influence, favoritism and the criminal repercussions associated therewith, particularly in relations with the public sector, were provided to employees identified as being most at risk. Over 90% of the target population – made up of senior Group executives – attended the training courses. Since then, this awareness campaign has continued through messages issued to employees by senior executives during events such as seminars and committee meetings.

5.3.4. CONTRIBUTION TO EMPLOYMENT

Definition of the issue	Contributing to the creation of direct and indirect jobs and establishing platforms for dialog with local and regional stakeholders
Materiality level	Crucial
Relevant scopes	Group

In an uncertain economic context that places a long-lasting strain on job creation, Altarea Cogedim has committed to quantifying and developing its indirect economic contribution to job creation and local development. The Group carries out its Property Development and REIT activities almost exclusively in France. Consequently, it is innovating by developing quantitative indicators to annually measure its wider employment footprint in France as an owner and Manager of shopping centers that host retailers, as well as through its purchases of goods and services.

Altarea Cogedim's employment footprint

Altarea Cogedim's real estate development business positions it as an important backer of goods and services. This unique position gives Altarea Cogedim a much higher direct/indirect employee ratio than that of a group centered exclusively on REIT.

Using an approach that was introduced in 2013, Altarea Cogedim quantifies its wider employment footprint in France. This footprint is calculated in detail every three years and updated in the intervening years through extrapolation.

This analysis revealed a slight increase in jobs supported by the Group: approximately 2% in total. This related mainly to the construction or expansion work on shopping centers, particularly Cap 3000.

Indirect jobs

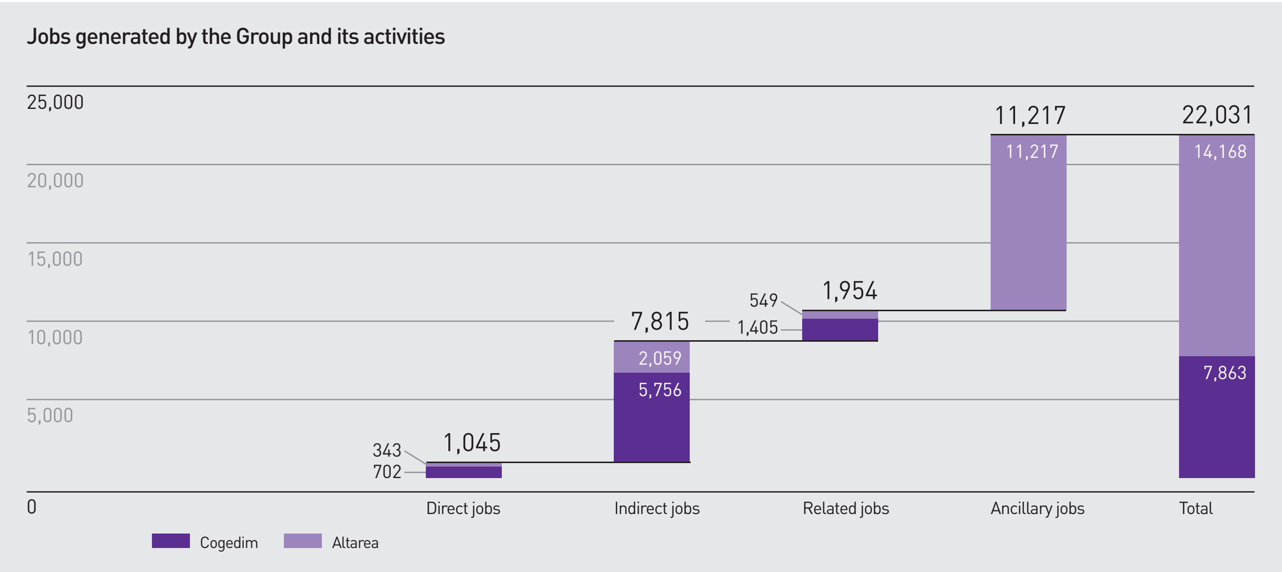
Jobs created indirectly by Altarea Cogedim are those directly supported by purchases of goods and services by different Group entities.

Related jobs

Related jobs are those created by the consumption of direct and indirect employees in France.

Ancillary jobs

Ancillary jobs are those hosted (tenants) in the shopping centers owned and managed by Altarea Cogedim.



The Altarea Cogedim Group's employment footprint

For its activities that create many indirect jobs, the Group is studying the possibility of applying, in the medium term, clauses that encourage economic development and job creation by forming partnerships with local authorities and the multiple employment and social integration players.

This approach has been developed even further in the Qwartz regional shopping center in Villeneuve-la-Garenne, which was delivered in 2015. First, the construction contracts were allocated based on the condition of employing local workers directly or through subcontractors. Second, the Group set an objective of 50% local jobs created by the shopping center's future retailers, in consultation with the City of Villeneuve-la-Garenne. To facilitate the recruiting processes, a platform was created to connect job seekers and retailers.

Furthermore, in March 2015, as part of the future opening of the L'Avenue83 shopping and leisure center, Altarea Cogedim signed a charter with the employment agency in Var aiming to encourage residents of the Toulon region to join the workforce. Similarly, in December 2015, the Group signed a responsible jobs charter with the town hall for Paris's 19th arrondissement, with the goal of giving Parisians a chance to benefit from all the job opportunities related to the future retail space on boulevard Macdonald, for which Altarea Cogedim is the developer and marketer.

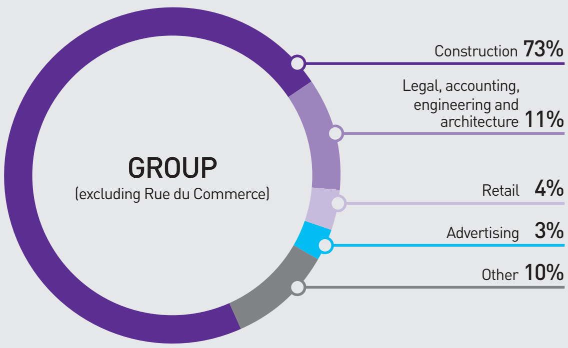
5.3.5. PROCUREMENT POLICY

Definition of the issue	Application of criteria and sustainable development clauses in the selection of suppliers
Materiality level	Significant
Relevant scopes	Property Development, Real Estate

5.3.5.1. Procurement policy and suppliers – Group

Goods and services purchased by the Group cost approximately €900 million. This sum is distributed as follows:

Mapping of Group procurement



Group procurement has a large societal impact, both in terms of amounts purchased and the relation to a large number of economic sectors. The Group intends to use its ability as a large purchaser of goods and services to encourage best practices among its trade partners.

To this end, in 2014, Altarea Cogedim established the detailed mapping shown below, and it is leading discussions to develop support materials for improving its procurement policy with suppliers.

Group procurement policy

GROUP: KEY SUBJECTS FOR EVALUATING SUPPLIERS

- Economic situation
- Certifications (ISO 14 001, ISO 9 001, etc.)
- Use of healthy and eco-responsible materials
- Protection of the environment (energy, waste, water, carbon, etc.)
- CSR management (EMS, etc.)
- Compliance with international and national labor standards (Global Compact, human rights, illegal labor, discrimination, etc.)
- Employee health and safety
- Fight against corruption

BUSINESS	Property development	REIT
ELEMENTS IN PLACE	• Project management contracts • Reference and evaluation sheet for companies • Construction site charter • National framework agreements for safety and health protection	• Environmental charter and appendices for construction, cleaning and maintenance companies

GROUP ACTION PLAN 2015-2016

- Roll out a responsible purchasing charter for key suppliers
- Structure and standardize an evaluation process for key suppliers

In each division, current documents require the Group and its suppliers to continuously improve. These documents are described in more detail in the sections below.

5.3.5.2. Procurement policy and suppliers – Property Development division

Construction contracts and architecture and engineering services are the Group's top procurement item. Altarea Cogedim would like to rally its entire value chain around a labor and environmental progress approach by incorporating sustainable development criteria in its trade relations with suppliers.

5.3.5.2.1. Architecture and engineering

All of the Group's Property Development activities (retail, office, hotel, residential) have project management contracts (architects, operational project Managers). These contracts and their appendices are applicable for new projects that are undertaken, and they aim to:

- incorporate recent regulatory changes (French Labor Code: prevention of undeclared work, etc., planning code: floor area, impact study, etc.);
- include objectives and challenges related to environmental certification as part of the terms of the contract;
- provide technical, program and development teams with a common framework for consulting our contractors and implementing their contract quickly once they are selected.

5.3.5.2.2. Construction companies

As part of its sustainable procurement policy, Altarea Cogedim leverages its scope of responsibility to:

• Require that companies respect labor and environmental clauses in construction contracts

In particular, environmental or qualitative professional certifications are systematically required of construction companies. The latter must also commit to preventing undeclared work and to respecting employee health and safety. A local labor clause is also included in construction contracts for the retail division. At the same time, a low nuisance construction site charter is appended to all works contracts.

• Evaluate the skills and experience of construction companies with regard to sustainable development

A reference and evaluation sheet is also appended to all construction contracts to ensure that companies are able to fulfill the environmental ambitions of the projects, and to manage and minimize the impact of the construction site in terms of noise and visual pollution and waste management.

• Ensure proper application of labor and environmental clauses

Various actors, such as the "clean construction site" coordinator and the health and safety protection (H&S) coordinator, are called upon to ensure that labor and environmental requirements are effectively fulfilled at the site. In particular, five national framework agreements have been signed with technical monitoring companies specializing in H&S and Environment works management to harmonize monitoring tasks in all residential operations and to ensure safety and proper application of the low nuisance construction site charter.

In addition, to effectively prevent undeclared work and fulfill its obligations as project Manager, Altarea Cogedim uses an external service provider to collect, store and manage all regulatory certifications provided from these companies and necessary for the signing of the contract and authorization of the various subcontractors. This measure was put in place in 2015 for all new residential and office operations.

At the end of the operation, contractors are evaluated according to qualitative and/or environmental criteria to assess whether environmental clauses have been fully applied.

5.3.5.3. Procurement policy and suppliers – real estate division

Since 2014, Altarea Cogedim has required that all service providers involved in operating the Group's properties sign two documents by which they commit to an environmental approach:

- an environmental charter for contractors that provide occasional services;
- an environmental appendix to maintenance and cleaning contracts.

The environmental charter addresses the following three topics:

- construction site impact: limiting noise, accidental pollution;
- waste treatment: reporting quantities of waste produced by type and by disposal method;
- choice of materials: use of EC-labeled materials, preference for labeled materials and those with a low VOC content.

The environmental appendix for maintenance and cleaning contracts addresses the following topics:

- management: training plan for those performing the services, sustainable development plan of the provider;
- energy: energy monitoring, continuous maintenance plan for equipment;
- ecology: incorporation of a biodiversity action plan;
- pollution: hazardous waste management, monitoring of oil separators and discharge permits;
- materials: limiting pollution and risks for workers;
- waste: maximizing waste sorting and recovery, monitoring of hazardous waste;
- water: monitoring of water consumption, use of hydro-efficient equipment when replacement is needed;
- comfort and health: management of bacteriological risks, use of low VOC or labeled paints.

Standardizing the use of these contractual documents on sites included in the scope of reporting and sites managed on behalf of third parties (unless otherwise specified by the third parties) satisfies the requirements of BREEAM® In-Use certification.

The Group also issued an environmental appendix for green-space contracts; this will encourage operations that better respect biodiversity.

5.3.6. SPONSORSHIP AND PARTNERSHIP

Definition of the issue	Participating in sponsorship and partnership initiatives in connection with Altarea Cogedim's businesses
Materiality level	Moderate
Relevant scopes	Group

For more than seven years, Altarea Cogedim has been working closely with Habitat et Humanisme, a non-profit organization that is recognized for its vitality and social innovations, to help find housing solutions for disadvantaged persons. This commitment has been driven by three, 3-year agreements, implemented and orchestrated entirely by a bipartite Oversight Committee. At December 31, 2015, this commitment represented a total financial investment of €3 million, primarily apportioned as follows:

- participation in the funding of ten social or intergenerational residences (of which six are currently operating, three are under construction and one is in development);
- financing of three Habitat et Humanisme Manager positions in the Paris Region for the past six years: two real estate prospectors and one rental Manager;
- 13 awareness-raising initiatives of Habitat et Humanisme targeting the general public in Group shopping centers and online to develop donations and encourage the recruitment of volunteers;
- development of expertise-sharing sponsorship initiatives with four employees offering their professional time to resolve technical, project organization and legal issues encountered by Habitat et Humanisme;
- the inclusion within a company savings plan of a housing support fund including Habitat et Humanisme collecting a portion of amounts invested to finance its initiatives.

In total, over the last seven-plus years, Altarea Cogedim has contributed directly to the creation of 280 housing units with capacity for nearly 400 people.

An important event in 2015 was the opening of the Cézanne family boardinghouse in Aix-en-Provence, in which the financial support of Altarea Cogedim played a vital role. Since March, this establishment has welcomed 30 residents, including men and young women with children who are experiencing a family separation and isolation.

5.4. SOCIAL PERFORMANCE

5.4.1. REPRESENTATION, DIVERSITY AND SOCIAL DIALOGUE

Definition of the issue	Anticipating changes in the workforce in line with changes in the age pyramid against a backdrop of constructive employee dialog. Combating all forms of discrimination, including discrimination based on disability, complying with human rights principles
Materiality level	Important
Relevant scopes	Groupe

5.4.1.1. Total workforce and breakdown by gender, age and geographical region

5.4.1.1.1. Headcount

The year 2015 was characterized by substantial growth. Total headcount at December 31, 2015 rose to 1,045, i.e. a 7.6% increase from December 31, 2014. Of this total, 1,001 employees had permanent contracts and 44 had fixed-term contracts.

Despite an uncertain macroeconomic climate, the Group maintains its commitment to job development by giving priority to permanent contract hires. It made 185 hires in 2015, or 34% more than in 2014. Permanent contracts still dominate, applying to 96% of the Group's employees. Constantly seeking to promote sustainable long-term employment, the Group converted 25% of fixed-term contracts into permanent contracts, compared with 13% in 2014.

	Permanent contract	Fixed-term contract	Group total	Average age	Average seniority
Women	573	28	601	41.1	7.6
Men	428	16	444	39.4	6.2
Total	**1,001**	**44**	**1,045**	**40.4**	**7.0**

Headcount by gender and geographical area

	France	Italy	Spain	Luxembourg	Total
Women	583	13	5	-	601
Men	432	10	1	1	444
Total	**1,015**	**23**	**6**	**1**	**1,045**

5.4.1.1.2. Recruitment policy

Altarea Cogedim Group considers identifying and recruiting talent a key to its short- and long-term success.

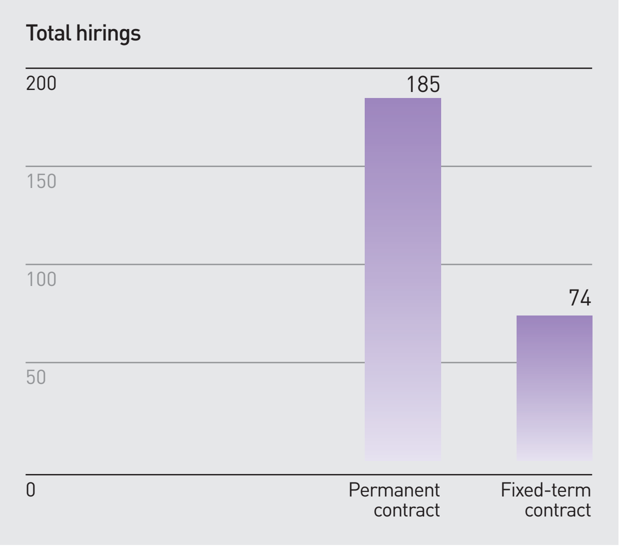
The Group's recruitment policy is part of an HR strategy that reflects the values of creativity, versatility and entrepreneurial spirit unique to Altarea Cogedim.

In order to realize the strong growth it strives for, since early 2015 Altarea Cogedim has been committed to an intensive recruitment plan.

More than 75% of hires on permanent contracts were in the Group's Property Development division, and more specifically the residential division, with the implementation of a new structure of the division in the Paris Region, including the revamping of the customer set-up. In the Paris Region and elsewhere in France, the Group recruited many real estate developers, sales consultants and specialists in setting up transactions, and it added the new position of Construction Manager. The development of assisted housing also made it possible to fill more than 20 positions for optimal operation, particularly for the senior residences.

In REIT, the refocus on the major shopping centers, Retail Parks and train station shops created positions in development and management.

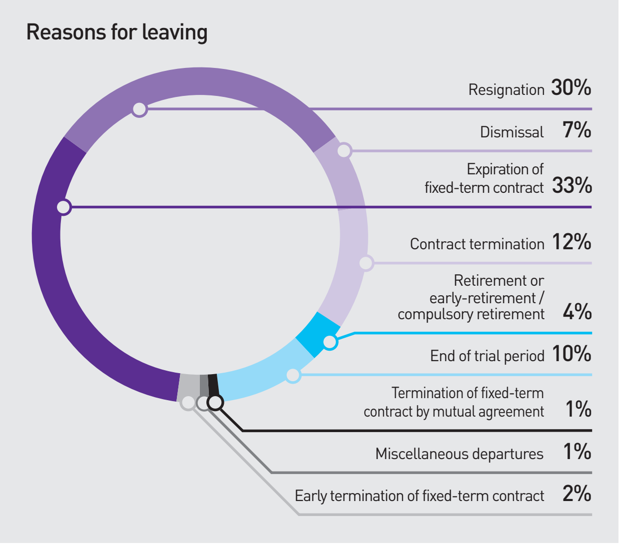
The functional diversity and development of mixed-use projects are at the heart of the Group's strategy, with the creation of a Major Projects team dedicated to developing large-scale mixed-use projects in the Paris Region, and with the vitality of the retail activity in building lobbies.



In addition to hiring, effectively integrating employees remains a priority. "Crescendo" integration days have been organized since 2010 to help employees better understand the challenges faced by the Group and to create bonds between workers in the different entities.

The total departure rate (fixed-term + open-ended contracts) recorded at the end of 2015 is 18.35% (total number of departures/average headcount); this is a slight increase from 2014.

As in 2014, the expiry of fixed-term contracts (33%) and resignations (30%) constituted the major reasons for departure. Taking into account only the departure rate of employees on open-ended contracts, this rate drops to 12%.



5.4.1.1.3. Organization of working hours

Two economic and social units encompass Group employees who work in France: the Altarea economic and social unit and the Cogedim economic and social unit:

In accordance with the provisions of company agreements on the 35-hour work week, the organization of work in each of these units is based on two types of mechanisms that depend on the employee's status:

- a fixed annual amount in days for Managers classified as "autonomous" executives;
- a collective number of hours per work week defined for Managers not eligible for a fixed number of days and for non-management staff.

"RTT" days (days for recuperation of time worked) are granted under each mechanism.

3.6% of the Group's total workforce is made up of part-time employees, and 44.7% of part-time employees work at least 80% of a full-time position.

5.4.1.1.4. Promoting diversity

The Group is aware of its social footprint and firmly believes that diversity is a source of efficiency and social innovation within the company. It has thus worked to promote diversity for several years in three main ways:

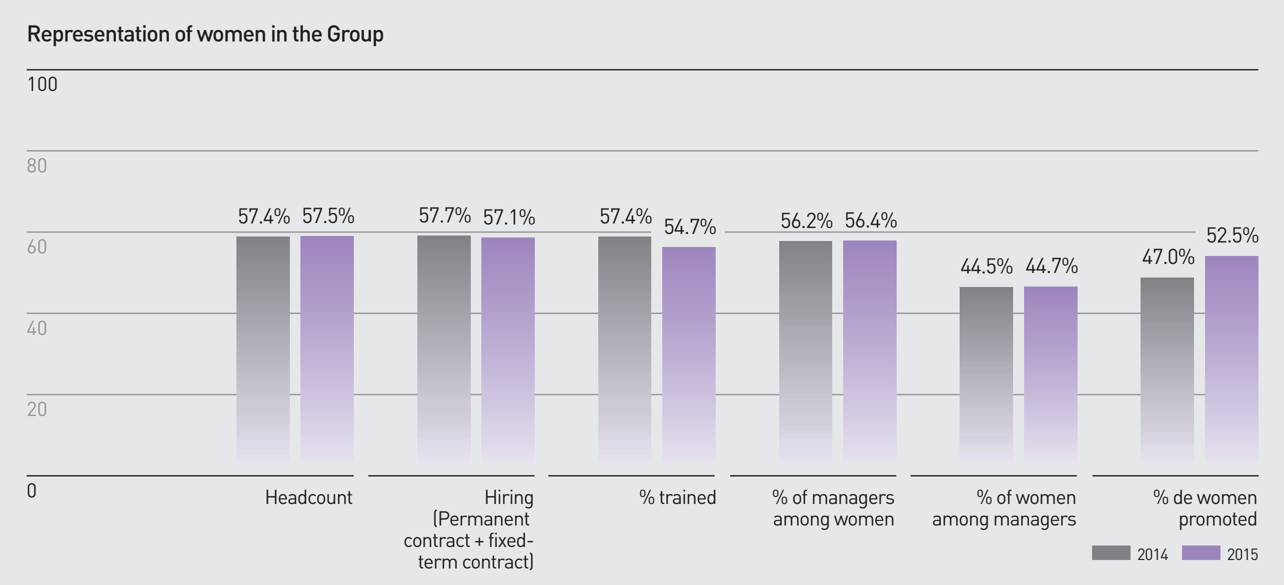
- gender equality;
- special initiatives for young people and seniors;
- inclusion of those with disabilities.

The Group has thus used a Diversity Charter since 2013.

At December 31, 2015, the workforce consisted of employees representing 17 nationalities (the same as in 2014).

The recruitment process is strictly based on the skills and qualifications of the candidates. Compensation at hiring is set according to objective criteria based on academic background, professional experience and market practice in line with the principle of wage equality for men and women with equal qualifications.

Gender equality has always been viewed as furthering collective growth and social cohesion. The Group entities have each worked to promote equal opportunity employment, offering the Group a broad and formalized framework, with specific areas for action such as access to training.

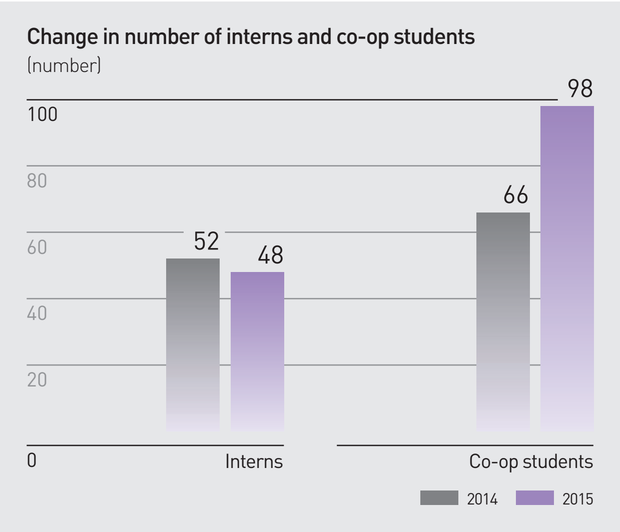


Female representation on the Committee of Managers is stable, at 26%. A woman has joined the Executive Committee.

Offering young people and seniors access to employment is also a priority for the Group, which strives to be a responsible business.

The intergenerational contract in place since 2013 and valid for three years in each Group entity in France aims to sustainably integrate young people under 27 by means of permanent contracts, to promote hiring and continued employment of those 55 and over, and to ensure the transmission of knowledge and skills.

To guarantee that skills are passed down through generations of employees, the mentoring initiative was continued in 2015; eight mentors shared their skills with interns, apprentices and new hires. To this end, the Group has a policy of advanced work-study. Under this policy, it recruited 48% more young people in 2015.



At December 31, 2015, 199 Group employees were older than 50. This population represents 19% of Altarea Cogedim employees (the same as in 2014).

Under our disability action plan, at December 31, 2015, the number of employees who declared themselves to have a disability increased from three to eight.

Furthermore, the Group continues to call upon ESAT (*Etablissement et service d'aide par le travail*) to provide a range of services (purchase of supplies), and there is a partnership with a caterer for the Group's head office.

5.4.1.1.5. Dialogue with employee representatives

All Group employees in France are covered by a collective bargaining agreement. Employees are distributed between two legal entities, the Altarea economic and social unit and the Cogedim economic and social unit, which together have a total of 36 representatives.

Eight Health, Safety and Working Conditions Committee (CHSCT) meetings were held in 2015 to address occupational health and safety issues. All members of the CHSCT learned about the prevention of psychosocial risks at a meeting that was organized in 2014 for the Executive Management. They were also involved in the reorganization of the head office.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the deputy CEO and the Human Resources Department.

The Group complies with the eight main International Labor Organization conventions and ensures that they are applied in its operations, in particular:

- respect for freedom of association and right to collective bargaining;
- elimination of discrimination in respect of employment and occupation (ILO);
- elimination of forced or compulsory labor;
- effective abolition of child labor.

The Group operates only in countries (France, Spain and Italy) that have ratified these fundamental conventions and transposed them into national Law.

The Group's Ethics Charter sets out the mutual rights and duties of employees and the enterprise, emphasizing compliance with laws and regulations. The charter is available on the intranet and included in the employment contracts of all new hires.

The Group has not undertaken any additional action in favor of human rights.

Cogedim's entities have no facilities or sites abroad.

5.4.2. COMPENSATION AND SKILLS DEVELOPMENT

Definition of the issue	Developing the skills and employability of employees. Introducing practices that foster mobility, promotion, career management and growth of employees' compensation
Materiality level	Crucial
Relevant scopes	Group

5.4.2.1. Training policy

The mission of the Group's training policy is to support employees in developing their cooperative and individual skills in line with the company's strategy. In 2015, the Group continued to invest in training to support its growth by offering a wide selection of personal and professional development activities.

The Group's training policy is based on three types of offerings formalized in training plans, which are updated each year through a needs analysis carried out during annual appraisals and regular exchanges with operational Managers:

- individual or group job training to update or improve technical skills, the "bedrock" of employee expertise;
- cross-cutting training courses for all employees and Managers as part of the shared platform, ALTEREGO Training, which aims to develop interpersonal skills. These courses cover such topics as "training management" and public speaking, which is taught through theater techniques;
- individual offerings created on a case-by-case basis according to needs such as the curriculum in project management put in place for all the workers in the residential division, or training on crisis communication that is offered to all Managers of the Real Estate Division.

To make the trainings more effective, the Group uses several learning approaches: individual or group, in the classroom or remote, as can be seen in our training platform in office skills in e-learning and our internal sales school, the Cogedim Academy.

This Academy, which was launched in 2015, starts training sales employees and their Managers (100 employees) as soon as they begin their jobs, and then it continues to provide training. Several teaching methods are combined: traditional classroom training, on-the-job training, and continuous assimilation of knowledge through an e-learning platform.

An academy has many benefits, in particular: accelerating and developing individual and group performance, developing a tool kit of business line skills, bolstering our employer brand and attracting talent, and creating an environment in which people can share experiences.

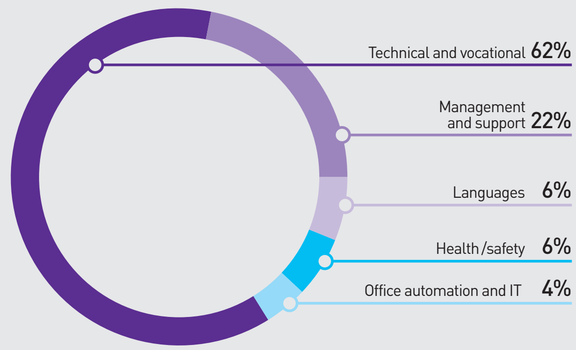
The Academy's digital training platform has been operational since January 2016. The platform offers learners an enjoyable, interactive way to gain experience after classroom training. This platform, which is ergonomic and accessible from tablets and smartphones, makes it possible to categorize all the related training and skills and in that way solidify knowledge.

5.4.2.1.1. Total training hours

By the end of 2015, a total of 8,761 training hours were provided in the Group to 578 employees; this is a 12% increase in the number of training hours.

	2014	2015	% change
Hours of training	7.805	8.761	12.2%
Number of training initiatives	881	955	8.4%
Employees trained	620	578	-6.7%
Average cost (€)	1.670	2.443	46.2%
Average number of training hours (per employee)	8.18	8.69	6.2%
Average number of training hours (per trained employee)	12.59	15.16	20.4%

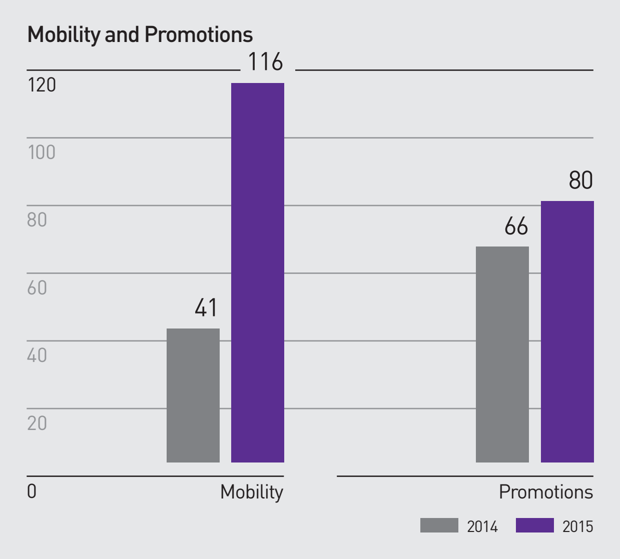
Breakdown of hours of training as a %



As is the case every year, the most hours are devoted to job training, followed by development initiatives, not to mention the numerous internal trainings that are not accounted for in this report. The health and safety focus was reinforced in the Real Estate Division in order to finance certifying initiatives for technical Managers.

In 2015, investment in training represented 2.08% of the payroll. Therefore, the training budget was larger in 2015 in order to fund large-scale initiatives such as Cogedim Academy, along with more in-depth training for target groups.

5.4.2.1.2. Promotions and mobility



Mirroring the training initiatives, the internal mobility and Promotion activity was significant. The inherent diversity of jobs in the real estate industry naturally fosters employee mobility. In 2015, the reorganization of the Residential Division affected career development, and the activity of the Real Estate Division also spurred professional and geographic mobility.

At December 31, 2015, 196 Group employees were promoted or moved within the company, i.e., nearly 20% of the workforce on permanent contracts.

Employees' goals and aspirations are discussed at annual appraisals, the summaries of which offer Managers a better idea of how their employees wish to grow within the company. Because 2015 was a transition year in light of the reorganization of the Residential Division, 72% of employees on permanent contracts had formal appraisals. Beginning in 2016, these elements will be subject to a professional interview, with a new form that is separate from the one for the annual meeting focusing on goals.

5.4.2.1.3. Sharing success with employees

Annual employee appraisals conducted at the end of each year make it possible to analyze positions by category, which can lead to adjustments to eliminate wage disparities. A new remuneration benchmark for several target jobs in the Group was created in 2015.

The average gross salary in the period (excluding variable compensation) amounted to €59,312. As part of a new three-year strategic plan, "Ambition 2018", which sets the direction of objectives to achieve, a employee stock ownership program was implemented in early 2016.

5.4.3. EMPLOYEE HEALTH AND SAFETY

Definition of the issue	Preventing occupational accidents by putting in place measures to promote a safe work environment, ensuring the health and well-being of employees and limiting absenteeism
Materiality level	High
Relevant scopes	Group

5.4.3.1. Absenteeism

Absenteeism is subject to a thorough and detailed annual review based on an analysis of the causes by entity.

The absentee rate for employees on permanent and fixed-term contracts was 3.36% this year, compared with 2.92% for 2014. This rate is obtained by comparing the number of days of absence due to occupational illness, non-occupational illness, commuting incidents, workplace accidents and unexcused absences with the theoretical number of days worked x 100.

Most absences (97%) were due to non-occupational illness. Absenteeism due to workplace accidents is very low (in the order of 0.04%), and in 2015 there were zero absences due to commuting incidents.

Short-term absenteeism, which corresponds to the average number of days of absence under one month for the workforce on average x 100, was slightly higher than in 2014, at 4.5%.

5.4.3.1.1. Ensuring employee health and safety

As the Group's business does not present a significant risk for employee health and safety, no collective agreement was concluded in this area in 2015. There were no occupational illnesses reported within the Group.

	Workplace accidents		Commuting incidents		Occupational illnesses	
	2015	2014	2015	2014	2015	2014
Number of incidents	5	0	5	3	0	0
Number of days	87	13[a]	17	75	0	0

(a) Accident declared in 2013 but continued in 2014.

Ongoing initiatives to promote a safe working environment and ensure the health and well-being of employees include updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on construction sites.

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage.

5.5. ENVIRONMENTAL PERFORMANCE

5.5.1. ENVIRONMENTAL LABELS AND CERTIFICATIONS

Definition of the issue	Developing, using and marketing of labeled and/or certified products to meet stakeholders' expectations
Materiality level	Crucial
Relevant scopes	Property development, REIT

To enhance the environmental performance of its new projects and existing Property Portfolio, Altarea Cogedim has selected environmental or qualitative certifications adapted to the type of project for all of its new developments and existing assets.

They are selected based on two predominant criteria:

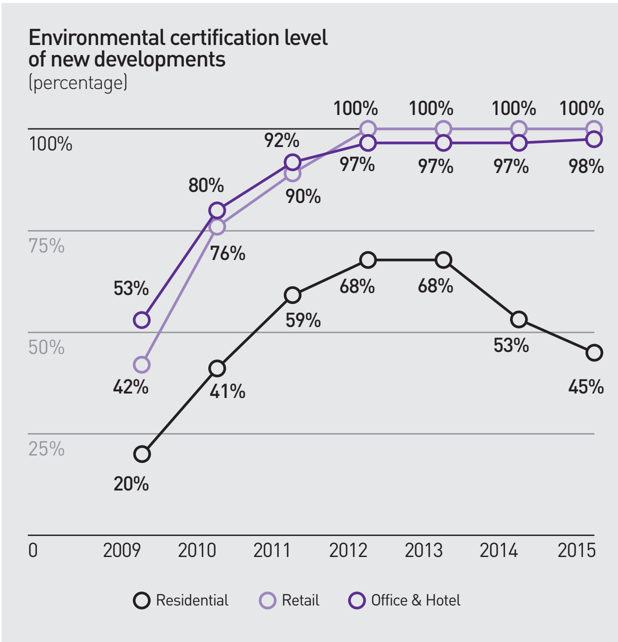
- the relevance of the applicable standards and assessment method;
- stakeholder expectations for each project type.

5.5.1.1. Environmental labels and certifications – Property Development division

The Group has introduced a systematic qualitative or environmental certification approach for its new projects:

- "Very Good" or higher BREEAM® environmental certification for new commercial developments;
- NF B "Excellent" and BREEAM® "Very Good" environmental certification as a minimum requirement for new office developments;
- NF B or BREEAM® "Very Good" environmental certification as a minimum requirement for new hotel developments;
- NF Habitat HQE® environmental certification for new residential development projects in the Paris Region and some residential projects in other French regions (excluding co-development, rehabilitations and managed residences).

This all-encompassing environmental ambition could change in certain cases: purchase of a project with a final building permit, provision of a service to a partner investor, technical impossibility, etc.



Percentage of surface area (hors oeuvre net [net surface area] or floor area) of shops, offices, hotels, or number of residential units that are certified or in the process of obtaining environmental certification for all the operations in progress – that is, that have a building permit (provisional or final), or are under construction or delivered in a given year.

Since the progress-based Altagreen® approach was implemented in 2009, the percentage of production with environmental certification has increased substantially for all property types as a result of both the target for environmental certification of new operations and removal of non-certified properties from the scope of the indicator. Nearly 99% of office space built (Retail property, offices and hotels combined) thus obtained environmental certification in 2015.

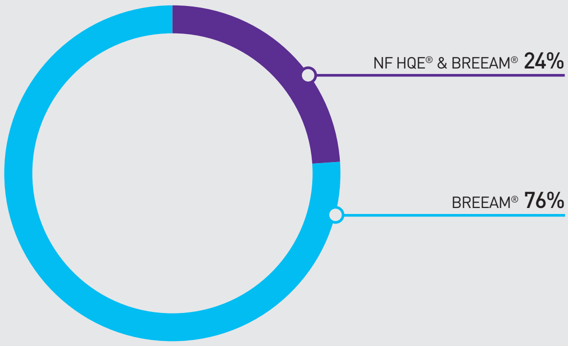
5.5.1.1.1. Environmental certification for new retail developments

In 2015, new retail developments certified or undergoing environmental certification represented 307,352 m², i.e., 100% of the Group's total production.

Altarea Cogedim chooses the certifications best suited to its customers' needs and the context of programs. Thus, the BREEAM® certification, which has been widely adopted by European players in retail, is used for all of the Group's new retail developments.

Breakdown of retail projects by environmental certification

(Percentage of surface areas in m² of hors œuvre nette [net surface area] or floor area)



The Group systematically seeks out the highest certification levels possible within the technical and economic parameters of the project. As such, in accordance with the Group's objectives:

- 100% of operations that have an NF HQE® certification obtain a "Very Good" rating (74,880 m²);
- 100% of operations that have a BREEAM® certification obtain a "Very Good" or higher rating (307,352 m²).

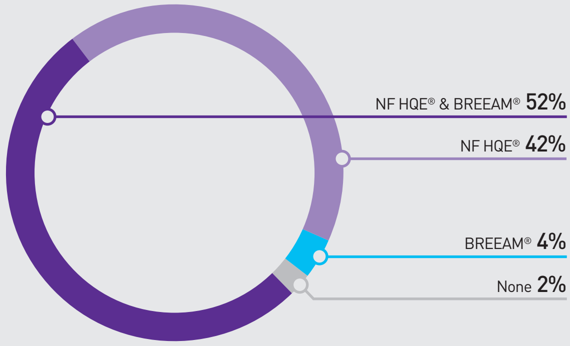
The average BREEAM® score (weighted by surface area) of new retail projects (307,352 m², i.e., 100% of surface areas) is 68%, which corresponds to "Very Good." This figure rose from 2013 (64%), as two new projects achieving an "Excellent" rating entered into the scope of reporting.

5.5.1.1.2. Environmental certification of Office and Hotel projects

In 2015, new office and hotel developments certified or undergoing environmental certification represented 453,012 m², i.e., 98% of the Group's total production in terms of surface area. Although the "NF HQE®" certification is the most widely used certification among these projects, Altarea Cogedim utilizes dual certifications (241,023 m², i.e., 52% in surface area of new projects) in order to give its customers more complete solutions regarding environmental and societal issues.

Breakdown of office and hotel projects by environmental certification

(Percentage of surface areas in m² of hors œuvre nette [net surface area] or floor area)



In accordance with the goal to universally achieve the "NF HQE®" "Excellent" rating and BREEAM® "Very Good "rating, as a minimum:

- 56% of operations that have "NF HQE®" certification obtain the "Excellent" rating or higher;
- 95% of operations that have BREEAM® certification obtain the "Very Good" rating or higher.

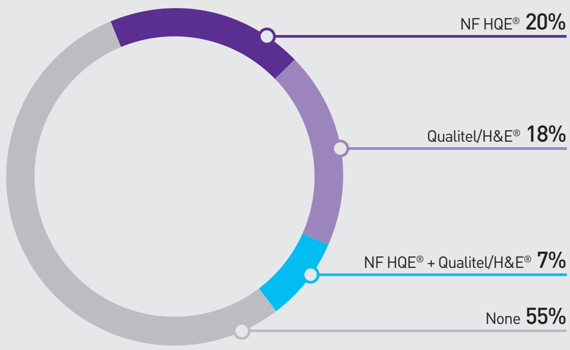
5.5.1.1.3. Environmental certification of residential projects

In 2015, new residential developments certified or undergoing environmental certification represented 11,252 units, i.e. 45% (in number) of the Group's total production. Although the certification rate has been falling nationally, it is still very good for the operations in the Paris Region. These certifications are in addition to the qualitative "NF Logement®" certification established for 100% of housing built by Altarea Cogedim.

The decline in the certification rate also reflects the poor marketability of environmental certifications, as their purposes and benefits are often difficult to understand for individual buyers.

Breakdown of residential projects by environmental certification

(percentage of residential units)



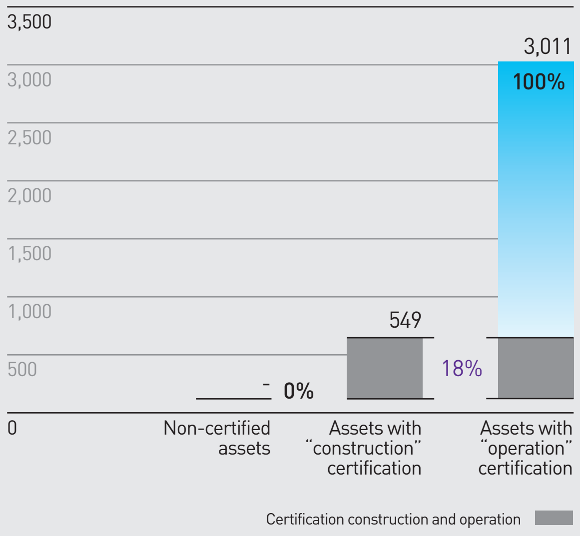
Qualitel and Habitat & Environnement (H&E) certifications are nearly always present on projects in which a social landlord is positioned upstream to acquire the operation. In these particular cases, we systematically design the environmental profile along with the social landlord.

5.5.1.2. Labels and certifications – real estate division

At the end of 2015, Altarea Cogedim assets managed by the Group having obtained environmental certification for their construction or operations represented 583,772 m² GLA (gross leasable area), i.e. 100% of the scope of reporting in value terms at December 31:

- 18% certified in construction;
- 100% certified in-use.

Environmental certification of managed portfolio
(in € millions)



Performance levels obtained for new projects and existing assets are detailed in paragraph 5.5.1.1.

5.5.1.2.1. Environmental certification in construction

Existing centers having received environmental certification in construction represent hors oeuvre nette (net surface area) of 157,543 m², or 18% of the scope of reporting in value terms at December 31. These assets obtained "Very Good" NF B certification for 46% of applicable surface areas and "Excellent" for 54%. In addition, the Qwartz site in Villeneuve La Garenne obtained dual "NF HQE®" "Excellent" and BREEAM® "Very Good" certification.

This rate is set to increase significantly over the coming years, as all retail projects under development are now subject to one or more environmental certifications.

5.5.1.2.2. Environmental certification in-use

Since 2012, Altarea Cogedim has been committed to progressive environmental certification of its assets currently in operation, choosing BREEAM® In-Use certification.

In 2014, the Group rolled out the Altagreen® Patrimoine operational Environmental Management System on all assets. This tool organizes non-financial reporting and increases reliability; it also makes best practices and the requirements of environmental certification standard throughout. Each center management team received a series of trainings in using this tool.

This has enabled the Group to improve the environmental management of its sites while moving forward in its process to get all the managed sites certified. In 2015, three sites, representing 102,946 m², were certified and the others renewed their certification.

Ultimately, the 23 sites in the scope of reporting at December 31, 2015, representing 583,772 m² of GLA, i.e. 100% of the managed portfolio in value terms, have BREEAM® In-Use certification. These certifications apply to the Asset (intrinsic performance of the building) and Management (operation of the building) categories of the benchmark. Since 2014, the international benchmark has been used.

Performance levels break down as follows (in value terms):

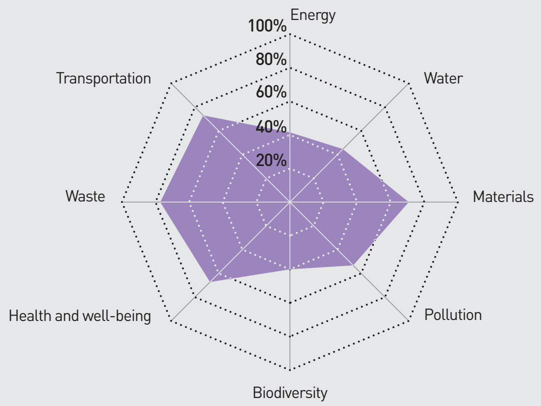
- Asset category: 14% "Excellent", 18% "Very Good", 68% "Good";
- Management category: 14% "Outstanding", 2% "Excellent", 54% "Very Good", 30% "Good".

In 2015, the average score was 57% for the Asset category (55% in 2014) and 56% for the Management category (53% in 2014). This increase was made possible thanks to the successful integration of the Environmental Management System by center management teams.

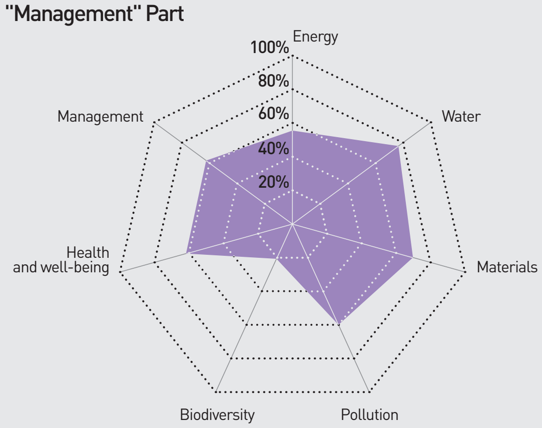
For each category, a score is calculated according to different components, all scored out of 100 points.

The graphs below show this breakdown, which was obtained by averaging the scores received for each site, weighted by surface area. They highlight the areas on which Altarea Cogedim is continuing to focus its improvement efforts: specifically, energy and biodiversity. The Group has taken steps in these areas, and these actions are described in the relevant sections.

Profile of certified sites BREEAM® In-Use – "Asset" part

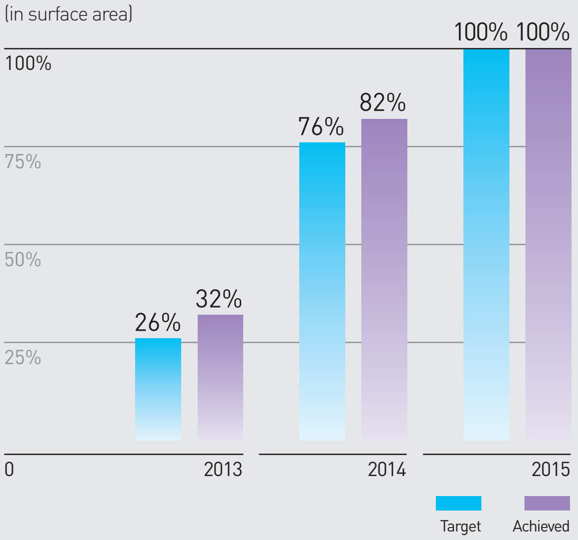


Profile of certified sites BREEAM® In-Use – "Management" Part

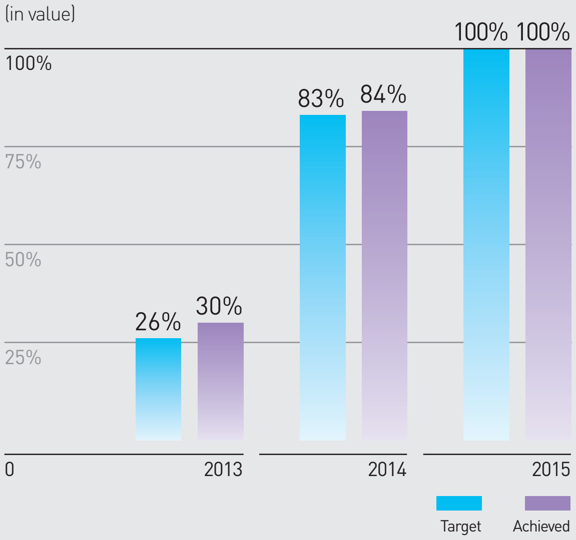


Altarea Cogedim had committed to certifying 100% of the assets within its scope of reporting under the BREEAM® In-Use reference system by the end of 2015. This goal was achieved this year.

BREEAM® In-Use certification of portfolio
(in surface area)



BREEAM® In-Use certification of portfolio
(in value)



In the coming years, the Group will maintain its BREEAM® In-Use certification goal to work toward 100% coverage of assets managed. The Group has also implemented a process whereby certified sites can reevaluate their scores each year to encourage and improve environmental practices at each site.

5.5.2. ENERGY EFFICIENCY

Definition of the issue	Designing and implementing new energy-efficient projects Control the energy consumption of the group's assets
Materiality level	High
Relevant scopes	Corporate, Property development, REIT

5.5.2.1. Energy efficiency in the Property Development division

To ensure transparency in the energy efficiency of its production, Altarea Cogedim has decided to report on all retail, office, hotel and residential projects by energy performance level.

As such:

- 97% (in terms of surface area) of new retail developments achieve performance levels that exceed the thermal regulation requirements that are applicable to each operation;
- 91% (in terms of surface area) of new office and hotel developments achieve performance levels that exceed the requirements of the thermal regulations that are applicable to each operation;
- 43% (in number) of new residential developments achieve performance levels that exceed the requirements of the thermal regulations that are applicable to each operation.

To improve the performance of its development projects and more accurately assess actual future energy consumption, Altarea Cogedim conducts additional studies for less standard projects and large-scale projects, i.e., nearly all office projects. The Group performs Dynamic Thermal Simulations during the design phase in projects to build offices, shops and hotels. These simulations make it possible to assess the building's future energy needs while incorporating the users' role and actual installed wattage. The precision of these studies also makes it possible to weigh construction choices by analyzing different scenarios: option of nighttime overventilation, optimization of dimming system for lighting, location of blackout systems, etc.

In addition, on October 12, 2015, the Group made a commitment to the city of Paris to reduce the energy consumption of its new projects.

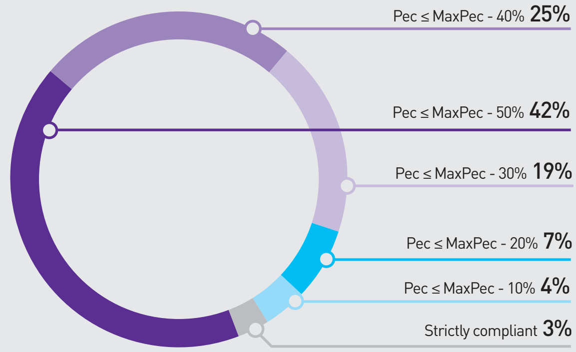
- as of now, on its new office real estate projects in Paris: energy performance exceeds the thermal regulations for new projects and renovated projects by at least 40%;
- as of now, on its new residential real estate projects in Paris: energy performance exceeds the thermal regulations for new projects by at least 10%.

5.5.2.1.1. Energy efficiency of Retail projects

In 2015, new retail developments that featured energy efficiency beyond what was required under the applicable thermal regulations represented 298,877 m², i.e., 97% of the Group's total retail production in terms of surface area. This high score reflects Altarea Cogedim's commitment to designing, building and operating efficient shopping centers and to protecting and extending the value of its future retail assets.

Breakdown of retail projects by energy performance level

(Percentage of surface areas in m² of hors œuvre nette [net surface area] or floor area)



PEC = primary energy consumption.

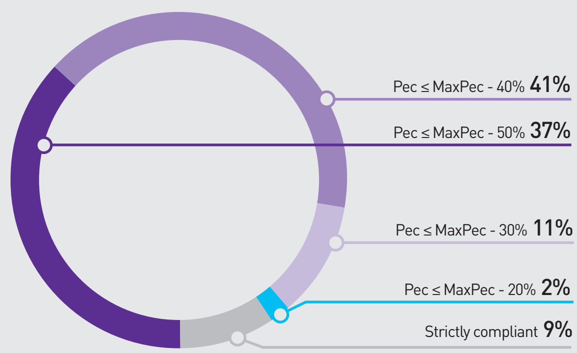
To go even further, Dynamic Thermal Simulations were carried out for all large-scale retail projects. In 2015, 66% (in terms of surface area) of retail projects, i.e. 203,974 m², underwent a dynamic thermal simulation.

5.5.2.1.2. Energy efficiency of office and hotel projects

In 2015, new office and hotel developments that featured energy efficiency beyond what was required under the applicable thermal regulations represented 419,249 m², i.e. 91% of the Group's total production in terms of surface area.

Breakdown of office and hotel projects by energy performance level

(Percentage of surface areas in m² of hors œuvre nette [net surface area] or floor area)



PEC = primary energy consumption.

Pursuant to the Group's goal of making a minimum of HPE 2012 (RT 2012 -10%) energy performance standard for all its new office projects, 100% of new office projects subject to RT 2012 regulations comply with or exceed RT 2012-10%. Furthermore, 37% (in surface area) of Group operations, i.e. 172,502 m², exceed the requirements of the thermal regulation applicable to each operation by at least 50%. In 2014, Altarea Cogedim also initiated the Group's first BEPOS operation. This project uses three renewable energy production technologies: geothermal energy, solar panels and thermal solar panels.

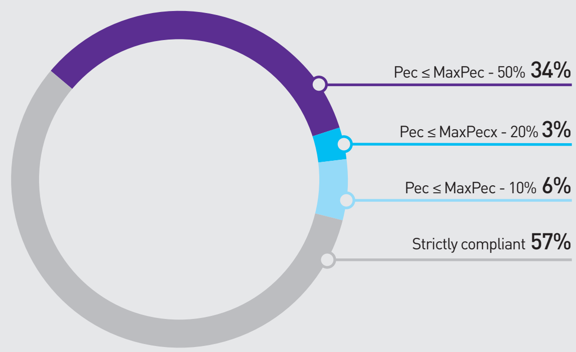
To ensure proper functioning of technical equipment, including systems responsible for heating/cooling production and output, a commissioning process was made standard for all new office projects as of 2014.

5.5.2.1.3. Energy metering systems

For office projects that undergo environmental certification (nearly 99% of its production) Altarea Cogedim goes beyond regulatory requirements for energy metering and makes equipment for monitoring energy consumption available to occupants. These systems empower occupants, giving them the tools necessary to understand their consumption in detail by use or zone and to rapidly identify sources of overconsumption.

5.5.2.1.4. Energy efficiency of residential projects

Breakdown of residential projects by energy performance level
(percentage of residential units)



In 2015, new residential developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 10,620 units, or 43% (in terms of number) of the Group's total housing production.

In 2016, Altarea Cogedim will initiate pilot operations exceeding the requirements of RT 2012 in order to ultimately standardize RT 2012 - 10% efficiency levels.

5.5.2.2. Energy efficiency in the real estate division

5.5.2.2.1. Energy managed by the Group

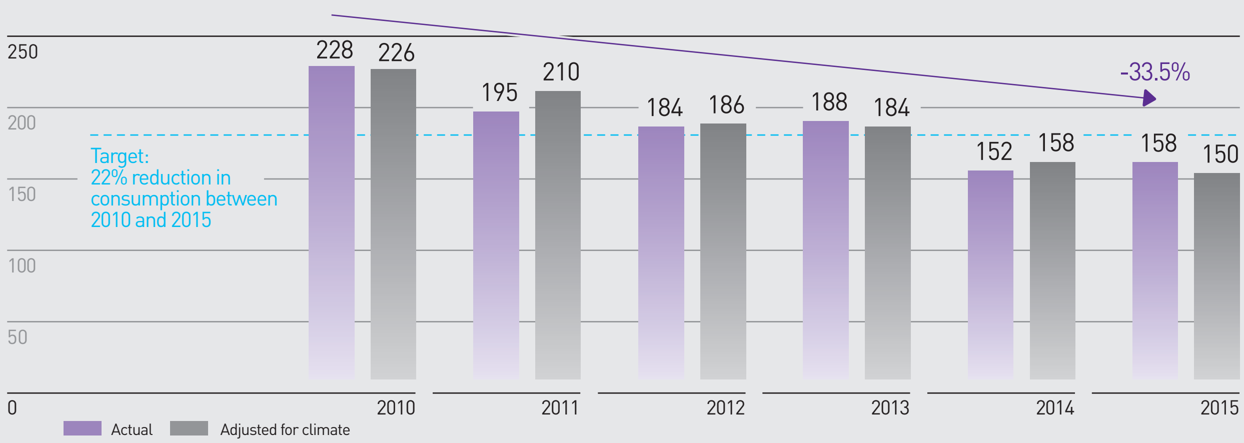
In 2015 for the current scope, the portfolio's total consumption was 72.3 GWh of primary energy.

This year, Altarea Cogedim continued two complementary initiatives to strengthen its actions to reduce its energy consumption and related CO_2 emissions.

The first involved implementing recommendations from the energy audits conducted in 2012 and 2013 across the Group's portfolio. These procedures make it possible to develop on-site assessments of energy consumed for each asset, particularly by analyzing structure, technical facilities and operational management. The action plans involve energy management at the sites along with the optimization and even renewal of technical equipment. They also establish thermal recommendations for the next overall renovation of the shopping center.

At the same time, the Group finished developing an Environmental Management System for operations (EMS), which is being extended to all assets. All the technical and operational teams received training in this tool in 2014 and continued their work in 2015. The EMS will allow for gradual improvement of the environmental performance (and thus the energy efficiency) of shopping centers by thorough implementation of best practices for operations and reporting.

Energy consumption of portfolio by type
(like-for-like in kWhpe/m²)



The aim of combining these two actions is to continually improve the environmental performance of the assets and achieve the objectives the Group has set:

- 22% reduction in primary energy consumption per m² from 2010 to 2015, on a like-for-like basis;
- 24% reduction in greenhouse gas emissions per m² from 2010 to 2015, on a like-for-like basis.

These consolidated ratios include various types of assets with specific energy profiles:

- shopping centers with a central area that is heated and air-conditioned with lessee water loops consume the most energy;
- lifestyle Centers with a central area that is not heated and air-conditioned but does have a lessee water loop consume an average amount of energy;
- lastly, Retail Parks/Family Villages® with open central spaces without water loops consume the least amount of energy among retail assets.

At the end of 2015, this approach to energy management led to a 30.5% like-for-like reduction in energy consumption when compared with 2010.

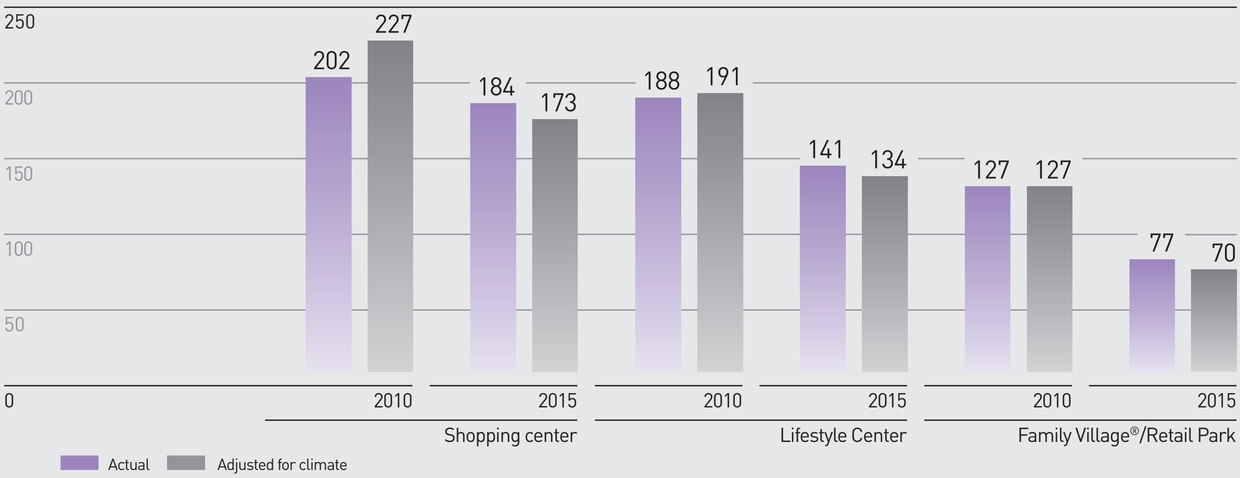
Since 2013, the Group has also used a tool that smooths the effects of weather on energy consumption so as to better assess the real impact of its efficiency efforts. Weather conditions were unfavorable in 2015, as a hot summer spurred greater use of air-conditioning; there is more of a drop in consumption under constant climate conditions: between 2010 and 2015, energy consumption fell by 33.5%.

These consolidated results far exceed the reduction objectives the Group set in 2010. Because the cycle of objectives set for 2010-2015 ended in 2015, Altarea Cogedim has set new goals in order to continue the accomplishments of the past few years: between now and 2020, reducing the portfolio's primary energy consumption by 40% on a like-for-like basis compared to 2010.

In the current scope including assets under management, acquisitions and new assets entering into operation, we noted a 12.8% decline in primary energy consumption over 2010-2015. Energy savings were achieved on all asset classes, and were even more pronounced for Family Villages® and Retail Parks.

Over this period, unfavorable weather conditions caused greater energy consumption due to the need for air-conditioning. Consumption adjusted to reflect a constant climate shows the significant impact of the efficiency initiatives: on a like-for-like basis, reduction at a constant climate was 25.1% between 2010 and 2015.

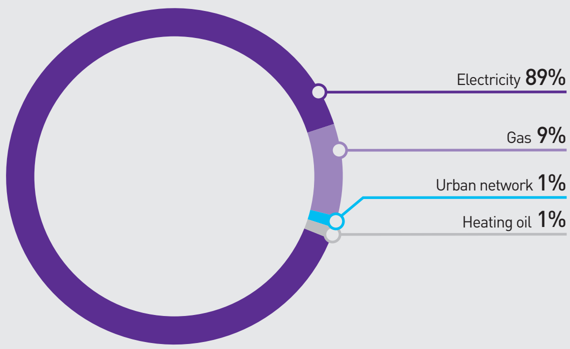
Energy consumption of portfolio by type
(Current scope in kWhpe/m²)



Electricity made up 89% of the portfolio's energy supply in 2015. This energy consumption comprises the consumption of common and private areas managed directly by Altarea Cogedim. This energy mix is also reflected in final energy, which better represents Altarea Cogedim's choice regarding energy supply.

The Group's portfolio is powered exclusively by EDF Group, which uses very little carbon. The energy supplied is 77% nuclear, 8% thermal, 6% gas and cogeneration, 7% hydropower, and 2% other renewable energy sources (source: EDF).

Energy mix of portfolio
(current scope)



The breakdown of surface area by energy category is more favorable to the Family Village®, Retail Park and Lifestyle Center asset classes than to shopping centers, which are inherently greater energy consumers due to their lighted, heated and air-conditioned common areas.

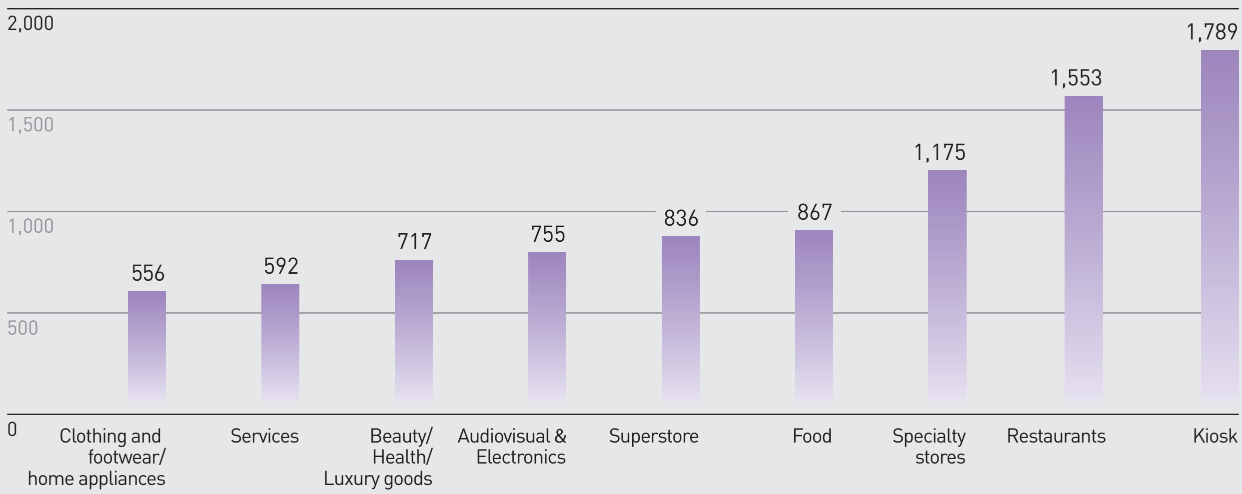
EPC Class (current scope)	kWhpe/m²/year	Number of sites	Privative Altarea GLA (gross leasable area)	%
A	≤ 80	6	137,568 m²	24%
B	81-120	2	29,521 m²	5%
C	121-180	6	169,355 m²	29%
D	181-230	7	220,888 m²	38%
E	231-330	2	26,440 m²	4%
F	331-450	0	0 m²	0%
G	> 450	0	0 m²	0%
		23	583,772 m²	100%

5.5.2.2.2. Tenant energy data and overall asset energy consumption

In order to gain a better overall picture of the energy used in its centers, including by equipment that does not belong to it, since 2014 Altarea Cogedim has been collecting energy data from its tenants at four shopping centers, which represent 57% in value terms of the sites owned and managed by the Group in 2015, and amount to 190,108 m² of GLA.

This initiative has made it possible to establish an energy consumption profile according to different categories of retail establishments by extrapolating this representative sample to the Group's portfolio as a whole.

Average energy consumption per m² and per year by type of business
(kWhpe/m²)

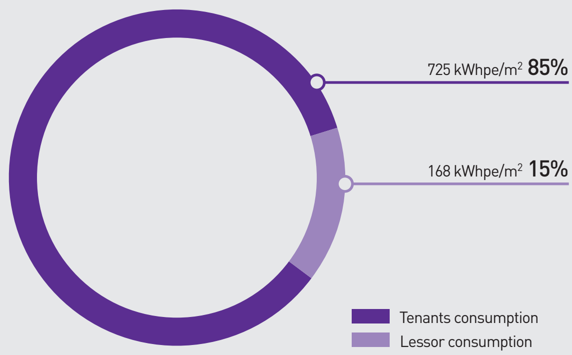


The most energy-intensive asset categories are kiosks and food service establishments (> 1,000 kWhpe/m²). This can be explained by the food service processes employed (preparation, refrigeration, ventilation, cooking). As kiosks mainly serve food and operate in small spaces, the equipment used makes for extremely high energy consumption.

The least energy-intensive asset categories are shops selling personal and household equipment, as well as services. These asset types account for energy consumption of approximately 500 and 600 kWhpe/m², respectively. This can be explained by the fact that energy is used only for heating/air-conditioning, lighting of sale spaces, and computers and cash registers. No energy-intensive equipment is used in these establishments.

This collection of tenant data also provides for an overall view of energy consumption of the portfolio shopping centers as a whole. The energy managed by the Group, together with that managed by tenants, adds up to the sites' total energy consumption.

Breakdown of portfolio energyconsumption
(current scope)



Energy consumption of the portfolio in terms of current scope, calculated by adding consumption of energy managed by the Group to consumption data collected from tenants and extrapolated to the portfolio as a whole.

This initiative to collect tenants' energy data will be continued in the coming years, with the aim of reducing the overall environmental footprint of the sites, particularly through the use of green leases (see paragraph 5.3.1.3).

5.5.3. GHG EMISSIONS AND CARBON IMPACT

Definition of the issue	Developing a comprehensive GHG reduction and climate change adaptation policy for the Group's businesses and for its internal operations
Materiality level	High
Relevant scopes	Group, Corporate, Property development, REIT

5.5.3.1. Altarea Cogedim Group's GHG emissions

The Group's total emissions are 792,000 tons of CO_2e. This figure includes both direct emissions and indirect emissions resulting from its business, and covers scopes 1, 2 and 3 of the Greenhouse Gas (GHG) Protocol.

The methodology used to calculate these emissions is compatible with the Bilan Carbone® assessment, the GHG Protocol and the ISO 14064 standard.

Altarea Cogedim also reports on emissions compatible with the regulatory GHG Assessment (Article 75 of Grenelle II), even though it is not subject to this regulation.

The calculation methods used for each activity are described in paragraph 5.6.1.2.

5.5.3.1.1. The Altarea Cogedim Group's carbon footprint

Altarea Cogedim's overall emissions consist of emissions related to the following activities:

- Corporate (head office, regional subsidiaries);
- REIT (assets in operation);
- Property Development (new developments).

In 2015, the Group's total emissions came to 792,000 tons of CO_2e.

99% of these emissions fall under scope 3: i.e. they are emitted by indirect sources produced by Altarea Cogedim's activities through its value chain. They include emissions such as those related to construction work carried out by outside providers (for the development business), or those related to energy used in shops, and thus the responsibility of tenants (for REIT).

The remaining 1% falls under scopes 1 and 2 and is emitted by direct sources that are managed by the Group, or by energy purchases: fuel purchased for corporate vehicles, or energy used in common areas, particularly in shopping centers.

The breakdown of emissions according to the different scopes, in accordance with the GHG Protocol and Article 75 of the Grenelle Environment Round Table, is presented in paragraph 5.6.1.2.

The Group's total emissions are broken down according to division and the different items that generate emissions.

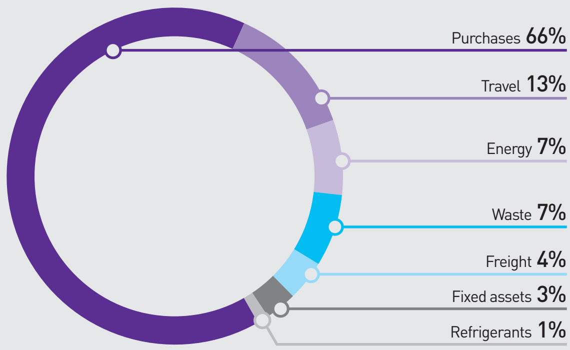
Breakdown of Group emissions by division

792,000 tCO_2e

758 tCO_2e/employee

Breakdown of Group emissions by item

(percentage)



The Property Development division accounts for 85% of the Group's emissions. However, these emissions are mostly indirect, as they result from construction work carried out by construction companies and outside service providers. The real estate division represents 14% of total emissions; 1% of these emissions are direct. The corporate division generates only 1% of total emissions.

Consolidated at the Group level, the two items that generate the most emissions are procurement and travel. These are due primarily to the purchasing of construction materials and visitor travel to Group shopping centers.

5.5.3.1.2. Reducing the Group's carbon footprint

For several years, Altarea Cogedim has been taking steps to reduce its greenhouse gas emissions. In 2015, as part of COP21, the Group continued its commitment in this area through two key initiatives:

- the signature of the Paris Climate Action Charter in partnership with the city of Paris. Under this charter, the Group commits to quantified and measurable objectives to reduce greenhouse gas emissions and energy consumption by 2020. These objectives are outlined in the real estate and development paragraphs;
- serving as a founding member of the BBCA [Bâtiment Bas Carbone, or Association for Low-Carbon Construction].

In concrete terms, the Group's overall analysis of greenhouse gas emissions, as well as the detailed analysis of each Bilan Carbone® assessment, enable Altarea Cogedim to determine which initiatives it should give priority to, and then to outline action plans to reduce greenhouse gas emissions that are unique to each of its activities. Given that the majority of emissions come from the Property Development and REIT activities, these activities have much more highly developed action plans than those related to the corporate segment. The Group is also prioritizing the emissions on which it has a direct impact, i.e., those of scopes 1 et 2.

• Reduction of scopes 1 and 2 emissions

Shopping center energy consumption represents the second-largest source of greenhouse gases, after travel: 15% of the consolidated emissions of the real estate division. These emissions are taken into account in both the design of new retail projects through Dynamic Thermal Simulations and during operation, through energy audits that give rise to action plans to reduce consumption in areas managed by Altarea Cogedim (see paragraph 5.5.2.2).

In the corporate division, travel makes up 55% of emissions. The Group focuses on reducing the emissions of employee and management vehicles. This approach is coupled with increased videoconferencing for meetings between subsidiaries and the head office.

• Reduction of scope 3 emissions

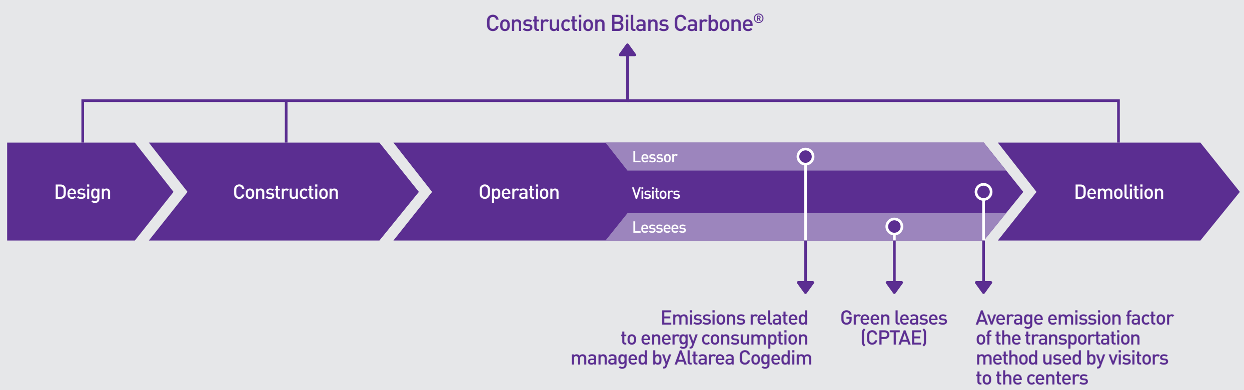
A building's design phase, construction and end of life are taken into account when assessing the carbon footprint of a project in the development division. In this division, 77% of emissions are due to the purchasing of construction materials, and 8% are due to waste production during demolition. Bilan Carbone® construction assessments (see paragraph 5.5.3.2) allow Altarea Cogedim employees and partners to create projects with a low carbon impact, for example by choosing low-carbon construction methods or materials.

The choice of a project site and its proximity to transportation are also crucial. In the real estate division, 64% of emissions are due to transportation, primarily by visitors traveling to shopping centers. The challenge of eco-mobility, at once societal and environmental, leads the Group to choose well-connected sites and to measure its progress through a series of indicators on proximity to transportation (see paragraph 5.3.2).

As far as the real estate division is concerned, reduction in energy consumption by tenants is a key component of reducing the shopping centers' carbon footprint. Meanwhile, environmental data sharing and limiting tenant energy consumption are formalized in green leases and the Technical, Architectural and Environmental Requirements (TAER) signed by tenants (see paragraph 5.3.1.3). To go even further, since 2014 Altarea Cogedim has been collecting the energy consumption data of the tenants of four of its shopping centers, representing 57% in value terms of sites owned and managed by the Group at December 31, 2015, that is, 190,108 m² of the GLA. The results will serve as a basis for establishing an action plan to reduce energy consumption across the site.

Together these actions make it possible to manage the greenhouse gas emissions of the buildings during their life cycle.

Reducing the carbon footprint of a shopping center



5.5.3.1.3. Anticipating and adapting to climate change

Altarea Cogedim has incorporated the risks climate change presents for its business. These risks can take various forms, such as flooding or heat waves. To date, the Group has yet to identify any major risks. Nonetheless, it is looking to anticipate climate change to be able to react, particularly in analyzing its carbon dependence.

By conducting a precise calculation of its businesses' greenhouse gas emissions, Altarea Cogedim intends to reduce them. More importantly, it strives to anticipate climate change in order to be able to cope with it.

The carbon emissions resulting from its business are closely tied to its vulnerability with respect to:

- the implementation of a carbon tax: the more greenhouse gases the Group's businesses emit, the greater the direct financial impact they will sustain;
- higher fossil fuel prices: the volatility of this energy source could raise prices of goods and services and therefore affect the Group's procurement.

Using the studies described above, Altarea Cogedim calculated the additional costs in each of these cases.

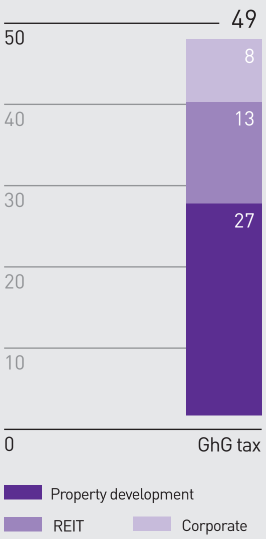
Concerning the financial impact of a carbon tax, it concluded that the tax will be applied only in the case of direct consumption of fossil fuels (natural gas or heating oil for stationary sources and motor fuels for mobile sources).

The hypothesis used here is that a tax would represent €17/ton of CO_2e. This figure corresponds to the rate proposed when the tax was to be launched in January 2010.

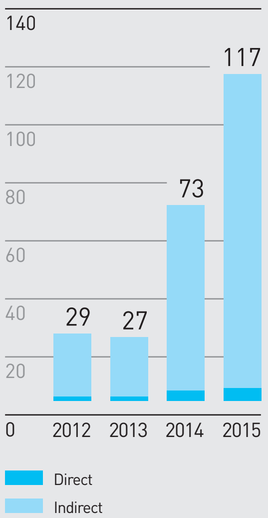
For additional costs resulting from an increase in the price of fossil fuels, the Group concluded that the increase in the price of oil would have a direct effect on the price of natural gas (80%) and coal (90%).

Additional costs are calculated for each year, from 2012 to 2015, on the basis of Group emissions and the price of a barrel of oil for the year in question. It is assumed that the price of a barrel of oil will increase from its rate at December of the year in question to $150.

Cost of the carbon tax (€ thousands)



Additional cost associated with increase in price of fossil fuels (€ millions)



With the above-mentioned hypotheses, the carbon tax would result in direct costs of €49,000 per year for Altarea Cogedim. Higher fossil fuel prices could theoretically cost the Group a maximum of €29 million per year according to 2012 hypotheses, and €117 million per year according to 2015 hypotheses: This large discrepancy is explained by the price of a barrel of oil in 2015, which was only $40, compared to $110 in late 2012 and late 2013. This additional cost would be a "direct" 4% for 2014, i.e. caused by operations managed directly by the Group, with the rest being caused by businesses on which the Group depends.

The method used to calculate the financial impact of carbon for the Group will be updated in 2016, taking into account new directives under the Law on energy transition.

5.5.3.2. GHG emissions – Property Development division

5.5.3.2.1. Bilan Carbone® construction assessments – Embodied energy

Altarea Cogedim conducts numerous construction Bilan Carbone® assessments for its development projects. Since 2011, these studies have become standard for all office programs (retail, office and hotel properties) with surface areas of over 10,000 m².

These studies measure greenhouse gas emissions for the design, construction and end-of-life stages of an operation. They also allow us to quantify emissions related to a building's embodied energy.

CO_2 construction emissions per m² by asset category ($kgCO_2e/m^2$)

Bilan Carbone® assessments help identify the items that generate the most emissions, allowing the Group to implement reduction initiatives. Comprehensive aggregation of this data shows that 77% of emissions from Group operations are due to purchasing of construction materials, and 7% are due to waste production during demolition at the end of a building's life cycle.

The design stage is particularly important, as it is an aspect over which the Group has a direct impact in its ability to choose low-emission construction materials and building methods. But the development phase and choice of locations near public transportation that cut carbon emissions from commuting in the short and medium terms are more important than ever to the Group's strategy. After 50 years of operation, emissions from the construction of a residential building represent an average of only 5% of the total emissions over the building's life cycle. Greenhouse gas emissions are thus overwhelmingly due to occupant travel.

5.5.3.2.2. Greenhouse gas emissions from the energy consumption of new projects

In connection with the management of CO_2 emissions linked to the energy consumption of new property developments, the Group is subject to the RT 2012 thermal regulations for all project classes. This regulation encourages a more balanced energy mix. It penalizes electrical energy supply because electricity generates lower CO_2 emissions during off-peak periods but higher carbon emissions during peak periods.

Energy consumption profiles and associated CO_2 emissions vary significantly according to the project category. Where retail assets are very stable during daytime hours, residential properties see significant fluctuations. Dynamic Thermal Simulations (DTS) make it possible to calculate the total energy needs of a project. These simulations are described in section 5.5.2.2, and allow for more effective and substantive work on the energy mix and the associated CO_2 emissions.

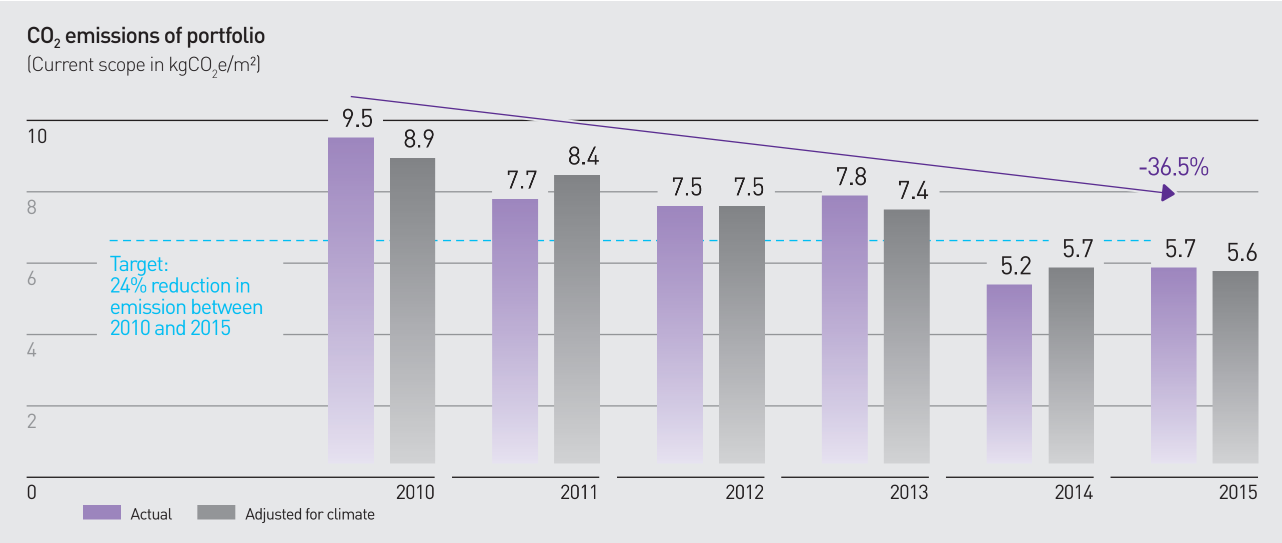
The Group makes energy supply feasibility studies standard for all new projects. These studies aim to promote installation of efficient equipment and renewable energy sources, to offer its projects low-carbon energy systems and thereby limit the Group's contribution to climate change.

5.5.3.3. GHG emissions – real estate division

5.5.3.3.1. Greenhouse gas emissions from the assets' energy consumption

Total emissions associated with portfolio energy consumption are 2,447 tons of CO_2e in 2015 for the current scope.

The action the Group has taken to reduce energy consumption also allows it to reduce related GHG emissions.



The emission factors used are presented in the methodology section in paragraph 5.6.1.4.

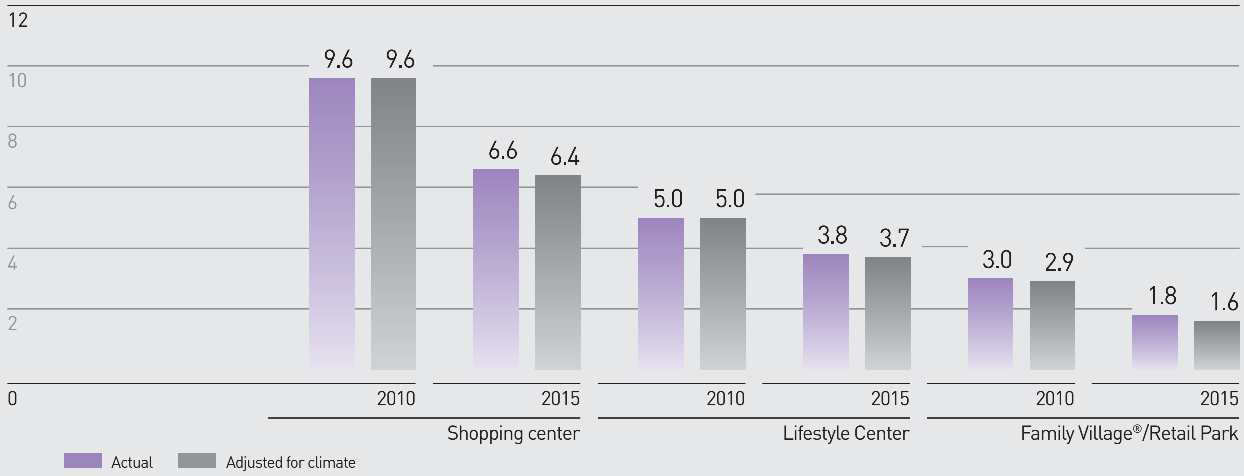
At the end of 2015, the approach to energy outlined here had led to a 39.9% like-for-like drop in CO_2 emissions from 2010. At constant climate, the reduction amounts to 36.5%.

These consolidated results far exceed the reduction targets the Group set in 2010. The cycle of objectives set for 2010-2015 ended in 2015, so Altarea Cogedim has now set new objectives to continue the accomplishments of the past few years: by 2020, lowering greenhouse gas emissions related to the portfolio's energy consumption by 50% compared to 2010, on a like-for-like basis.

In the current scope of managed assets, including entries and exits of assets, CO_2 emissions from 2010 to 2015 decreased by 29.5%. The breakdown between different asset classes highlights a significant reduction for all asset classes, with even more pronounced developments for the Family Village®/Retail Park categories (-39.7%).

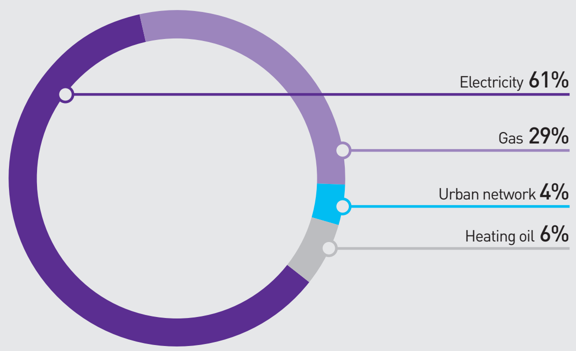
Unfavorable weather conditions during the period raised energy consumption due to the need for air-conditioning. Adjusting the consumption levels to reflect a constant climate show the net impact of the initiatives to reduce consumption: on a like-for-like basis, reduction at constant climate was 30.7% between 2010 and 2015.

CO_2 emissions of portfolio by type
(Current scope in $kgCO_2e/m^2$)



Although electricity produces lower emissions per kWh, it is nevertheless the energy source that contributes most to total emissions. Heating oil is used as an energy source for less than 2% of total energy use but produces 6% of total emissions, as it is a high greenhouse gas emitter. The Group benefits from its geographic location and its electric energy supply from nuclear power to achieve a very low carbon rate per average kWh.

CO_2 mix of portfolio
(Current scope)



The shopping center asset class, and to a lesser extent the Lifestyle Centers, are the highest CO_2 emitters, as they regularly use these less efficient energies to heat both common and private-use areas.

CO_2 Class (current scope)	$KgCO_2e/m^2/year$	Number of sites	Privative Altarea GLA (gross leasable area)	%
A	≤ 10	20	552,992 m²	95%
B	11-15	3	30,780 m²	5%
C	16-25	0	0 m²	0%
D	26-35	0	0 m²	0%
E	36-55	0	0 m²	0%
F	56-80	0	0 m²	0%
G	> 80	0	0 m²	0%
		23	583,772 m²	100%

5.5.3.3.2. Greenhouse gas emissions related to refrigerants

The Group regularly and precisely monitors the greenhouse gases generated by air-conditioning equipment in its centers. In 2015, the associated emissions stood at 39.9 tons of CO_2e.

5.5.4. LAND MANAGEMENT AND BIODIVERSITY

Definition of the issue	Land use, biodiversity conservation and development for new development sites and existing sites
Materiality level	High
Relevant scopes	Property development, REIT

5.5.4.1. Land management and biodiversity – Property Development division

5.5.4.1.1. Land management

Choosing and optimizing the use of land are part of Altarea Cogedim's development business. The Group is in favor of using land reasonably in its residential, office, hotel and retail projects, in a way that balances the density of the programs and the preservation of open green space.

Office renovation projects therefore represent more than 40% of corporate property operations. More broadly, nearly all commercial programs are rehabilitation or redevelopment of neighborhoods and development zones. When we study the feasibility of an operation on a building, different scenarios are envisaged (demolition and reconstruction, rehabilitation, major renovation, etc.). The most appropriate solution is selected according to the project's technical and economic constraints.

For residential projects, particular attention is given to preserving green spaces. In addition to the importance of limiting impermeable surfaces, these unbuilt spaces contribute to the well-being of occupants, particularly in urban areas.

5.5.4.1.2. Biodiversity

Mandatory in the context of urban planning authorizations for large office projects, assessments of respect for and preservation of biodiversity are more in-depth for environmental certifications.

Specifically, an environmental specialist is consulted for all new projects subject to BREEAM® certification. An environmental specialist offered advice for all new retail projects, i.e. covering a surface area of 307,352 m².

These studies are conducted by an environmental specialist. They take into account local flora and fauna, which are integrated into project specifications sent to the contracting team during the scheduling phase. The recommendations of these studies preserve the biodiversity of the existing site – sometimes not yet built – by reintroducing a great number of local species that were initially present into as big a surface area as possible in the new development. These re-created biodiverse land areas make it possible to preserve ecological corridors for small and large animal species.

5.5.4.2. Land management and biodiversity in the real estate division

5.5.4.2.1. Land management

The municipalities in which Altarea Cogedim shopping centers are located have land-use plans (POS or *Plan d'Occupation des Sols*) or a local development plan (PLU or *Plan Local d'Urbanisme*). These documents establish a land-use coefficient (LUC) that must be respected. It corresponds to the built area (excluding parking lot) divided by the land area and represents the density of the construction on a site.

5.5.4.2.2. Biodiversity

In the real estate division, the Group works to respect and preserve biodiversity in Retail property assets by gradually rolling out BREEAM® IN-USE environmental certification, as described in paragraph 5.5.1.2.

In order to better fulfill the requirements of this operation certification, which includes a biodiversity component, a guide has been created based on ecological audits covering a representative sample of the portfolio and each asset class (shopping center, Retail Park and Lifestyle Center). The guide was produced with assistance from an environmental specialist, and it aims to encourage teams to enhance the biodiversity of their sites by implementing a specific action and management plan.

This year, the Group has focused its efforts on incorporating the changes to the BREEAM® IN-USE 2015 standard into the tools of the Environmental Management System. The Group is therefore committed to establishing a biodiversity action plan at 100% of sites included within the scope of reporting by the end of 2015.

Nonetheless, the Group improved its "Land Use & Ecology" score, on average for the portfolio, in the BREEAM® IN-USE standard: it rose from 17% in 2013 to 30% in 2015.

5.5.4.2.3. Groundwater pollution

According to Article L. 1331-5 of the French Public Health Code or where required by planning regulations, water discharged into nature other than domestic waste must be treated.

Therefore, rainwater discharged from shopping centers is treated by hydrocarbon separators. This equipment is cleaned by specialized companies at least once a year with hazardous waste monitoring slips archived on-site.

5.5.4.2.4. Soil pollution

The presence of pollutants in the ground represents a health risk to persons frequenting Group shopping centers. There are no specific regulations regarding contaminated sites and soils. When a site has a potential risk of subsurface contamination resulting from previous activities carried out at the site (service stations), Altarea Cogedim possesses the historical and documentary studies and/or pollution analysis reports drawn up at the disposal or acquisition.

According to the results of these studies, Altarea Cogedim carries out corrective actions for problems detected on 100% of affected sites.

5.5.5. WASTE DISPOSAL AND RECYCLING

Definition of the issue	Managing the Group's direct and indirect waste production, selective sorting and use of waste recovery procedures
Materiality level	High
Relevant scopes	Corporate, Property development, REIT

5.5.5.1. Waste disposal and recycling – Property Development division

5.5.5.1.1. Construction-site waste

In its development business, the Group requires that construction companies carry out selective sorting and detailed monitoring of construction-site waste for all office operations receiving certification, i.e., nearly 99% (in surface area) of its office production. A Group construction site charter was also implemented in 2014 for all new residential projects. Beyond limiting construction-related pollution, these charters impose measures to limit the production of waste at the source, to identify waste on-site, ensure tracking until its final destination and conduct effective and efficient recovery of waste.

For its new retail developments, Altarea Cogedim requires construction companies to uphold a minimum rate of recovery for construction waste (excluding demolition waste) for all construction companies. These goals are established by Environment works management assistants upstream of construction, on the basis of estimated quantities and types of waste produced, as well as by analyzing waste recovery actors near the site. The actual waste recovery rate often exceeds the goal set. In 2015, the actual recovery rate of construction waste (weighted by surface area) was 91% for projects under construction or delivered (132,043 m²).

In addition, in corporate property, renovations represent more than 40% of projects. By reusing existing building structures, the Group considerably limits its waste production.

5.5.5.1.2. Waste sorting

For its new constructions and in the context of environmental certifications (Habitat & Environnement, "NF Démarche HQE®," BREEAM®, LEED®), the Group systematically sets up facilities and spaces for easy selective sorting by future users and operators.

5.5.5.2. Waste disposal and recycling – real estate division

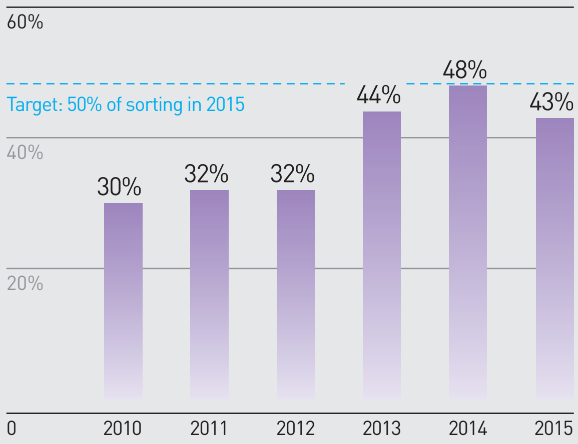
The Group manages waste produced in common areas and/or private areas for 22 of the 23 sites included in the current scope of reporting.

For the current scope, Altarea Cogedim reports a 1% drop in waste production between 2010 and 2015. The breakdown of the different asset classes shows reductions in the shopping center (-3.2%) and Family Village®/Retail Park (-6.8%) asset classes. Increases in Lifestyle Centers (22.8%) were due in particular to an increase in the proportion of waste managed directly by the Group at large sites such as Carré de Soie in Vaulx en Velin.

The Group's action focuses not only on producing less waste, which is primarily generated by tenants and over which Altarea Cogedim has little control, but also on increasing sorting rates and rates of energy or managed waste recovery.

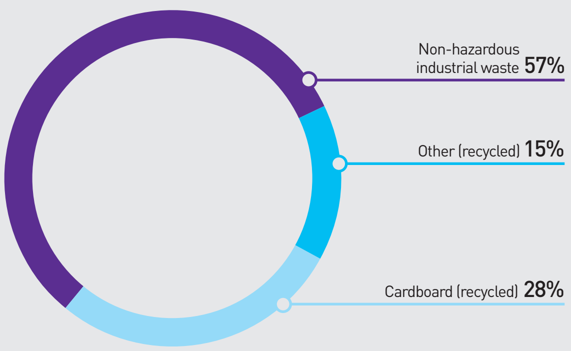
The breakdown of waste in the portfolio is 57% for mixed non-hazardous industrial waste, and 43% for cardboard and other sorted waste. The proportion of sorted waste in the current scope jumped from 30% in 2010 to 43% in 2015; this is an increase of more than 40%. This results from the implementation of initiatives aiming to increase this share of sorting: closer monitoring of sorting by merchants, and inclusion of new types of sorted waste (glass, fermentables, etc.). Over the last three years, the Group has come close to its target of 50% of sorted waste. Efforts will continue in order to sustainably achieve 50% sorting.

Percentage of waste sorted of the portfolio
(Current scope)

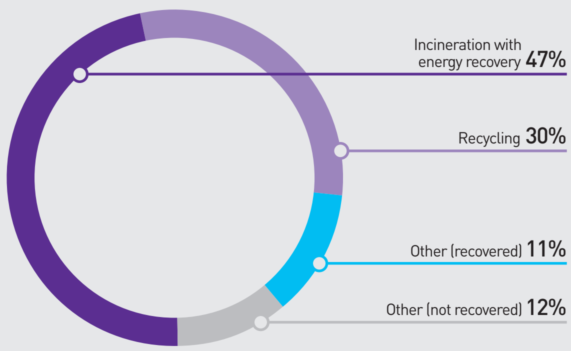


This waste is then processed by service providers selected to maximize recovery rates. In 2015, 30% of the waste produced in centers managed by the Group was recycled, 47% was incinerated with energy recovery and 11% was recovered in another way (reuse or composting, for example). All in all, 88% of waste was recovered, which exceeds the Group's goal of over 80% recovery.

Breakdown by type of sorting of tons of waste produced



Breakdown of tons of waste produced by end-of-life category



Altarea Cogedim's efforts are thus focused on awareness-raising among tenants, responsible waste sorting practices and the selection of service providers responsible for recycling, recovering and ensuring the traceability of waste under new service agreements.

As waste volumes are directly related to tenants' levels of business activity, the Group focuses on regularly increasing the percentage of waste sorted with an eye to facilitating recovery.

5.5.6. WATER MANAGEMENT

Definition of the issue	Saving water and limiting soil sealing
Materiality level	High
Relevant scopes	Corporate, Property development, REIT

5.5.6.1. Water management – Property Development division

Altarea Cogedim systematically carries out site analyses before new projects to identify constraints (leakage rate, infiltration, etc.) and opportunities (water recovery, valleys, etc.) on each site. The conclusions of these analyses are then incorporated into the environmental program of each project.

On a virtually systematic basis during the design phase, the Group anticipates using specialized equipment on all projects to limit the project's impact on the water cycle and manage consumption of drinking water. Specifically for retail developments, a very space-intensive type of project, Altarea Cogedim incorporates into the design phase technical solutions (porous concrete, grassed parking spaces, green spaces, etc.) that limit soil sealing, and it builds retention basins to reduce the rate of runoff into and saturation of local sewer systems. To prevent water pollution, the Group complies with local regulations for the installation of technical equipment for pretreatment before discharge. All of the Group's new retail projects also feature rainwater collection equipment for watering, washing floors and filling fire safety systems. Likewise, all new retail developments incorporate water-saving sanitary facilities.

Furthermore, during the construction phase, Altarea Cogedim systematically calls on construction companies to measure and monitor water consumption. These initiatives concern:

- 99% of commercial projects (retail, offices, hotels);
- 100% of residential projects featuring "NF HQE®" certification and 100% of new residential projects launched as of 2014.

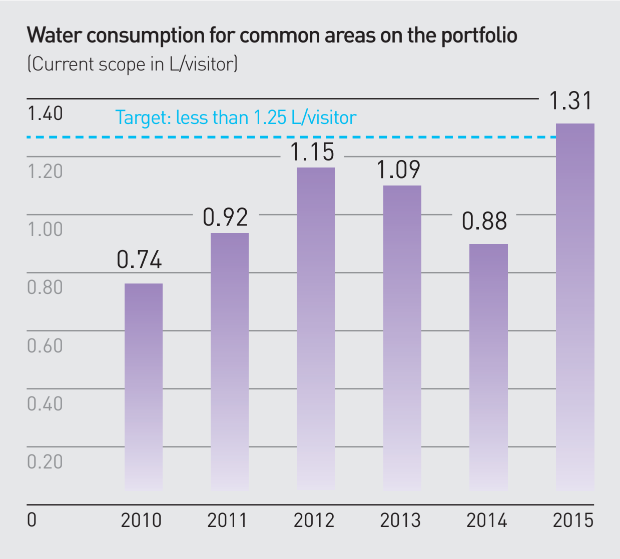
In 2015, construction on new retail projects, which covered 132,043 2, generated 13,678 m^3 of water consumption. This consumption includes water used for construction needs (construction processes, cleaning, water, etc.) and clean water consumed by the construction trailer.

5.5.6.2. Water management – Real Estate division

As part of its water management, Altarea Cogedim manages and reports 100% of water consumption invoiced to the Group. This includes water from common areas it controls directly (38% of consumption managed, lessor scope) and from water from private areas for the vast majority of sites (62% of consumption managed, lessee scope). The latter represents tenant consumption and can be isolated. The Group thus communicates indicators on total water consumption as well as specific consumption in common areas, which is where Altarea Cogedim concentrates its reduction efforts.

In the current scope, which includes assets under management, new acquisitions and disposals, the Group observed nearly stable consumption of water purchased from the local water supply between 2010 and 2015 (+12.9%). The consumption of the various site categories rose; this is due mainly to the incorporation of consumer assets in the scope of reporting.

On a like-for-like basis, Altarea Cogedim experienced a 4.4% drop in total water consumption (lessor – lessee scope) for the period from 2010 to 2015. This progress, on a comparable scope, highlights the efforts made at the sites to better manage water consumption, particularly by locating and repairing leaks as soon as possible and by installing water-saving sanitary facilities.



Water consumption in common areas per visitor stood at an average of 1.10 L over the last three years for the current scope; this is in line with the Group's goal of keeping this ratio under 1.25 L/visitor. There was an increase in 2015, related mainly to leaks and the reopening of the sanitary facilities to the public. The Group will continue its efforts to minimize this ratio every year.

5.5.7. OTHER ENVIRONMENTAL ISSUES

5.5.7.1. Raw material management

To limit the amount of resources consumed by its activities, Altarea Cogedim works to minimize technical and functional obsolescence in its projects. Shop space in retail projects is delivered as a "shell," allowing retailers to develop their space without having to make structural changes. Renovations and restructuring, which are more eco-friendly in their use of resources than new constructions, represent more than 40% of corporate property operations.

Furthermore, the Group uses durable, easily usable, serviceable and repairable systems and materials that facilitate operations. Where possible, recycled and recyclable products or those benefiting from environmental labels are preferred. The Group also chooses construction techniques that allow for a streamlined use of resources, such as prefabrication and layouts. To decide on the best combination of construction materials and techniques for its office projects, the Group also conducts overall cost studies and life cycle analyses. For the Marques Avenue A13 retail project, the Group chose a wooden design with prefabricated components. Beyond the benefits related to fast implementation and standardized quality of factory-produced components, prefabrication has many other virtues. It makes it possible to:

- optimize the quantities of raw materials needed thanks to calibrated industrial processes;
- produce the precise amount of materials needed and limit construction remnants and waste;
- make it easier to disassemble buildings and optimize the materials' end of life.

Altarea Cogedim seeks to make measured use of the raw materials needed to develop its businesses. Where possible, it uses resources from sustainably managed sources (FSC/PEFC-certified wood, for example). Altarea Cogedim's priority in managing raw materials is to reduce the carbon impact of the materials needed, which is measured through the Bilan Carbone® construction assessments for the development projects described in paragraph 5.5.3.2.

5.5.7.2. Disturbances and pollution during the construction phase

Altarea Cogedim attempts to minimize the disturbances and pollution generated by construction in its development division. To this end, a low-pollution construction site charter is consistently applied to all Group operations. The charters require measures to limit soil, water and air pollution along with visual disturbances and noise pollution at the construction site.

5.5.7.3. Provision for other environmental impacts

Altarea Cogedim's Property Development and REIT activities are not subject to risk management requirements that impose scheduled investments to ensure continued regulatory compliance of its buildings or technical facilities. As such, the Group has implemented no provision or specific guarantee.

5.6. REPORTING METHODOLOGIES

5.6.1. METHODOLOGY FOR ENVIRONMENTAL INDICATORS

5.6.1.1. Data sources

5.6.1.1.1. Data sources for the Property Development scope

The data used for reporting and preparing the environmental and societal indicators for the development scope are collected from all Group subsidiaries. The Sustainable Development Department then compiles and verifies these data for each operation, based on auditable evidence:

- for general and administrative information (date, address, surface area): building permits and work completion form;
- for environmental certifications: certificates of certifying bodies and audit results, Cequal/Qualitel/Certivea/BRE databases, works management assistant environmental data sheets;
- for the energy performance level: regulatory calculations or dynamic Thermal Simulations, audit results, Cequal/Qualitel databases, works management assistant environmental data sheets;
- for proximity to public transportation: maps indicating the distance between the project's address, as indicated on the building permit, and the closest public transportation stop.

5.6.1.1.2. Data sources for the real estate investment scope

The data used to produce the real estate division's environmental and societal indicators are transmitted by each site and then consolidated and verified at the head office. These data are based on auditable evidence:

- for the surface areas: surveyor studies;
- for energy, carbon, water and waste: invoices submitted by suppliers and service providers, or bank statements;
- for the environmental certification: certificates issued by the certifying body (Certivea, BRE);
- for green leases: signed leases and environmental appendices;
- for transportation: maps indicating the distance between the entrance to the site and the closest public transportation stops;
- for visitors' modes of transportation: customer surveys conducted on-site.

5.6.1.1.3. Data sources for the corporate scope

The building's owner furnishes the energy and water consumption data along with the CO_2 emissions data for Altarea Cogedim's head office.

The service provider in charge of collecting the head office's waste provides the waste production data.

5.6.1.2. Methodology to calculate Group GHG emissions

GHG emissions of the Group represent total emissions from the different operating segments:

- Corporate;
- Property Development;
- Real estate.

For each activity, scopes 1 to 3 of the Bilan Carbone® assessment and the GHG Protocol are taken into account, in accordance with the table below. These items are generic and are not specified for each activity in the paragraphs below.

Scope 1	Scope 2	Scope 3
• Gas and heating oil used by Altarea Cogedim • Business travel in corporate vehicles • Refrigerants used by Altarea Cogedim	• Electricity and steam used by Altarea Cogedim	• Energy used on construction sites and by tenants of shopping centers • Travel by service providers, tenants, visitors and Altarea Cogedim employees excluding corporate vehicles • Fixed assets • Purchases (especially of construction materials) • Freight • Waste and end-of-life buildings • Refrigerants used by tenants

5.6.1.2.1. Greenhouse gas emissions from the Property Development scope

GHG emissions from the Property Development scope are calculated according to Bilan Carbone® assessments for the different classes of buildings (retail, offices, hotels, residential) developed by the Group. These include the full cycle from design and construction to the building's future end-of-life phase.

Items taken into account are the following: design, energy, travel by Altarea Cogedim employees, travel by people outside the Company, fixed assets, purchasing and shipping of materials, construction site waste, refrigerants and end-of-life of buildings.

These Bilan Carbone® assessments are based on a representative sample of the Group's Property Development activity and then extrapolated on a prorated basis for the total constructed area according to each building category and the specific characteristics of projects to reach a figure for gas emissions corresponding to 100% of the development activity.

5.6.1.2.2. Greenhouse gas emissions from the real estate scope

GHG emissions from the real estate scope were calculated on the basis of Bilan Carbone® assessments performed on 25% of the Group's Retail property assets. These take into account the activity of the shopping center in question over one year. This activity is generated by the Group, lessor and store tenants of the shopping center, and by visitors who also produce GHG emissions by their trips to the site.

Items taken into account are the following: energy used by the lessor (Altarea Cogedim), energy used by tenants, commutes for the lessor (Altarea Cogedim employees working on-site), travel by the lessor's professionals, commutes for tenants, travel by visitors (customers) to the shopping center, lessor's fixed assets, lessor's waste, lessor's refrigerants, tenants' refrigerants.

The impact of products sold in shopping centers, as well as that of product shipping is not taken into account as information is not available and the Group is unable to take action to reduce such impact.

These Bilan Carbone® assessments constitute a representative sample of the Group's real estate activity and are extrapolated on a prorated basis for total data of the portfolio (GLA [gross leasable area], hors oeuvre nette [net surface area] or number of visitors according to the item) to reach a figure for gas emissions corresponding to 100% of the real estate activity over one year.

Since 2014, emissions associated with energy consumption by the lessor and tenants, as well as emissions associated with refrigerant leaks in the common areas of shopping centers, are no longer extrapolated but fully and directly recognized based on annual reporting data.

5.6.1.2.3. Greenhouse gas emissions from the corporate scope

GHG emissions from the corporate scope were calculated according to the Bilan Carbone® assessment method. This calculation takes into account the activities of Group employees over a one-year period at the head office and French regional and Italian subsidiaries.

Items taken into account are the following: energy, employee commutes, employees' professional travel, travel by visitors coming to the head office and subsidiaries' offices, fixed assets, commercial purchases and shipping related to such purchases, product waste and refrigerants.

5.6.1.3. Environmental indicators for the Property Development division

5.6.1.3.1. Environmental performance levels of new developments

The objective of this series of indicators is to highlight the increasingly widespread use of an environmental approach for a substantial portion of the production and not just for one or two isolated programs. The residential indicators are calculated based on the number of units and the hotel, retail and office indicators are calculated based on the total Net floor area for building permits subject to the RT 2000 thermal regulations/RT 2005 thermal regulations or to the floor area for building permits subject to the RT 2012 thermal regulations. The indicator published in the tracking table, in relation to surface area, combines the indicators for residential, office, hotel and retail properties, taking as its hypothesis an average residential surface area of 63 m².

$$\text{Calculation formula} = \frac{\text{Surface area (hors œuvre nette [net surface area] or floor area) or number of residential properties certified or in process of certification}}{\text{Total surface area (hors œuvre nette [net surface area] or floor area) or total number of residential properties}}$$

The total surface areas (hors oeuvre nette [net surface area] or floor area) of each category shown by type of environmental certification ("NF HQE®," H&E®, BREEAM®, LEED®) cast additional light on the environmental approaches the Group has committed to for its production.

5.6.1.3.2. Energy performance levels of new developments

This series of indicators shows the breakdown of new developments by energy performance level. The energy classes used are those that measure an improvement compared with a regulatory calculation (RT 2005 thermal regulations/RT 2012 thermal regulations) or compared with a dynamic thermal simulation when the regulatory calculation is not relevant:

Cross-reference table between labels and energy performance levels

RT Compliant	RT - 10%	RT - 20%	RT - 40%	RT - 50% or better
• Existing RT • RT 2000 • RT 2005 • RT 2012	• HPE	• THPE • Effinergie+ (residential) • Climate Plan (RT 2012 version)	• Effinergie+ (commercial) • Effinergie rénovation (commercial)	• Climate Plan (RT 2005 version) • BBC-Effinergie • BEPOS Effinergie

The indicator published in the tracking table, in relation to the surface area, combines the residential, office and retail indicators taking as a hypothesis an average residential surface area of 63 m².

$$\text{Calculation formula} = \frac{\text{Surface area (hors œuvre nette [net surface area] or floor area) or number of residential properties of a given energy performance}}{\text{Total surface area (hors œuvre nette [net surface area] or floor area) or total number of residential properties}}$$

5.6.1.4. Environmental indicators for the real estate division

Generally, the Group reports its energy consumption data for both final energy and primary energy but emphasizes primary energy, which better represents the total environmental impact.

Emissions factors used to calculate greenhouse gas emissions related to energy are from ADEME's Base Carbone database:

- electricity: 0.060 $kgCO_2e/kWh$;
- gas: 0.241 $kgCO_2e/kWh$;
- urban network: depends on site;
- heating oil: 0.329 $kgCO_2e/kWh$.

These factors take into account both production and combustion of each energy source. They are the same for the calculations between 2010 and 2015.

5.6.1.4.1. Specific characteristics of Retail Parks, Family Villages® and Lifestyle Centers

Details on calculations for the following ratios:

- energy consumption of Lifestyle Centers (in kWh/m²/year);
- energy consumption of Family Villages® and Retail Parks (in kWh/m²/year);
- CO_2 emissions of Lifestyle Centers (in kg CO_2e/m²/year);
- CO_2 emissions of Family Villages® and Retail Parks (in $kgCO_2e$/m²/year).

Taking into account the characteristics of these kinds of assets (Lifestyle Centers, Family Village® or Retail Parks): lack of heated, covered and air-conditioned central area, and to abide by EPRA's recommendations. Altarea Cogedim uses the outdoor pedestrian surface area as a denominator of the ratio and adds it to the GLA (gross leasable area) powered by the energy that is in the numerator. This is done to make these sites directly comparable with shopping centers. The outdoor pedestrian surface area is considered an "undeveloped" area, and therefore no precise surveys have been taken. As all of these retail development projects are recent and relatively similar, Altarea Cogedim calculates outdoor pedestrian surface area as follows:

Outdoor pedestrian surface area = hors oeuvre nette (net surface area) x 15%*

* The 15% value represents the average outside surface area as a percentage of the total Net floor area of Altarea Cogedim Family Villages® and Lifestyle Center projects.

For Lifestyle Centers, the ratio is calculated using the outdoor pedestrian surface area plus the GLA (gross leasable area) used as a basis for energy measured in the numerator. This method presents no risk of overlap as the outdoor pedestrian surface area and the central surface area are never included in the GLA (gross leasable area).

For Family Villages® or Retail Parks, the ratio is calculated using only the outdoor pedestrian surface area because, for this type of retail asset, the lessor does not supply any of the energy for the GLA (gross leasable area).

5.6.1.4.2. Comparison of energy consumption on a constant climate basis

To calculate comparable energy and carbon indicators from one year to the next, the data are restated to neutralize the climate impact.

For each property in the scope of reporting, the share of consumption related to heating, air-conditioning and other uses is identified. This analysis is based on the energy audit approach used on the properties in 2012 and 2013.

The climate severity is assessed for each weather station based on Degree Days:

- UDD (unified degree days) to assess the winter severity, and;
- CDD (cooling degree days) to assess the summer severity.

An average of annual UDD and CDD was calculated over 10 years, from 2000 to 2009, for the closest weather station to each site (AvgUDD and AvgCDD).

The weather conditions for each station can then be compared to an average year by comparing the UDD and CDD values to the AvgUDD and AvgCDD values.

The annual consumption that would have been recorded in the case of average and constant weather conditions are then modeled for each center in the scope of reporting. Changes in consumptions and greenhouse gas emissions can then be analyzed for the scope based on identical weather conditions.

5.6.2. METHODOLOGY FOR SOCIETAL INDICATORS

5.6.2.1. Customer relations

5.6.2.1.1. Residential development customer satisfaction indicator

Customer satisfaction is measured in these surveys. The following question on likelihood to recommend is asked: "Would you recommend Cogedim to friends or colleagues?" Each study is incorporated into a national and subsidiary report, and the scores from the different studies are consolidated. Because these surveys were first administered in 2015, as of early 2016 there is no set from which a comparison can be drawn.

5.6.2.1.2. Real estate customer satisfaction indicator

Customer satisfaction is measured in these surveys. The following question is asked: "Please rate your overall satisfaction with the shopping center on a scale of 1 to 10. "(1 = not at all satisfied; 10 = extremely satisfied). A report is prepared following each survey, and all responses provided in the different surveys are consolidated. The sites included in the calculation of this indicator are those for which a customer survey was conducted between the current year and the previous year. If there were several surveys available for a single site, the most recent one is used. The rating corresponds to the average of overall satisfaction ratings for portfolio shopping centers for which there is a survey.

5.6.2.2. Contribution to employment

In 2015, Altarea Cogedim enhanced the calculation methodology used to quantify its enlarged employment footprint. A tool was implemented making it possible to conduct an annual update based on extrapolations; a more detailed update is projected to be done approximately once every three years. Three scopes are taken into account:

- indirect jobs, which correspond to the jobs supported by the goods and services purchased by the Group from its first- and second-level suppliers and subcontractors located in France. The following are taken into account: goods and services purchased by the real estate and Property Development divisions (excluding outside entities);
- related jobs generated by purchases by the Group's direct and indirect employees in France;
- ancillary jobs, which are those hosted in the shopping centers owned and managed by Altarea Cogedim.

The 2015 figures are lagging indicators that were calculated based on the volume of purchases in 2014. The analysis of the breakdown of purchases by item was done in 2013.

5.6.2.3. Proximity of new developments to public transportation

This indicator shows the overall distance of new development projects to public transportation (bus, tramway, metro/RER suburban train, mainline train), categorized by distance (0 to 200 meters, 201 to 500 meters, over 500 meters). The closest transportation modes are broken down for each project category in order to provide additional indications about the distance information. The objective of these indicators is to show the economical transportation alternatives with lower greenhouse gas emissions that project users could take.

$$\text{Calculation formula} = \frac{\text{Surface area (hors œuvre nette [net surface area] or floor area) or number of residential properties by category of distance to public transportation}}{\text{Total surface area (hors œuvre nette [net surface area] or floor area) or total number of residential properties}}$$

For residential buildings, offices and hotels, shopping centers and Lifestyle Centers, the distance computed is that between the entrance to the building and the nearest bus stop or metro, tramway, RER suburban train or mainline train station.

For Family Villages® and Retail Parks, the distance computed is that between the entrance to the parking lot and the nearest bus stop or metro, tramway, RER suburban train or mainline train station.

The indicator published in the tracking table, in relation to the surface area, combines the residential, office, hotel and retail indicators taking as a hypothesis an average residential surface area of 63 m².

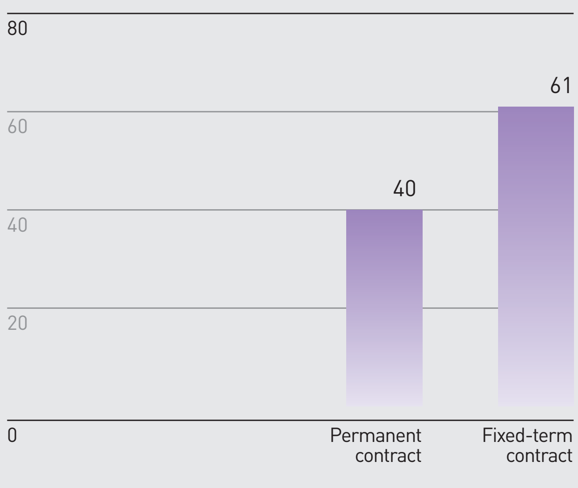
5.6.3. INFORMATION ON RUE DU COMMERCE

Because the e-commerce business was transferred on January 1, 2016, information on Rue du Commerce does not appear in this report. This paragraph briefly discusses some points related to the workforce.

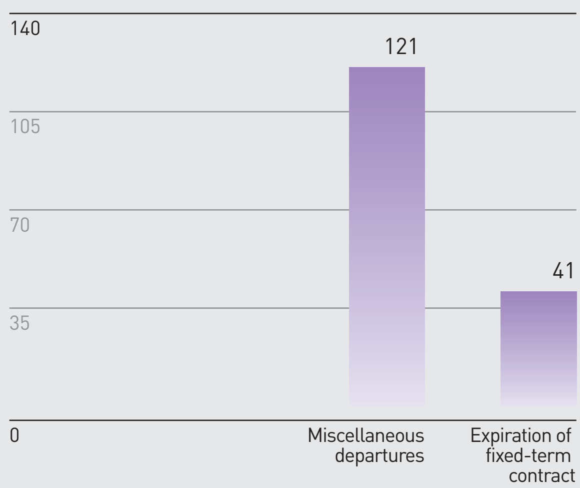
Rue du Commerce's workforce numbered 307 employees at the end of December 2015; 272 of them were on permanent contracts and 35 were on fixed-term contracts.

The graphs below show the movement of employees within Rue du Commerce that occurred in 2015:

Recruitments of Rue du Commerce 2015



End of Rue du Commerce contracts 2015



5.7. INDICATOR TABLES

5.7.1. ENVIRONMENTAL INDICATORS

NEW DEVELOPMENTS, REIT – ENVIRONMENTAL LABELS AND CERTIFICATIONS FOR RETAIL PROPERTY

GRI codes G4-CRESS:
Labeling of products and services CRE 8

Definition: Environmental certifications (construction and operational) and levels obtained by the Group's retail division.

Relevant scope: For new developments, retail sites subject to a building permit (provisional or permanent), under construction or delivered during the reference year. For the portfolio, certified sites owned and managed by the Group at December 31, 2015.

	City	Center	Construction certification	BREEAM® IN-USE certification			
				Category 1 – Asset		Category 2 – Management	
				Level	Score	Level	Score
NEW DEVELOPMENTS	Saint-Laurent-du-Var	CAP 3000 – Expansion	BREEAM® Excellent	-	-	-	-
	Saint-Laurent-du-Var	CAP 3000 – Renovation	BREEAM® Very Good	-	-	-	-
	Aubergenville	Marques Avenue A13	BREEAM® Excellent	-	-	-	-
	Massy	-X% – Expansion	BREEAM® Very Good	-	-	-	-
	Massy	-X% – Renovation	BREEAM® Very Good	-	-	-	-
	La Valette-du-Var	L'Avenue 83	HQE Very Good BREEAM® Excellent	-	-	-	-
	Villeneuve-la-Garenne	Qwartz	HQE Excellent BREEAM® Very Good	-	-	-	-
	Ruaudin	Shopping center Les Hunaudières 2	HQE Very Good BREEAM® Very Good	-	-	-	-
PORTFOLIO	Brest Guipavas	Les Portes de Brest Guipavas	-	Very Good	69%	Very Good	64%
	Châlons en Champagne	Galerie de l'Hôtel de Ville	-	Good	53%	Very Good	57%
	Flins	Flins shopping center	-	Very Good	58%	Excellent	72%
	Geispolsheim	La Vigie	-	Good	43%	Very Good	55%
	Gennevilliers	Parc des Chanteraines	-	Good	44%	Good	41%
	Herblay	14e Avenue	-	Good	53%	Good	54%
	Kremlin Bicêtre (Le)	Okabé shopping center (excl. offices and parking)	HQE Excellent	Very Good	64%	Very Good	64%
	Limoges	Family Village® in Limoges	-	Very Good	62%	Good	53%
	Lille	Grand'Place (excl. Fnac)	-	Good	47%	Good	54%
	Lille	Les Tanneurs	-	Very Good	62%	Very Good	62%
	Massy	Shopping center -X%	-	Good	54%	Good	45%
	Nîmes	Costières Sud	HQE Very Good	Very Good	69%	Very Good	55%
	Nice	Cap 3000	-	Good	51%	Very Good	56%
	Paris	Bercy Village	-	Good	41%	Good	46%
	Roubaix	Grand'Rue	-	Very Good	57%	Very Good	59%
	Ruaudin	Family Village® Les Hunaudières	-	Very Good	69%	Good	50%
	Strasbourg	L'Aubette (excluding tourist residence)	-	Very Good	62%	Very Good	62%
	Thiais	Thiais Village	-	Good	51%	Good	41%
	Toulouse	Espace Gramont	-	Good	51%	Very Good	57%
	Vaulx en Velin	Carré de Soie	-	Good	48%	Good	44%
	Tourcoing	Espace Saint-Christophe	-	Good	54%	Very Good	58%
	Villeneuve-la-Garenne	Qwartz	HQE Excellent BREEAM® Very Good	Excellent	80%	Outstanding	88%
	Villeparisis	Parc de l'Ambrésis	-	Good	48%	Good	48%

5.7.1.2. Energy indicators

CORPORATE – ENERGY CONSUMPTION AND RATIOS FOR THE HEAD OFFICE

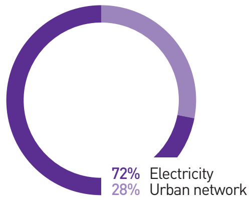
GRI codes G4-CRESS:
Total energy consumption: EN 3 & EN 4
Total energy consumption per m^2 and per employee: CRE 1

Definition: Final (FE) and primary (PE) energy consumption of Altarea Cogedim's head office.

Denominator: Calculations based on 9,631 m^2 and 596 FTE for 2015.

	2010 PE	2011 PE	2012 PE	2013 PE	2014 PE	2015 PE	Change 2010-2015	2015 FE
Total consumption (GWh)	3.90	4.64	4.39	4.39	4.38	4.71	**+20.5%**	2.21
RATIOS								
Consommations totales par m^2 (kWh/m^2)						489	-	229
Consommations totales par équivalent temps plein (kWh/ETP)						7,895	-	3,704

2015 Energy mix FE



NEW DEVELOPMENTS – BREAKDOWN BY ENERGY PERFORMANCE LEVEL

GRI codes G4-CRESS:
CRE 1 and CRE 8

Definition: Breakdown of retail, office, hotel surface areas or number of housing units of projects that have a building permit (provisional or final), under construction or delivered in 2015, by energy performance level.

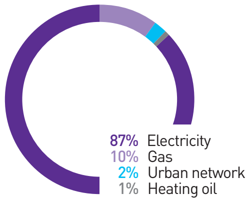
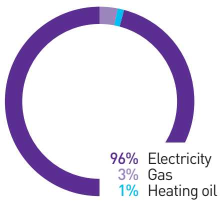
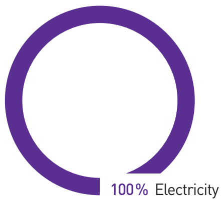
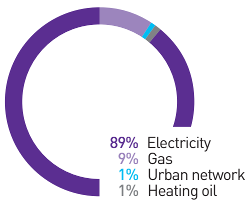
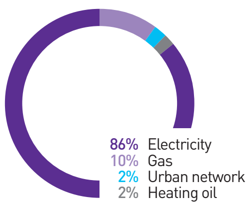
2013	Regulatory	Pec ≤ Maxpec -10%	Pec ≤ Maxpec -20%	Pec ≤ Maxpec -30%	Pec ≤ Maxpec -40%	Pec ≤ Maxpec -50%
Retail (m^2)	3%	4%	7%	19%	25%	41%
Offices and Hotels (m^2)	9.0%	0.0%	2.0%	11.0%	41.0%	37.0%
TOTAL (retail, offices, hotels) (m^2)	7%	2%	4%	14%	34%	39%
Total surface area (m^2)	52,168	13,269	32,970	107,763	265,308	298,816
HOUSING UNITS (number)	57%	6%	3%	0%	0%	34%
Number of housing units (number)	14,369	1,384	795	0	0	8,441

PORTFOLIO – ENERGY CONSUMPTION AND RATIOS OF EXISTING PORTFOLIO

GRI codes G4-CRESS:
Total energy consumption: EN 3 & EN 4
Total energy consumption by m²: GRI CRE 1

Definition: Final (FE) and primary (PE) energy consumption of portfolio managed by Altarea Cogedim during the current scope of reporting and on a like-for-like basis, total and by m² of surface area over which this energy is distributed. These surface areas may be central areas, outdoor pedestrian walkways and/or GLA (gross leasable area).

Relevant scope: Current scope of reporting (583,772 m² GLA for 2015) and like-for-like scope (442,363 m² GLA for 2010-2015).

		2010 PE	2011 PE	2012 PE	2013 EP	2014 PE	2015 PE	Change 2010-2015	Change 2010-2015 constant climate	2015 FE	Relevant surface area	2015 Energy mix FE
Shopping centers	Total energy consumption (GWh)	49.2	61.8	59.6	58.9	40.0	58.2	+18.3%	-1.3%	24.5	- Central area - GLA (gross leasable area)	
	Total consumption per m² (kWh/m²)	202	197	201	203	165	184	-8.8%	-23.9%	78		
	Share of the scope of ownership	*47%*	*54%*	*53%*	*55%*	*57%*	*62%*	*+19.5%*		*62%*		
Lifestyle Center	Total consumption (GWh)	14.3	12.9	13.5	13.8	12.6	11.5	-19.4%	-24.6%	4.6	- Outdoor pedestrian area - GLA (gross leasable area)	
	Total consumption per m² (kWh/m²)	188	170	165	169	154	141	-25.1%	-30.0%	56		
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*19%*	*17%*	*-11.7%*		*17%*		
Family Village® and Retail Parks	Total consumption (GWh)	4.1	4.4	3.9	3.1	2.8	2.6	-36.7%	-42.4%	1.0	- Outdoor pedestrian area	
	Total consumption per m² (kWh/m²)	127	116	109	88	85	77	-39.7%	-45.1%	30		
	Share of the scope of ownership	*20%*	*17%*	*17%*	*18%*	*16%*	*14%*	*-18.2%*		*14%*		
CURRENT SCOPE OF REPORTING	Total consumption (GWh)	67.6	79.0	76.9	75.8	55.5	72.3	+7.0%	-8.1%	30.1	- Central area - Outdoor pedestrian area - GLA (gross leasable area)	
	Total consumption per m² (kWh/m²)	192	185	186	186	155	168	-12.8%	-25.1%	70		
	Share of the scope of ownership	*89%*	*90%*	*91%*	*92%*	*92%*	*93%*	*+3.4%*		*93%*		
LIKE-FOR-LIKE SCOPE	Total consumption (GWh)	68.2	58.5	58.1	59.3	47.8	49.8	-26.9%	-30.1%	21.1	- Central area - Outdoor pedestrian area - GLA (gross leasable area)	
	Total consumption per m² (kWh/m²)	228	195	184	188	152	158	-30.5%	-33.5%	67		
	Share of the scope of ownership						*74%*					

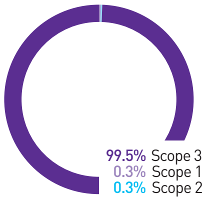
5.7.1.3. GHG (CO_2) emissions indicators

ALTAREA COGEDIM – GROUP GHG EMISSIONS AND RATIOS

GRI codes G4-CRESS:
Direct and indirect GHG emissions EN 15, EN 16, EN 17

Definition: Total GHG emissions associated with Altarea Cogedim Group's business.

Article 75 AND GHG Protocol[a]	$teqCO_2$	Scope 1	Scope 2	Scope 3
SIREN Altarea	212,178	0.5%	0.8%	98.7%
SIREN Cogedim	579,862	0.2%	-	99.8%
Altarea Cogedim	**792,040**	**0.3%**	**0.3%**	**99.5%**



(a) Scope 1 does not include emissions from electricity line losses (combustion); in accordance with Article 75 of the Grenelle II Law, they are included here under scope 2. This difference with the GHG Protocol amounts to less than a 1% difference between the two scopes.

CORPORATE – GHG EMISSIONS AND RATIOS FOR THE HEAD OFFICE

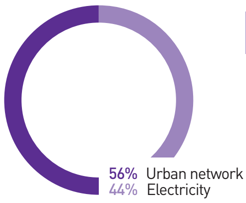
GRI codes G4-CRESS:
Direct and indirect GHG emissions EN 15 and EN 16
Total GHG emissions per m²: CRE 3

Definition: Total GHG emissions associated with the energy consumption of Altarea Cogedim's head office.

Denominator: Calculations based on 9,631 m² and 596 FTE for 2015.

	2010	2011	2012	2013	2014	2015	Change 2010-2015
Total GHG emissions (tCO_2e)	232	259	227	195	187	217	-6.4%
RATIOS							
Total emissions per m² ($kgCO_2e/m^2$)						23	-
Total emissions per full-time equivalent ($kgCO_2e$/ETP)						364	-

Breakdown by 2015 energy type



Breakdown of direct and indirect emissions

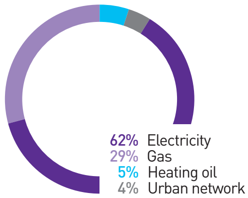
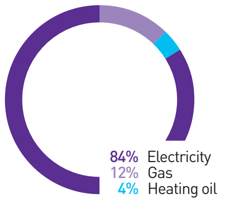
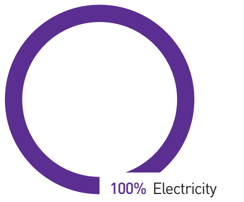
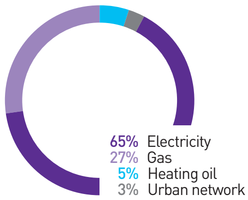
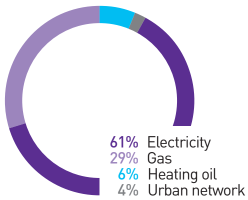
Scope 2 : 100%

PORTFOLIO – GHG EMISSIONS AND RATIOS OF EXISTING PORTFOLIO

GRI codes G4-CRESS:
Direct and indirect GHG emissions: EN 16
Total GHG emissions per m²: CRE 3

Definition: Total GHG emissions associated with the energy portfolio managed by Altarea Cogedim during the current scope of reporting and on a like-for-like basis, total and by m² of surface area over which this energy is distributed. These surface areas may be central areas, outdoor pedestrian walkways and/or GLA (gross leasable area).

Relevant scope: Current scope of reporting (583,772 m² GLA for 2015) and like-for-like scope (442,363 m² GLA for 2010-2015).

		2010	2011	2012	2013	2014	2015	Change 2010-2015	Change 2010-2015 constant climate	Relevant surface area	Breakdown by 2015 energy type
Shopping centers	Total GHG emissions (tCO_2e)	2,355	2,710	2,718	2,753	1,476	2,075	-11.9%	-12.9%	- Central area - GLA (gross leasable area)	
	Total GHG emissions per m² ($kgCO_2e/m^2$)	9.7	8.7	9.2	9.5	6.1	6.6	-32.0%	-32.8%		
	Share of the scope of ownership	*47%*	*54%*	*53%*	*55%*	*57%*	*62%*	*+31,3%*			
Lifestyle Centers	Total GHG emissions (tCO_2e)	380	337	337	352	310	312	-17.8%	-20.7%	- Outdoor pedestrian area - GLA (gross leasable area)	
	Total GHG emissions per m² ($kgCO_2e/m^2$)	5.0	4.4	4.1	4.3	3.8	3.8	-23.7%	-26.4%		
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*19%*	*17%*	*-23.8%*			
Family Village® and Retail Parks	Total GHG emissions (tCO_2e)	94	102	90	72	66	60	-36.7%	-42.4%	- Outdoor pedestrian area	
	Total GHG emissions per m² ($kgCO_2e/m^2$)	3.0	2.7	2.5	2.0	2.0	1.8	-39.7%	-45.1%		
	Share of the scope of ownership	*20%*	*17%*	*17%*	*18%*	*16%*	*14%*	*-28.4%*			
	Breakdown of direct and indirect emissions							Scope 1 : 31%	Scope 2 : 69%		
CURRENT SCOPE OF REPORTING	Total GHG emissions (tCO_2e)	2,829	3,150	3,145	3,177	1,853	2,447	-13.5%	-15.0%	- Central area - Outdoor pedestrian area - GLA (gross leasable area)	
	Total GHG emissions per m² ($kgCO_2e/m^2$)	8.0	7.4	7.6	7.8	5.2	5.7	-29.5%	-30.7%		
	Share of the scope of ownership	*89%*	*90%*	*91%*	*92%*	*92%*	*93%*	*+4.5%*			
	Breakdown of direct and indirect emissions							Scope 1 : 35%	Scope 2 : 65%		
LIKE-FOR-LIKE SCOPE	Total GHG emissions (tCO_2e)	2,850	2,312	2,358	2,452	1,644	1,803	-36.7%	-33.2%	- Central area - Outdoor pedestrian area - GLA (gross leasable area)	
	Total GHG emissions per m² ($kgCO_2e/m^2$)	9.5	7.7	7.5	7.8	5.2	5.7	-39.9%	-36.5%		
	Share of the scope of ownership						*74%*				

Emission factors used ($kgCO_2e/kWh$):
Electricity: 0.060; Natural gas: 0.241; Urban network: depending on site; Heating oil: 0.329

5.7.1.4. Water and waste indicators

CORPORATE – WATER CONSUMPTION AND WASTE PRODUCED FOR THE HEAD OFFICE

GRI codes G4-CRESS:
Total water consumption: EN 8
Total waste produced: EN 23
Total water consumption per m² and per employee: CRE 2

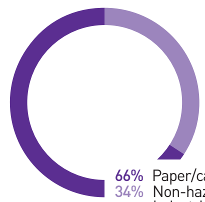
Definition: Total water consumption and by m², and total waste produced at the Altarea Cogedim head office.

Denominator: Calculations based on 9,631 m² and 596 FTE for 2015.

WATER	2010	2011	2012	2013	2014	2015	Change 2010-2015
Water consumption (m³)	6,263	5,880	5,750	6,748	6,924	7,583	+21.1%
RATIOS							
Water consumption per m² (L/m²)						787	-
Water consumption per employee (L/FTE)						12,723	-

WASTE	2010	2011	2012	2013	2014	2015	Change 2010-2015
Waste produced (tons)	535	594	547	648	660	685	+28.0%
RATIOS							
Waste produced per m² (kg/m²)						71	-
Waste produced per full-time equivalent (kg/FTE)						1,149	-

Breakdown by type of waste



5.7.1.4.1. Water indicators

PORTFOLIO – WATER CONSUMPTION FOR THE EXISTING PORTFOLIO

GRI codes G4-CRESS:
Total water consumption: EN 8
Total water consumption per visitor: CRE 2

Definition: Total water consumption (common areas + private areas) and water consumption of common areas for the portfolio managed by Altarea Cogedim during the current scope of reporting and like-for-like scope, total and per visitor. Common areas (CA) correspond to the central area for the shopping centers, and to outdoor pedestrian walkways for the Lifestyle Centers and Retail Parks. Private areas (PA) correspond to the GLA (gross leasable area).

Relevant scope: Current scope of reporting (583,772 m² GLA for 2015) and like-for-like scope (442,363 m² GLA for 2010-2015).

		2010	2011	2012	2013	2014	2015	Change 2010-2015	Relevant surface area
Shopping centers	Total water consumption (m³)	159,951	219,498	189,267	182,469	138,381	178,526	+11.6%	CA + PA
	Common area water consumption (m³)	63,185	93,154	99,439	83,859	52,103	85,496	+35.3%	CA
	Common area water consumption per visitor (L/visitor)	0.98	1.35	1.66	1.44	1.12	1.67	+70.2%	
	Portion of total scope	*47%*	*54%*	*53%*	*55%*	*57%*	*62%*	*+31.3%*	
Lifestyle Centers	Total water consumption (m³)	86,143	99,001	103,912	106,774	89,957	96,610	+12.2%	CA + PA
	Common area water consumption (m³)	10,193	8,198	9,428	16,901	9,376	11,632	+14.1%	CA
	Common area water consumption per visitor (L/visitor)	0.53	0.41	0.45	0.78	0.44	0.58	+8.5%	
	Portion of total scope	*22%*	*18%*	*20%*	*19%*	*19%*	*17%*	*-23.8%*	
Family Village® and Retail Parks	Total water consumption (m³)	24,166	29,114	31,418	17,907	32,152	30,066	+24.4%	CA + PA
	Common area water consumption (m³)	17,718	14,548	16,008	11,870	14,402	19,256	+8.7%	CA
	Common area water consumption per visitor (L/visitor)	0.46	0.39	0.59	0.51	0.81	1.09	+138.9%	
	Portion of total scope	*20%*	*17%*	*17%*	*18%*	*16%*	*14%*	*-28.4%*	
CURRENT SCOPE OF REPORTING	Total water consumption (m³)	270,261	347,613	324,597	307,150	260,490	305,202	+12.9%	CA + PA
	Common area water consumption (m³)	91,096	115,899	124,874	112,630	75,881	116,383	+27.8%	CA
	Common area water consumption per visitor (L/visitor)	0.74	0.92	1.15	1.09	0.88	1.31	+75.7%	
	Portion of total scope	*89%*	*90%*	*91%*	*92%*	*92%*	*93%*	*+4.5%*	
LIKE-FOR-LIKE SCOPE	Total water consumption (m³)	259,416	265,869	271,642	263,598	226,065	248,055	-4.4%	CA + PA
	Common area water consumption (m³)	94,137	86,052	105,865	88,918	62,688	98,471	+4.6%	CA
	Common area water consumption per visitor (L/visitor)	1.06	0.99	1.32	1.16	0.87	1.43	+34.7%	
	Portion of total scope				*74%*				

5.7.1.4.2. Waste indicators

PORTFOLIO – WASTE PRODUCED FOR THE EXISTING PORTFOLIO

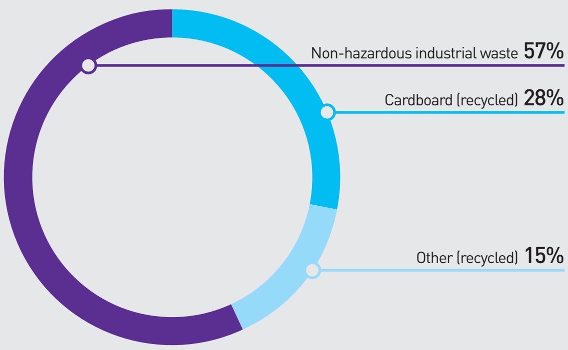
GRI codes G4-CRESS:
Total waste produced: EN 22

Definition: Waste produced for the portfolio managed by Altarea Cogedim in the total and like-for-like scope, total and per visitor.

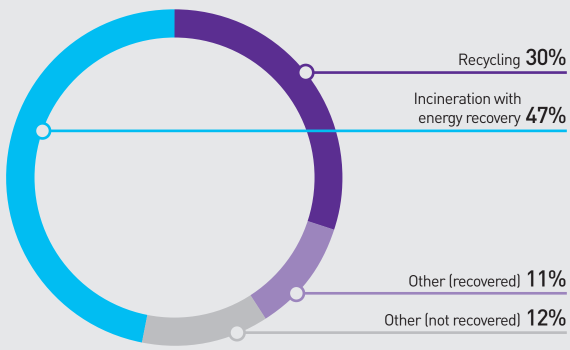
Relevant scope: Current scope of reporting (583,772 m² GLA for 2015) and like-for-like scope (442,363 m² GLA for 2010-2015).

		2010	2011	2012	2013	2014	2015	Change 2010-2015
Shopping centers	**Waste produced** (tons)	3,048	3,566	2,955	2,839	2,379	2,949	**-3.2%**
	Waste produced per visitor (kg/visitor)	0.05	0.05	0.05	0.05	0.05	0.06	**+21.7%**
	Percentage of waste sorted	23%	24%	24%	43%	50%	46%	**+98.3%**
	Percentage of total scope	*47%*	*54%*	*53%*	*55%*	*57%*	*62%*	*+31.3%*
Lifestyle Centers	**Waste produced** (tons)	525	583	547	613	658	644	**+22.8%**
	Waste produced per visitor (kg/visitor)	0.03	0.03	0.03	0.03	0.03	0.03	**+16.7%**
	Percentage of waste sorted	35%	31%	32%	30%	29%	26%	**-25.1%**
	Percentage of total scope	*22%*	*18%*	*20%*	*19%*	*19%*	*17%*	*-23.8%*
Family Village® and Retail Parks	**Waste produced** (tons)	1,081	1,219	1,184	1,272	1,220	1,008	**-6.8%**
	Waste produced per visitor (kg/visitor)	0.03	0.03	0.04	0.05	0.07	0.06	**+105.0%**
	Percentage of waste sorted	49%	54%	53%	52%	54%	44%	**-9.3%**
	Percentage of total scope	*20%*	*17%*	*17%*	*18%*	*16%*	*14%*	*-28.4%*
CURRENT SCOPE OF REPORTING	**Waste produced** (tons)	4,654	5,368	4,687	4,724	4,256	4,601	**-1%**
	Waste produced per visitor (kg/visitor)	0.04	0.04	0.04	0.05	0.05	0.05	**+36%**
	Percentage of waste sorted	30.5%	32%	32%	44%	48%	42.8%	**+40%**
	Percentage of total scope	*89%*	*90%*	*91%*	*92%*	*92%*	*93%*	*+4.5%*
LIKE-FOR-LIKE SCOPE	**Waste produced** (tons)	3,638	3,882	3,594	3,717	3,595	3,244	**-10.8%**
	Waste produced per visitor (kg/visitor)	0.04	0.04	0.04	0.05	0.05	0.05	**+14.8%**
	Percentage of waste sorted	31%	31%	32%	46%	50%	48%	**+56.3%**
	Percentage of total scope				*74%*			

Breakdown by type of sorting of tons of waste produced



Breakdown by type of end-of-life of tons of waste produced



5.7.2. SOCIAL INDICATORS

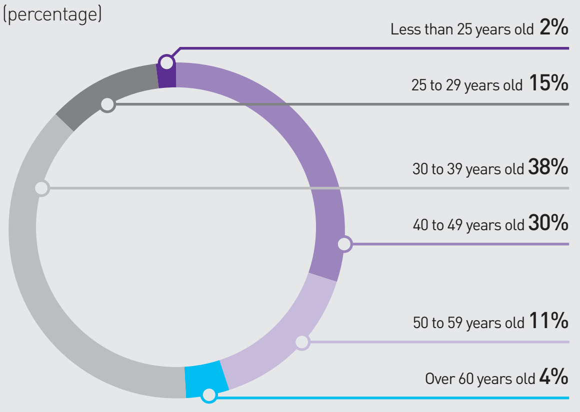
Relevant scope: Group employees on permanent and fixed-term contracts (France, Italy, Spain, Luxembourg) at 12/31/15.

REPRESENTATION, DIVERSITY, INDUSTRIAL RELATIONS

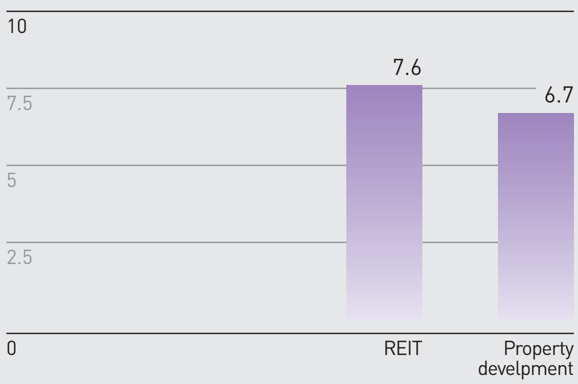
RECRUITING AND MANAGING

				Altarea Cogedim			Altareit
GRI Code	Theme	Indicator	Unit	2014	2015	Change	2015
LA 1	Breakdown by age group	Percentage of employees younger than 30	%	12.5%	13.1%	0.6%	14.8%
		Percentage of employees between 30 and 50	%	68.6%	67.8%	-0.7%	65.5%
		Percentage of employees older than 50	%	18.9%	19.0%	0.1%	19.7%
	Breakdown by country	Percentage of employees in France	%	96.3%	97.1%	0.8%	99.9%
		Percentage of employees in Italy	%	2.9%	2.2%	-0.7%	0.0%
		Percentage of employees in Spain	%	0.7%	0.6%	-0.1%	0.0%
		Percentage of employees in Luxembourg	%	0.1%	0.1%	-0.0%	0.1%
	Breakdown by status	Percentage of employees in management positions	%	72.4%	72.6%	0.2%	74.8%
		Percentage of employees in non-management positions	%	27.6%	27.4%	-0.2%	25.2%
LA 2	Recruitment	New hires (permanent contract) during the period	nb	138	185	47	140
		New hires (fixed-term contract) during the period	nb	63	74	11	49
		Percentage of new hires in management positions	%	59.7%	60.6%	0.9%	66.1%
		Percentage of new hires in non-management positions	%	40.3%	39.4%	-0.9%	33.9%
	Departures	Number of dismissals	nb	6	14	8	10
		Departure rate: Number of departures during the period/average headcount	%	15.4%	18.4%	2.9%	18.1%
		Manager departure rate	%	12.8%	15.3%	2.5%	16.7%
		Non-manager departure rate	%	22.3%	26.3%	3.9%	22.5%
	Reasons for departure	Departure during trial period	%	9.5%	10.3%	0.7%	7.4%
		End of fixed-term contract	%	40.1%	33.0%	-7.1%	33.9%
		End of contract (miscellaneous)	%	1.4%	1.1%	0.3%	0.8%
		Early termination of fixed-term contract (employee and company decisions)	%	0.0%	1.6%	1.6%	0.0%
		Resignations	%	23.8%	29.7%	5.9%	30.6%
		Dismissals	%	4.1%	7.6%	3.5%	8.3%
		Retirement or pre-retirement	%	4.1%	3.8%	-0.3%	0.8%
		Termination of fixed-term contract by mutual agreement	%	2.0%	0.5%	-1.5%	0.0%
		Agreement between employer and employee	%	14.3%	12.4%	-1.9%	14.9%
LA 1	Organization of working hours	FTE (full-time equivalent) headcount (permanent + fixed-term contract)	nb	943.6	995.7	52	662.7
		Number of hours theoretically worked	hour	1,449,172	1,497,371	48,199	969,711
		Number of hours worked by temporary employees	hour	18,698	26,005	7,307	19,077
		Number of overtime hours worked	hour	0	102	102	102

Breakdown by age
(percentage)



Average seniority
(in year)



PROMOTING DIVERSITY

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2014	Altarea Cogedim 2015	Altarea Cogedim Change	Altareit 2015
LA 13	Gender equality	Percentage of women in the total headcount	%	57.4%	57.5%	0.1%	55.3%
		Percentage of women among management-level employees	%	44.5%	44.7%	0.1%	42.5%
		Percentage of female managers	%	56.2%	56.4%	0.2%	57.5%
		Percentage of female non-managers	%	91.0%	91.6%	0.6%	93.2%
		Percentage of female members of the extended Executive Management Committee	%	26.7%	26.3%	- 0.4%	21.4%
		Percentage of women departed	%	66.0%	55.7%	- 10.3%	52.9%
	Disabilities	Number of employees having reported a disability	nb	3	8	5	5
	Anti-discrimination measures	Number of interns during the period	nb	52	48	- 4	39
		Number of work-study contracts during the period	nb	66	98	32	92

DIALOGUE WITH EMPLOYEE REPRESENTATIVES

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2014	Altarea Cogedim 2015	Altarea Cogedim Change	Altareit 2015
LA 6	Organization of industrial relations	Number of employee representatives (steering committee + works council)	nb	30	36	6	23
LA 4	Collective bargaining agreements	Percentage of employees covered by a collective bargaining agreement (%)	%	99.3%	98.0%	- 1.3%	97.0%

COMPENSATION AND SKILLS DEVELOPMENT

SHARING SUCCESS WITH EMPLOYEES

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2014	Altarea Cogedim 2015	Altarea Cogedim Change	Altareit 2015
LA 14	Fixed compensation*	Average gross annual employee compensation - excluding variable compensation and employer contributions	€	59,284	59,312	28	57,482
		Average gross annual non-management compensation - excluding variable compensation and employer contributions	€	34,462	34,097	- 366	33,802
		Average gross annual management compensation - excluding variable compensation and employer contributions	€	71,010	70,937	- 72	68,327
	Variable compensation*	Share of variable compensation in manager's compensation	%	13.3%	8.6%	- 4.8%	14.0%

* Excluding Cogedim Management Board for 2015.

BUILDING SKILLS AND EXPERTISE

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2014	Altarea Cogedim 2015	Altarea Cogedim Change	Altareit 2015
LA 10	Budget	Total training expenditure	€ thousands	1,035	1,412	377	978
		Average training expenditure per employee trained	€ thousands	1.7	2.4	0.8	2.3
		Investment rate for training	%	1.6%	2.1%	0.5%	2.1%
	Hours of training	Average number of hours per employee participating in at least one training course	nb	12.6	15.2	2.6	14.9
		Average number of hours for managers	nb	13.2	16.1	2.9	15.5
		Average number of hours for non-managers	nb	10.7	12.5	1.8	13.5
	Types of training	Percentage hours spent in technical and business line courses	%	54.2%	62.2%	8.0%	70.1%
		Percentage hours spent in IT and office skills courses	%	5.8%	3.7%	-2.1%	3.5%
		Percentage hours spent in management and support courses	%	28.4%	22.1%	-6.4%	24.0%
		Percentage hours spent in language courses	%	9.1%	5.8%	-3.3%	2.2%
		Percentage hours spent in health and safety courses	%	2.5%	6.3%	3.8%	0.2%
	Promotions	Number of employees who were promoted during the period	58	66	80	14	64
		Percentage of employees who were promoted during the period	%	6.9%	7.9%	1.0%	9.6%
LA 11	Mobility	Number of employees who benefited from one or more types of mobility during the period (geographic and/or professional and/or inter-departmental/inter-group)	nb	41	116	75	63
		Percentage of employees who benefited from one or more types of mobility during the period	%	4.3%	11.5%	7.2%	9.4%

EMPLOYEE HEALTH AND SAFETY

ENSURING EMPLOYEE HEALTH AND SAFETY

GRI Code	Theme	Indicator	Unit	Altarea Cogedim 2014	Altarea Cogedim 2015	Altarea Cogedim Change	Altareit 2015
LA 1	Absenteeism*	Total absentee rate	%	5.4%	6.2%	0.9%	5.6%
		Management absentee rate	%	4.2%	4.9%	0.7%	4.7%
		Non-management absentee rate	%	8.5%	9.7%	1.2%	8.2%
		Total absentee rate, excluding parental leave/other causes	%	2.9%	3.4%	0.4%	2.8%
	Reasons	Absence due to workplace accident	%	0.1%	0.7%	0.5%	1.1%
		Absence due to occupational illness	%	0.0%	0.0%	0.0%	0.0%
LA 9	Health, Safety and Working Conditions Committee (CHSCT)	Number of CHSCT meetings (DP+works council)	nb	8	8	0	4
		Workplace health and safety agreements signed	nb	0	0	0	0
LA 7	Workplace accidents	Frequency rate of workplace accidents	%	0.0	3.6	3.6	5.5
		Severity rate of workplace accidents	%	0.0	0.1	0.1	0.1
		Number of occupational illnesses declared (and recognized) during the year	nb	0	0	0	0

* Any absence excluding annual vacation and "RTT" days (days for recuperation of time worked).

5.8. CROSS-REFERENCE TABLE

5.8.1. CROSS-REFERENCE TABLE, ARTICLE 225 GRENELLE II

ENVIRONMENT

Theme	Issue	Section	Page
General environmental policy	Company organization in order to take environmental issues into account	5.1.2.1	171
	Where required, environmental assessment or certification processes	5.1.2.2	172
	Initiatives to train and inform employees about environmental protection	5.1.2.1 5.1.2.2	171 - 172
	Resources devoted to preventing environmental risks and pollution	6.11.3	263
	Amount of provisions and guarantees for environmental risks, provided that this information is not of a nature to cause harm to the company in a court dispute	5.5.7.3	214
Pollution and waste management	Measures to prevent, reduce or compensate emissions into the air, water and ground with serious environmental consequence	5.5.4	211
	Waste prevention, recycling and elimination measures	5.5.5	212
	Consideration of sound pollution and any other type of pollution specific to an activity	5.3.1.2.3 and 5.5.7.2	184 and 214
Sustainable use of resources	Water consumption and provision based on local constraints	5.5.6	213
	Energy consumption, measures taken to improve energy efficiency	5.5.2	202
	Use of renewable energy	5.5.2	202
	Land use	5.5.4	211
Climate change	Greenhouse gas emissions	5.5.3	206
	Adaptation to the consequences of climate change	5.5.3.1.3	208
Protecting biodiversity	Measures taken to preserve or develop biodiversity	5.5.4	211

SOCIAL

Theme	Issue	Section	Page
Jobs	Total workforce and breakdown by gender, age and geographical region	5.4.1.1.1	193
	New hires and dismissals	5.4.1.1.2	193
	Compensation and changes over time	5.4.2.1.3	197
Work organization	Organization of working hours	5.4.1.1.3	194
	Absenteeism	5.4.3.1	197
Social relations	Organization of industrial relations, including procedures to inform, consult and negotiate with employees	5.4.1.1.5	195
	Collective bargaining agreements	5.4.1.1.5	195

SOCIAL (CONT.)

Theme	Issue	Section	Page
Health and safety	Workplace health and safety conditions	5.4.3.1.1	197
	Agreements signed with labor unions or employee representatives concerning workplace health and safety	5.4.3.1.1	197
	Workplace accidents, including their frequency and severity, and occupational illnesses	5.4.3.1	197
Training	Training policy	5.4.2.1	196
	Total training hours	5.4.2.1.1	196
Diversity and equal opportunity/equal treatment	Policy implemented and measures taken to promote gender equality	5.4.1.1.4	194
	Policy implemented and measures taken to promote employment and integration of persons with disabilities	5.4.1.1.4	194
	Anti-discrimination policy implemented and measures taken	5.4.1.1.4	194
Promotion and enforcement of the fundamental ILO Conventions, regarding	Respect for freedom of association and right to collective bargaining	5.4.1.1.5	195
	Elimination of discrimination in respect of employment and occupation	5.4.1.1.5	195
	Elimination of forced or compulsory labor	5.4.1.1.5	195
	Effective abolition of child labor	5.4.1.1.5	195

SOCIETAL

Theme	Issue	Section	Page
Territorial, economic and social impact of the company's activities	On employment and regional development	5.3.4	189
	On local or resident populations	5.3.4	189
Terms of dialogue with these groups or organizations	Terms of dialogue with these groups or organizations	5.1.3.3 and 5.3.4	189 and 174
Partnership or sponsorship initiatives	Partnership or sponsorship initiatives	5.3.6	192
Subcontracting and suppliers	Inclusion of social and environmental issues in the procurement policy	5.3.5	190
	Degree of subcontracting and recognition of social and environmental policy in relations with suppliers and subcontractors	5.3.5	190
Fair practices	Actions taken to prevent corruption	5.3.3	188
	Measures taken to promote consumer health and safety	5.3.1	183
Other actions taken to promote human rights	Other actions taken to promote human rights	5.3.5	190

5.8.1.1 Cross-reference table: 2014 Global Reporting initiative (G4) – Altarea Cogedim Core Information

In 2014, a consulting firm specializing in non-financial reporting assessed the degree to which the CSR section of Altarea Cogedim's registration document complied with the criteria set out in the Global Reporting Initiative GRI G4. This process established that Altarea Cogedim meets the Global Reporting Initiative's "Core" compliance level. This assessment was based on Altarea Cogedim's most significant issues (see section 5.1.3.1, "Materiality Matrix").

The details of the Global Reporting Initiative G4 Core cross-reference table appear on the Group's website.

5.9. INDEPENDENT ASSURANCE REPORT ON THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT

To the Shareholders,

In our capacity as a third-party independent body accredited by COFRAC[1] under number 3-1050 and as amember of the network of one of Altarea Cogedim's Statutory Auditors, we would like to present our report on the consolidated social, environmental and societal information relating to the financial year ended December 31, 2015, detailed in chapter 5, "Corporate Social Responsibility", of the management report, hereinafter referred to as "CSR Information", in accordance with Article L. 225-102-1 of the French Commercial Code.

Responsabilty of the Company

The Company's management is responsible for preparing the management report. This includes the CSR Information in accordance with Article R. 225-105-1 of the French Commercial Code, presented as required by the Company's internal reporting standards, which comprise social, societal and environmental reporting guidelines as at December 2015 (the "Guidelines"). A summary of the Guidelines is provided at the end of chapter 5, "Corporate Social Responsibility," of the management report. The Guidelines are available upon request at the Company's head office.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, our professional ethics code and Article L. 822-11 of the French Commercial Code. In addition, we maintain a quality control system that encompasses documented policies and procedures to ensure compliance with ethical requirements, standards of professional conduct and applicable legal and regulatory requirements.

Responsibility of the independent third-party body

It is our role, on the basis of our work:

- to attest whether the required CSR Information is presented in the management report, or, if not presented, whether an appropriate explanation is provided in accordance with the third paragraph of Article R. 225 105 of the French Commercial Code (Attestation of CSR Information Presentation);
- to provide limited assurance on whether the CSR Information, taken as a whole, is fairly presented, in all material respects, in accordance with the Guidelines (Reasoned Opinion on the Fair Presentation of CSR Information).

Our work was performed by a team of five people between October 2015 and February 2016 and lasted approximately six weeks. We conducted the work described below in accordance with professional standards applicable in France and the French ministerial order of May 13, 2013, which defines the terms for independent third-party bodies in performing their duties. We also applied the International Standard on Assurance Engagements, ISAE 3000[2], in establishing our reasoned opinion on the fair presentation of CSR Information.

1. Attestation of CSR Information Presentation

We examined the sustainable development strategy, through interviews with the relevant department Managers, based on the social and environmental impacts of the Company's activities, its social commitments and any resulting measures or programs.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated Information, we verified that an appropriate explanation was provided in accordance with Article R. 225-105 paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the consolidated scope, namely, the Company and its subsidiaries as defined by Article L. 233-1 and its controlled entities as defined by Article L. 233-3 of the French Commercial Code, within the limits specified in the methodology section of section 5.6 of the management report.

Based on our work and the above-mentioned limits, we hereby confirm that the required CSR Information is presented in the management report.

2. Reasoned opinion on the fair presentation of CSR Information

Nature and scope of work

We conducted approximately five interviews with people from the Sustainable Development, Human Resources, and Corporate Management Control departments, responsible for preparing CSR Information, the information collection process and internal control and risk management procedures. This was done to:

(1) Scope of accreditation available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

- assess the appropriateness of the Guidelines as regards their relevance, comprehensiveness, reliability, neutrality and clarity, taking into consideration best practices in the sector and particularly the sector-specific recommendations published by EPRA (European Public Real Estate Association) and the social and environmental guidelines released by the French National Shopping Center Council (CNCC) in July 2013;
- check that the Company has set up a process to collect, compile, process and control the comprehensiveness and consistency of the CSR Information and understand its internal control and risk management procedures applied in preparing CSR Information.

We determined the nature and scope of our tests and controls depending on the type and importance of the CSR Information with respect to the Company's characteristics, the social and environmental issues concerning its activities, sustainable development strategy and sector best practices.

Concerning the CSR Information that we deemed to be the most important[3]:

- regarding the consolidating entity and the different business lines (real estate and development), we consulted documentary sources and conducted interviews to corroborate qualitative information (organization, policies, actions, etc.), implemented analytic procedures regarding quantitative information and verified calculations and data consolidation on the basis of surveys, and verified consistency with other information included in the management report;
- at the level of a representative sample of sites that we selected[4] based on their business, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures were correctly applied and performed detailed tests based on sampling, which consisted in verifying the calculations made and reconciling the data with the supporting documents. The selected sample represents 17% of the surface areas and 28% of energy consumption of retail assets (the denominator used represents 90% of the Company's private surface areas). For the Property Development division, the supporting documents for the societal and environmental information on residential, retail and office buildings (permits, location, certifications, etc.) are centralized at the Company's head office. Supporting documents on the Company's labor information are are also available at the head office.

As regards the other consolidated CSR Information, we assessed its consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations given in the event of the total or partial absence of certain information.

We believe, on the basis of our professional judgment, that the sampling methods and sample sizes we used enable us to provide a moderate level of assurance regarding this information. Providing greater assurance would require more extensive verifications. Due to the use of sampling techniques and other restrictions inherent to any information and internal control system, the risk of not detecting a material misstatement in the CSR Information cannot be entirely ruled out.

Conclusion

Our engagement did not reveal any significant anomalies that would cause us to believe that the CSR Information, taken as a whole, is not fairly presented, in accordance with the Guidelines.

Observations

Without qualifying the conclusion expressed above, we would like to draw attention to the fact that, in line with the National Council of Shopping Centers' (CNCC) sector-specific CSR guide and the EPRA's (European Public Real Estate Association) applicable best practices guide and the environmental performance of retail assets (consumption of energy, water and waste management) are monitored for volumes managed and paid for by the Company, excluding those paid directly or independently by lessees. On this basis, energy consumption is monitored on a same-structure and same-weather basis (i.e. adjusted for changes in climate).

Paris-La Défense, March 16, 2016

Independent Third-Party Body
ERNST & YOUNG et Associés

Eric Duvaud	**Bruno Perrin**
Sustainable Development Partner	Partner

(3) Environmental and societal information
Indicators: proportion of surface areas certified or undergoing the environmental certification process (environmental management system), primary energy consumption and CO_2 emissions per m² of retail assets, group CO_2 emissions, proportion of managed waste sorted on retail assets and rate of managed waste recycling on retail assets, water consumption; proportion of green leases signed, proportion of sites located less than 500 meters from a transit network (urban integration);
Qualitative information: overall environmental policy (organization, assessment or certification procedures), steps adopted to improve energy efficiency and use of renewal energy, waste management, soil and biodiversity management, territorial impact (direct, indirect, related and ancillary jobs) customer satisfaction, professional ethics, responsible purchasing approach.
Social information
Indicators: Total workforce, absentee rate and average number of training hours per employee trained.
Qualitative information: jobs, mobility, occupational health and safety, training policy, diversity.

(4) Quartz shopping center and Ruaudin Family Village®.

GENERAL INFORMATION

6

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6.1. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Altafi 2, represented by its Chairman, Mr Alain Taravella, Co-Manager. The head office of Altafi 2 is located at 8 Avenue Delcassé, Paris 75008.

6.1.2. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position, and earnings of the company and all entities included within the company's scope of consolidation. I also declare that to the best of my knowledge, the management report in section 2 gives a true and fair view of the businesses, earnings, financial position, and primary risks and uncertainties of the company and all entities included in the company's scope of consolidation.

I have obtained a statement from the Statutory Auditors at the end of their engagement confirming that they have read this registration document in its entirety and reviewed the information it contains regarding the company's financial position and financial statements.

The Statutory Auditors' report on the consolidated financial statements for FY2013 contains an observation relating to some changes that occured in accounting methods.

Altafi 2
Represented by its Chairman
Mr Alain Taravella
Co-Manager

6.1.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.3.1. Statutory Auditors

AACE Île-de-France
French member of Grant Thornton International
100, rue de Courcelles - 75849 Paris Cedex 17
Represented by Michel Riguelle
Date first appointed: May 28, 2010
Length of term: six years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The Ordinary General Shareholders' Meeting of 15 April 2016 will be asked to appoint directly the firm of GRANT THORNTON, 100 rue de Courcelles, Paris 75017, as Statutory Auditors.

The firm ERNST & YOUNG et Autres
Tour First - 1, Place des Saisons - 92400 Courbevoie
Represented by Jean-Roch Varon
Date first appointed: May 28, 2010
Length of term: six years

Term to expire at the close of the Ordinary General Shareholders' Meeting called to approve the financial statements for the 2015 fiscal year. The Ordinary General Shareholders' Meeting of April 15.

6.1.3.2. Alternate Auditors

Cabinet Auditeurs Associés Consultants Européens – AACE
4, Tue Firmin Gillot - 75015 Paris
Date first appointed: May 28, 2010
Length of term: six years
Term to expire at the close of the Ordinary General Shareholders' Meeting called to approve the financial statements for the 2015 fiscal year.

The Ordinary General Shareholders' Meeting of April 15, 2016 will be asked to appoint directly IGEC – Institut de Gestion et d'Expertise Comptable, 3 rue Léon Jost 75017 PARIS, as alternate Statutory Auditors.

Auditex
Tour First - 1, Place des Saisons - 92400 Courbevoie
Date first appointed: May 28, 2010
Length of term: six years
Term to expire at the close of the Ordinary General Shareholders' Meeting called to approve the financial statements for the 2015 fiscal year. The renewal of this term will be proposed to the Annual Shareholders' Meeting on April 15, 2016.

The Statutory Auditors are members of *Compagnie Nationale des Commissaires aux Comptes.*

6.1.4. DOCUMENTS AVAILABLE TO THE PUBLIC

I, the undersigned, hereby confirm that the following documents are available to the public in electronic or printed form, and can be obtained from the Company's registered office at 8, avenue Delcassé, 75008 Paris, during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data, and expert opinions or statements requested by the Company that are included or mentioned in this registration document; and
- financial data for the Company and its subsidiaries for the two financial years prior to the year in which this registration document is published.

Altafi 2
Represented by its Chairman
Mr Alain Taravella
Co-Manager

6.2. GENERAL INFORMATION ABOUT THE ISSUER AND ITS SHARE CAPITAL

6.2.1. GENERAL INFORMATION ABOUT THE ISSUER

6.2.1.1. Company name (Article 3 of the Articles of Association)

The Company's name is Altarea.

6.2.1.2. Legal form – governing Law (Article 1 of the Articles of Association)

Altarea was originally incorporated as a French *société anonyme*.

It was transformed into a *société en commandite par actions* by resolution of the Shareholders at the Combined General Meeting held on June 26, 2007.

Article 27.2 of the Articles of Association sets out that any limited partner (i.e. and shareholder) holding individually or in concert 5% or more of the share capital and voting rights of the Company may propose to the General Meeting to transform the Company into a French *société anonyme*. As such, Limited Partners may decide, by a majority required for the Extraordinary General Meeting, to terminate the status of the *société en commandite par actions*. The General Partner may not oppose such a transformation. Nevertheless, as long as Mr Alain Taravella, Co-Manager and General Partner, directly or indirectly holds more than 33% of actual voting rights, such a decision would be contingent upon his voting in the affirmative.

Altarea is a company incorporated under the laws of France and governed principally by the provisions of Book II of the French Commercial Code.

Altarea is therefore subject to French law.

6.2.1.3. Specific applicable legislation

Following the decision made in March 2005 by the Company and its eligible subsidiaries to elect for the tax regime applicable to *sociétés d'investissements immobiliers cotées* (SIIC) in accordance with Article 208-C of the French General Tax Code – decree No. 2003-645 of July 11, 2003, Altarea is subject to the specific provisions of this regime (see below).

6.2.1.4. Registered office (Article 4 of the Articles of Association)

The company's registered office is at 8, Avenue Delcassé, 75008 Paris.

Its telephone numbers are:
00 33 (0)1 44 95 88 10 and 00 33 (0)1 56 26 24 00.

Altarea is housed by its sub-subsidiary Cogedim Gestion, which has a commercial lease over the premises.

6.2.1.5. Date of incorporation and term (Article 5 of the Articles of Association)

The company was incorporated on September 29, 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless it is extended or wound up early.

6.2.1.6. Corporate object (Article 2 of the Articles of Association)

The Company's corporate purpose, both in France and abroad, on its own behalf and in participation with third parties, is as follows:

- principally: to acquire any and all land, property rights or buildings and any and all assets and rights that may constitute an accessory or appendix to said property assets, to build properties and undertake any and all transactions directly or indirectly connected with their construction, to operate and enhance the value of said property assets through their letting, to lease any and all property assets either directly or indirectly, to hold equity interests in the entities referred to in Article 8 and paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code and, more generally, to acquire equity interests in any and all entities whose main object is the operation of rental properties, and to run, manage and assist such entities;
- secondarily: to manage, appraise and develop properties, to acquire property assets with a view to reselling, renovating, repairing, maintaining and cleaning them, to develop, manage and

run shopping centers, to acquire equity investments or interests, directly or indirectly, in any and all companies or entities engaged in any kind of property-related business;
- exceptionally: to exchange or transfer by way of sale, capital contribution or otherwise any property assets acquired or built for the purpose of letting in accordance with the Company's principal object;
- generally: to undertake any and all civil, financial, commercial, industrial, securities and real property transactions to facilitate the achievement of any of the foregoing objects.

6.2.1.7. Trade and Companies Registry and other identifying information

The Company is registered at the Paris Trade and Companies Registry under registration number 335 480 877.

The Company's SIRET number is 335 480 877 00422 and its business code is 6820B (Administration of other property assets).

The Company's intra-European VAT number is FR 34 335 480 877.

It is listed in compartment A of Euronext Paris.
Code ISIN: FR0000033219.
Ticker Symbol: ALTA

6.2.1.8. Consultation of legal documents

Legal documents relating to the Company which must be made available by Law to the Shareholders may be consulted at the Company's registered office at 8, avenue Delcassé, 75008 Paris.

6.2.1.9. Financial year (Article 31 of the Articles of Association)

The financial year begins on January 1 and ends on December 31.

6.2.1.10. Appropriation of earnings (Article 32 of the Articles of Association)

The company's distributable profit as defined by Law is available for distribution by the General Meeting of Shareholders. The General Meeting of Shareholders has sole discretion over its appropriation. It may be appropriated in full or in part to any general or special reserves or to retained earnings, or may be distributed to the Shareholders.

For as long as the company is subject to the regime set out in Article 208 C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208 C II of the same code such that the company may benefit from the provisions set out in the first paragraph thereof.

The General Meeting of Shareholders may also resolve to distribute sums from other reserves available to it, providing that the Law so permits.

The Annual General Meeting of Shareholders, voting to approve the financial statements for the year, may decide to give each Shareholder the option of receiving all or part of the dividend in cash or in ordinary shares issued by the Company, in accordance with applicable Law and regulations.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the Shareholders if the Company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by Law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder whose own position or position of its shareholders causes the Company to become liable for the Withholding (the "Withholding") referred to in Article 208-C-II *ter* of the French General Tax Code (a "Liable Shareholder") shall compensate the company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A Shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the Company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a Law firm of international repute and with recognized expertise in French tax Law, certifying that the Shareholder is not a Liable Shareholder and that the distributions made to it will not cause the Company to become liable for the Withholding.

Should the Company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208-C-II *ter* of the French General Tax Code in one or more of the sociétés d'investissements immobiliers cotées referred to in Article 208-C of the French General Tax Code (a "SIIC Subsidiary") and should a SIIC Subsidiary have paid the Withholding as a result of a Liable Shareholder, that Liable Shareholder shall, as the case may be, compensate the company either for the sum paid by way of compensation by the Company to the SIIC Subsidiary in respect of the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other Shareholders do not bear any portion of the Withholding paid by any of the SIICs in the chain of holding as a result of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company is entitled to set off the compensation due from any Liable Shareholder against the sums due to be paid by the Company to that Liable Shareholder. Accordingly, the sums due to be distributed in respect of each share held by the Liable Shareholder from the Company's tax-exempt earnings under Article 208 C II of the French General Tax Code pursuant to a distribution decision or a share buyback will be reduced by the amount of the Withholding due by the Company in respect of the distribution of those sums and/or the Additional Compensation.

In the case of a distribution paid in shares, each Liable Shareholder will receive a portion of the sums distributed in shares inasmuch as no fractional shares will be created, and the balance in cash. The shares will be booked on an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exactly same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the company or a SIIC Subsidiary under Article 208-C-II of the French General Tax Code, a Shareholder was in fact a Liable Shareholder on the distribution date, and that (ii) the company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus where applicable the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice, where applicable, to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

6.2.1.11. General Meetings (Article 28 of the Articles of Association)

(i) Calling of meetings

Shareholders' Meetings are called and take place in accordance with the provisions of the Law.

Notice of Meetings may be given electronically, provided that the Shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

(ii) Proxies

All Shareholders may attend meetings in person or by proxy, regardless of the number of shares held, simply by providing proof of identity and evidence that they were Shareholders of record at least three days before the date of The Meeting. The Managers may reduce or cancel this three-day requirement, provided the same conditions apply to all Shareholders alike.

Corporate Shareholders may take part in Shareholders' Meetings through their legal representatives or any other person duly appointed for this purpose by their legal representatives.

(iii) Double voting rights

The Company's shares do not carry double voting rights. On June 5, 2015, the Combined General Shareholders' Meeting approved a resolution proposed by Management to exclude double voting rights for shareholders that have held their shares in registered form for more than two years. The following paragraph was added to Article 28.3 of the Articles of Association: "In accordance with the option provided for by Article L. 225-123 of the French Commercial Code, no double voting rights will be granted to fully-paid shares that have been held in registered form for two years in the name of the same limited partner. Each share gives the right to a single vote."

The Supervisory Board had previously, at its March 4, 2015 meeting, unanimously chosen to reaffirm its principled position expressed at its meeting of March 5, 2014, and to recommend that shareholders exclude such double voting rights and amend the Articles of Association accordingly to specify this point.

(iv) Ceiling on voting rights

The number of voting rights that may be exercised by each limited partner in General Meetings is equal to the number of voting rights attached to the shares they own up to a maximum of 60% of the voting rights attached to all shares comprising the share capital.

(v) Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the Law and regulations.

Shareholders may attend and vote at all meetings by videoconferencing or any other electronic means that permits their identification in accordance with the Law and regulations, except for the Annual Ordinary General Meeting held to approve the financial statements.

(vi) Chairman – Officers of The Meeting

General Meetings are chaired by the Manager or one of the Managers if there is more than one. If The Meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, The Meeting elects its own Chairman.

Minutes of General Meetings are drawn up and copies certified and issued in accordance with the Law.

6.2.1.12. Form of shares (Article 10 of the Articles of Association)

Fully paid up shares may be in either registered or bearer form, at the Shareholder's option.

However, any Shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the company's dividend rights at least equal to the percentage referred to in Article 208-C-II *ter* of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the third business day before the date of a General Meeting, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code will be restricted at The Meeting to one tenth of the shares held respectively by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Meeting, provided that the position has been remedied by the conversion of all shares owned directly or through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, to registered form no later than the third business day before the date of The Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the Law. Notwithstanding the foregoing, shares must be in registered form where required by Law.

Partially paid shares may not be converted to bearer form until they have been fully paid up.

Ownership of the shares is evidenced by their registration in accordance with the provisions of the Law either in a share registry held by the issuer or its appointed registrar in the case of registered shares or in an account held with an authorized financial intermediary in the case of bearer shares. If requested by a Shareholder, the Company or authorized financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to above may, in accordance with the provisions of the Law, have their voting rights and dividend rights suspended or disqualified.

The Company may at any time and at its own expense ask its clearing organization for information about the name or corporate name, nationality and address of holders of securities conferring the right to vote at General Meetings either immediately or in the future, as well as the number of securities held and any restrictions attached thereto.

The shares are indivisible for the purposes of the Company.

Joint owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of one of the joint owners.

6.2.1.13. Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in Law, regulations or the Articles of Association.

6.2.1.14. Disclosure thresholds – Reporting requirements (Article 12 of the Articles of Association)

Apart from the legal disclosure thresholds, the Articles of Association require that any natural or legal person acting alone or in concert who comes to own or ceases to own a percentage of the Company's share capital, voting rights or securities giving future access to equity equal to or more than one percent (1%) or any multiple thereof must, no later than five days after the occurrence, advise the Company by registered letter of the total number of shares, voting rights or securities giving future access to equity owned either directly, indirectly or in concert.

Any shares or securities that have not been disclosed in accordance with these requirements will be disqualified for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more Shareholders separately or together holding at least one percent (1%) of the company's share capital in accordance with the terms of the Law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

6.2.2. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

6.2.2.1. Provisions of the Articles of Association regarding alterations to the share capital and the respective rights of various classes of shares

The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the Law, and they do not provide for any special classes of shares.

6.2.2.2. Share capital

As of the date of this registration document, the share capital was €194,147,172.46. It was divided into 12,705,497 shares, all fully paid and of the same class. The rounded par value is €15.28 a share.

6.2.2.3. Authorizations involving the share capital

Note 3.6.1.1. to the consolidated financial statements (Chapter 3 of this registration document) provides detailed information on:

- stock option plans;
- free shares plans;
- information on treasury shares.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the tables below set out all valid authorities granted by extraordinary resolution of the Shareholders and their use during the past financial year. Each new authority granted to Management supersedes and cancels all previous authorities granted for the same purpose.

(i) Authorizations granted by the Combined General Meeting of May 7, 2014 that remained valid until the Combined General Meeting of June 5, 2015

(i) Authorizations to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2015
Authorizations to issue for cash ordinary shares or securities giving access to equity or debt securities, with preferential subscription right	9th resolution	07/07/2016	None
Authorizations to issue for cash ordinary shares or securities giving access to equity or debt securities, without preferential subscription right, in a public offering	10th resolution	07/07/2016	None
Authorizations to issue for cash ordinary shares or securities giving access to equity or debt securities, without preferential subscription right, in a private placement	11th resolution	07/07/2016	None
Authorizations granted to the Management to fix the issue price for share issues without preferential subscription right subject to a ceiling of 10% of share capital per year	12th resolution	07/07/2016	None
Option of increasing the amount of an issue in case of oversubscription	13th resolution	07/07/2016	None
Authorizations to issue shares to pay for contributions in kind, without preferential subscription right, subject to a ceiling of 10% of share capital per year	14th resolution	07/07/2016	None
Authorizations to issue ordinary shares or securities giving access to equity to minority shareholders of subsidiaries in consideration for their interests in an Altarea Group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum €20 million	15th resolution	11/07/2015	None
Authorizations to issue shares to pay for securities tendered under a public exchange offer up to a nominal ceiling of €120 million	16th resolution	07/07/2016	None
Setting aggregate nominal ceiling of authorities to the Management at €120 million for share issues and a €300 million for negotiable securities representing debt in the Company	17th resolution	Specific to each authorization	None
Authorizations to increase the share capital by capitalizing reserves	18th resolution	07/07/2016	None

The above authorities were canceled at the Combined General Meeting of June 5, 2015 through the adoption of resolutions on the same purposes.

(ii) Share buyback program

Authorization granted	Resolution	Expiry date
Authorizations to buy back shares at a maximum price of €200 per share. Maximum: €100 million.	7th resolution	07/11/2015
Authorizations to reduce the share capital by canceling shares purchased under the buyback program	8th resolution	07/07/2016

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2015 are detailed in paragraph 6.2.2.4 below on the share buyback program.

The above authorities were canceled at the Combined General Meeting of June 5, 2015 through the adoption of resolutions on the same authorities.

(iii) Employee share offers

Authorization granted	Resolution	Expiry date	Use in 2015
Authorizations to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	19th resolution	07/07/2016	None
Free shares plans. Ceiling of 350,000 new shares	20th resolution	07/07/2017	None
Stock option plans (existing shares)[1]	21st resolution	07/07/2017	None
Stock option plans (new shares)[1]	22nd resolution	07/07/2017	None
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	23rd resolution	11/07/2015	None

(1) Within the limit of the aggregate ceiling of 350,000 shares instituted by the 20th resolution.

The above authorizations were canceled at the Combined General Meeting of June 5, 2015 through the adoption of resolutions on the same purposes.

(ii) Authorizations granted by the Combined General Shareholders' Meeting of June 5, 2015

(i) Authorizations to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2015
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, with preemptive rights.	9th resolution	08/05/2017	None
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, without preemptive rights, in the context of a public offer.	10th resolution	08/05/2017	None
Authorizations to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a private placement.	11th resolution	08/05/2017	None
Authorizations granted to the Management to fix the issue price for share issues without preemptive rights subject to a ceiling of 10% of share capital per year	12th resolution	08/05/2017	None
Option of increasing the amount of an issue in case of oversubscription	13th resolution	08/05/2017	None
Authorizations to issue shares to pay for contributions in kind, without preemptive rights, subject to a ceiling of 10% of share capital per year	14th resolution	08/05/2017	None
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company and reserved for certain categories of investors, without preemptive rights	15th resolution	12/05/2016	Capital increase of 02/26/2016[2]
Authorizations to issue Company shares and/or equity securities giving access to other equity securities or giving access to debt securities, intended to pay for shares tendered in public offers initiated by the Company	16th resolution	08/05/2017	None
Setting aggregate nominal ceiling of authorities to the Management at €95 million for share issues and a €300 million for negotiable securities representing debt in the Company	17th resolution	Specific to each authorization	None
Authorizations to increase the share capital by capitalizing reserves	18th resolution	05/05/2017	None

The above authorizations will be canceled at the Combined General Meeting of April 15, 2016 through the adoption of resolutions on the same purposes.

(ii) Share buyback program

Authorization granted	Resolution	Expiry date
Authorization to buy back shares at a maximum price of €250 per share. Maximum: €100 million.	7th résolution	12/05/2016
Authorizations to reduce the share capital by canceling shares purchased under the buyback program	8th resolution	08/05/2017

Purchases and sales of treasury shares made in 2015 in accordance with the foregoing authorizations granted by the Combined General Shareholders' Meeting of June 5 are also detailed in paragraph 6.2.2.4 below on the share buyback program.

The above authorizations will be canceled at the Combined General Meeting of April 15, 2016 through the adoption of resolutions on the same purposes.

(2) See table on changes in share capital below.

(iii) Employee share offers

Authorization granted	Resolution	Expiry date
Authorization to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	19th resolution	08/05/2017
Free shares plans	20th resolution	08/05/2018
Stock option plans (existing shares)	21st resolution	08/05/2018
Stock option plans (new shares)	22nd resolution	08/05/2018
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	23rd resolution	12/05/2016

The above authorizations were canceled at the Combined General Meeting of January 20, 2016 through the adoption of resolutions on the same authorizations.

(iii) Authorities granted by the Extraordinary General Meeting of January 20, 2016

(i) Employee share offers

Authorization granted	Resolution	Expiry date
Authorization to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	1st resolution	03/20/2018
Free shares plan – ceiling of 350,000 shares valid for resolutions 2,3,4 and 5		03/20/2019
Stock option plans (existing shares)	3rd resolution	03/20/2019
Stock option plans (new shares)	4th resolution	03/20/2019
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	5th resolution	07/20/2017

(iv) Grants of authority proposed for approval at the next Combined General Meeting of April 15, 2016

(i) Authorizations to increase the share capital

Authorization granted	Resolution	Expiry date
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, with preferential rights of subscription.	18th resolution	06/15/2018
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, without preemptive rights, in the context of a public offer.	19th resolution	06/15/2018
Authorizations to issue for cash ordinary shares or securities giving access to equity or debt securities, without preemptive rights, to pay for shares tendered in a private placement.	20th resolution	06/15/2018
Authorizations granted to the Management to fix the issue price for share issues without preemptive rights subject to a ceiling of 10% of share capital per year	21st resolution	06/15/2018
Option of increasing the amount of an issue in case of oversubscription	22nd resolution	06/15/2018
Authorizations to issue shares to pay for contributions in kind, without preemptive rights, subject to a ceiling of 10% of share capital per year	23rd resolution	06/15/2018
Authorizations to issue ordinary shares and/or equity securities giving access to other equity securities or giving access to debt securities and/or marketable securities giving access to equity securities to be issued by the Company and reserved for certain categories of investors, without preemptive rights	24th resolution	10/15/2017
Authorizations to issue Company shares and/or equity securities giving access to other equity securities or giving access to debt securities, intended to pay for shares tendered in public offers initiated by the Company	25th resolution	06/15/2018
Setting aggregate nominal ceiling of authorities to the Management at €95 million for share issues and a €300 million for negotiable securities representing debt in the Company	26th resolution	Specific to each authorization
Authorizations to increase the share capital by capitalizing reserves	27th resolution	06/15/2018

(ii) Share buyback program

Authorization granted	Resolution	Expiry date
Authorization to buy back shares at a maximum price of €250 per share. Maximum: €100 million.	16th resolution	10/15/2017
Authorizations to reduce the share capital by canceling shares purchased under the buyback program	17th resolution	06/15/2018

(iii) Employee share offers

Authorization granted	Resolution	Expiry date
Authorization to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	28th resolution	06/15/2018
Free shares plan – ceiling of 350,000 shares valid for resolutions 29, 30, 31 and 32	29th resolution	05/15/2019
Stock option plans (existing shares)	30th resolution	06/15/2019
Stock option plans (new shares)	31st resolution	06/15/2019
Implementation of share subscription warrants (BSA, BSAANE and BSAAR)	32nd resolution	10/15/2017

6.2.2.4. Share buyback program

At the Combined General Meetings of May 7, 2014 and June 5, 2015, the Shareholders authorized the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €100 million, at a maximum price of, respectively, €200 and, then, €250 per share.

Pursuant to this authorization, Management decided to implement a share buyback program on May 7, 2014 and June 5, 2015 for the following purposes, in order of precedence: (1) To make a market in or to provide liquidity for the Company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the *Autorité des Marchés Financiers*. (2) Allocate shares to employees and/or corporate officers (in accordance with conditions set forth by Law), particularly under a stock option plan, a stock grant plan or an employee share ownership plan. (3) Acquisition of shares to tender as payment or exchange for future acquisitions as a practice recognized by the *Autorité des Marchés Financiers*. (4) Allocation of shares to the holders of negotiable securities convertible into shares of the Company upon the exercise of the rights attached to such securities, in accordance with the regulations in force. (5) Possible cancellation of shares purchased. (5) Implementation of any market practice that may be recognized by the *Autorité des Marchés Financiers*.

A description of these share buyback programs was published in accordance with Articles 241-1 *et seq.* of the AMF's General Regulation.

Pursuant to these authorizations, the Company bought and sold the following shares in 2015:

Month	Number of shares bought	Number of shares sold	Market price at end of month	Balance of treasury shares
January 2015	1,705	4,056	150.50	157,998
February 2015	3,700	2,997	155.00	158,701
March 2015	2,503	2,710	177.00	158,494
April 2015	2,707	1,203	174.20	145,998
May 2015	1,477	1,495	166.05	145,980
June 2015	2,774	3,161	160.50	136,593
July 2015	1,348	1,361	155.00	136,580
August 2015	1,568	2,091	166.00	136,057
September 2015	1,518	690	163.50	136,885
October 2015	7,613	1,805	171.25	142,693
November 2015	13,417	1,972	176.50	154,138
December 2015	17,281	2,156	184.00	169,263

The allocation of treasury shares by purpose is shown above. In Altarea's statutory financial statements, the line item "Treasury shares, liquidity contract," which corresponds to purpose (1) comprised 1,501 shares at December 31, 2015. The line item "Shares intended for allotment," which corresponds to purpose (2), comprised 167,762 shares at December 31, 2015.

In accordance with the information set out in paragraph 6.2.2.3 above relating to authorities involving the share capital, at the Ordinary General Meeting held to approve the 2015 accounts, the Shareholders will be asked to renew, on the same terms and conditions as the authorities granted by the AGM of June 5, 2015, the authority to buy back shares up to a maximum of 10% of the shares comprising the share capital and up to the same aggregate amount of €100 million for a maximum price of €250 per share. The purpose of this authority is the same as in the previous year, i.e. (i) to make a market in or to provide liquidity for the Company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the *Autorité des Marchés Financiers*; (ii) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the *Autorité des Marchés Financiers*; (iii) to hold the shares for allocation to employees and/or corporate officers under a stock option plan, a stock grant plan or an employee share ownership plan; (iv) to allocate shares to the holders of negotiable securities convertible into shares of the Company upon the exercise of the rights attached to such securities, in accordance with the regulations in force; (v) to cancel the shares purchased under the share buyback program; and (vi) more generally, to implement any transaction or market practice recognized or that may be recognized by laws or regulations in force or by the *Autorité des Marchés Financiers*.

As in previous years, the Shareholders will be asked to authorize that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. In previous years, the Shareholders will be asked to expressly authorize the buyback of shares from shareholders who are corporate officers, but pursuant to stricter conditions than buybacks from ordinary shareholders: Buybacks from corporate officers would be at a price equal to the average of the 20 previous trading days, provided, that if such average were higher than the price on the last trading day, the transaction would occur for a price equal to the price on the last trading day.

6.2.2.5. Shares giving access to share capital

Details are provided in Note 6.1 to the consolidated financial statements (Chapter 3 of this registration document).

6.2.2.6. Pledges over shares

At December 31, 2015, 2,799,692[3] registered shares, representing 22.37% of the share capital (which comprised 12,515,497 shares at that date) had been pledged.

(3) Société Générale for an amount of 2,100,000 shares, Cortal Consors for an amount of 683,796 shares and Caceis CT for an amount of 15,896 shares.

6.2.2.7. Changes in share capital

Transaction	Number of shares	Transaction amount	Share premium	Total share capital	Total number of shares	Per value per share
Capital increase due to the contribution in kind from Foncière Altarea (06/26/2009)	31,850	€3,954,542	€3,467,874	€156,335,956.78	10,230,941	At par
Capital reduction by cancellation of treasury shares held (06/26/2009)	52,124	€1,984,881.92	(€1,188,427.20)	€155,539,502.06	10,178,817	At par
New share issue for proposed dividend payment in shares (03/07/12)	732,624	€11,194,94.72	-	€166,733,96.78	10,911,441	At par
Merger by absorption of Aréal (27/06/2013)	145,000	€2,215,600	€16,344,400	€168,949,596.78	11,056,441	At par
New share issue for proposed dividend payment in shares (22/07/13)	536,364	€8,195,641.92	-	€177,145,238.70	11,592,805	At par
New share issue for proposed dividend payment in shares (June 12, 2014)	922,692	€14,098,733.76	-	€191,243,972.46	12,515,497	At par
Reserved shares offered (26/02/16)	190,000	€2,903,200	€28,762,200	€194,147,172.46	12,705,497	At par

On November 16, 2015, management used the delegation of authority granted by the 15th resolution of the Combined General Shareholders Meeting on June 5, 2015 to issue shares to natural persons and legal entities reinvesting the proceeds from the sale of a portfolio of real estate assets or of shares in a REIT or developer, up to the limit of a maximum nominal capital increase of €20 million, with a minimum issuance price equal to the weighted average trading price over the three trading days preceding pricing, potentially reduced by a maximum discount of 5%. Alta Favart, a subsidiary d'Altarea, had the opportunity to acquire the entire share capital of the real estate developer Pitch Promotion (the "Sale"), and some of its shareholders had expressly conditioned their agreement to the Sale on the ability to use a portion of the sales proceeds to subscribe for new shares of Altarea issued at a price determined on the signature date. In order to enable the transaction to be completed, management decided to issue 190,000 new shares reserved for certain sellers of Pitch Promotion at a subscription price fixed, in accordance with the 15th resolution of the Combined General Meeting of June 5, 2015, at €166.66 per share. The capital increase was subject to the condition precedent that the sale close prior to February 29, 2016.

On February 2, 2016, management took note that the Sale had closed, and, therefore, that the condition precedent to the capital increase had been satisfied. On the basis of subscriptions received and of the certificate of the depositary for the funds, it noted that the total par value of the subscribed shares and the total amounts of additional paid-in capital had been fully paid up and that, as a result, the subscription was closing early.

Management noted the definitive completion of the capital increase, resulting in the share capital increasing from €191,243,972.46 to €194,147,172.46. The share capital is now divided into 12,705,497 shares, fully paid up, all of the same class.

6.2.2.8. Current ownership of share capital and voting rights

The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

A breakdown of the shares and voting rights between the main Shareholder groups at December 31, 2014 and December 31, 2015 can be found in Note 10 to the consolidated financial statements (chapter three of this registration document).

The voting rights disclosed in Note 10 are actual voting rights that can be exercised in General Meetings at December 31, 2015, rather than theoretical voting rights which include those attached to treasury shares. Consequently, the table below reproduces the information provided in the Notes to the financial statements and shows the corresponding number of theoretical voting rights.

Ownership at December 31, 2015

Shareholder	Number of shares	% of share capital and theoretical voting rights	Number of actual voting rights at General Meetings	% of actual voting rights at General Meetings
CONTROLLED BY FOUNDERS [a]	**5,899,110**	**47.13**	**5,899,110**	**47.78**
Controlled by the Extended Concert [b]	5,975,714	47.75	5,975,714	48.40
Crédit Agricole Assurances	3,419,655	27.32	3,419,655	27.70
ABP	1,034,692	8.27	1,034,692	8.38
Opus Investment	165,999	1.33	165,999	1.34
Treasury shares	169,263	1.35	0	0.00
Public float	1,750,174	13.98	1,750,174	14.18
Total	**12,515,497**	**100.00**	**12,346,234**	**100.00**

(a) Shares and voting rights held as of December 31, 2015 by Mr Alain Taravella and Mr Jacques Nicolet, founders of the Group, acting in concert, as well as members of their families and the companies they control. See Section 6.2.2.9.
(b) Concert existing among the aforementioned founders, on the one hand, and Mr Gilles Boissonnet and Mr Stéphane Theriau on the other hand, as well as members of their families and the companies they control, see 6.2.2.9.

The 10 existing General Partner (*commandité*) shares with a par value of €100 are held by Altafi 2, whose registered office is at 8, avenue Delcassé, 75008 Paris, registration number 501 290 506 RCS Paris.

Change in ownership structure over the past three financial years:

	12/31/2015	12/31/2015	12/31/2014	12/31/2014	12/31/2013	12/31/2013
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
CONTROLLED BY FOUNDERS	5,899,110	47.13	5,899,110	47.13	5,447,576	46.99
Controlled by the Extended Concert	5,975,714	47.75	5,969,842	47.70	N/A[a]	N/A[a]
Crédit Agricole Assurances	3,419,655	27.32	3,419,655	27.32	3,130,515	27.00
APG	1,034,692	8.27	1,034,691	8.27	947,205	8.17
Opus Investment	165,999	1.33	156,999	1.25	100,260	0.86
Treasury shares	169,263	1.35	160,349	1.28	156,047	1.35
Public float	1,750,174	13.98	1,773,961	14.17	1,811,202	15.63
Total	12,515,4971	100.00	12,515,497	100.00	11,592,805	100.00

(a) The extended concert between the founders, on the one hand, and Mr Gilles Boissonnet and Mr Stéphane Theriau, on the other hand, has only existed since July 2, 2014. See paragraph 6.2.2.10, below.

Threshold crossings notified to the French Financial Markets Authority (AMF):

In 2015, no filings were made with the *Autorité des Marchés Financiers* reporting the crossing of thresholds.

6.2.2.9. Control of the company and Shareholders' agreements

An agreement to act in concert was concluded between the following persons:

- Mr Alain Taravella, the companies AltaGroupe (formerly Altafinance 2), Alta Patrimoine and Altager (formerly Alta Pat 1), which he controls, and members of his family;
- Mr Jacques Nicolet and the Company JN Holding, which he controls;
- Mr Gilles Boissonnet and the SCI Jouffroy 2, which he controls;
- Mr Stéphane Theriau.

Mr Taravella and Mr Jacques Nicolet have reported that they are acting in concert since the acquisition of control of the Company (then called Imaffine) in 2004. The traditional group of shareholders acting in concert, composed of Mr Alain Taravella and Mr Jacques Nicolet, is referred to in this document as the "concert of founders."

In a letter received by the *Autorité des Marchés Financiers* on July 2, 2014, Mr Gilles Boissonnet and Mr Stéphane Theriau declared acting in concert with Mr Alain Taravella and the companies he controls, and Mr Jacques Nicolet and the companies he controls (AMF Decision & Information No. 214C1286 of July 3, 2014). In its June 10, 2014 meeting, the *Autorité des Marchés Financiers* examined the consequences of this concert action between Mr Gilles Boissonnet and Mr Stéphane Theriau with the concert formed by Mr Alain Taravella and Mr Jacques Nicolet. The AMF established that there was no call for a mandatory submission of a proposed public bid as set out in the provisions of Article 234-2 of the AMF's General Regulations, as the action in concert would not cause the initial concert to cross the thresholds set out in Article 234-7, paragraph 2 of the General Regulations. (AMF Decision & Information No. 214C1041 of June 11, 2014).

As of the date of this document, the Company was aware of the following Shareholders' agreements:

Description	Date	Validity	Signatories	Commitments
Shareholders' Agreement	06/26/2007	10 years	Alain Taravella, Jacques Nicolet, Altafinance and Predica	Right of preference in favor of the other signatory in case of transfer by Predica to a non-affiliate of more than 2% of the capital or securities with a value of over €30 million
Shareholders' Agreement	06/12/2008	10 years	Mr Taravella, Mr Nicolet, Altafinance 2, JN Holding and ABP Fund	ABP Fund has right to appoint one member to sit on Supervisory Board and Board's Special Committees (number of seats consistent with percentage interest). Undertaking to use best efforts to maintain the Company's SIIC status and to increase its free float
Dutreil Agreements	07/21/2008 and 11/03/2009		Mr Taravella, his family, Alta Patrimoine and Altafinance 2	Undertakings to hold shares
Dutreil agreement	12/22/2011		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares
Dutreil agreement	12/21/2012		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares
Dutreil agreement	12/23/2014		AltaGroupe, Altafi 2, Opus Investment, Christian de Gournay and Jean-François Favre	Undertakings to hold shares

6.2.2.10. Trading in Altarea shares in 2015 by executive officers or persons closely related to them

From January 1, 2015 to December 31, 2015, executive officers or persons closely related to them reported the following transactions in Altarea shares:

1 – SALE OF SHARES

Executive officer	Title on transaction date	Financial instrument	Transaction	Date of transaction	Number of securities	Unit price	Gross amount of transaction
Mr Dominique Rongier	Supervisory Board member	Ordinary shares	Sale by Dominique Rongier	03/26/2015	119	€170.00	€20,230.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/02/2015	342	€176.26	€60,281.60
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/07/2015	100	€176.00	€17,600.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/07/2015	223	€178.00	€39,694.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/17/2015	645	€178.00	€114,810.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/17/2015	350	€178.00	€62,300.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/18/2015	2,000	€178.77	€357,533.60
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/18/2015	872	€178.00	€155,216.00
Mr Gilles Boissonnet (CEO of Atlas)	Co-Manager	Ordinary shares	Sale by Gilles Boissonnet	12/18/2015	522	€178.00	€92,916.00

6.2.2.11. Employee Shareholders

In accordance with Article L. 225-102 of the French Commercial Code, it is noted that as of the date of this registration document, shares held by the Company's employees(4) and by employees of affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent 1.56% of the Company's share capital(5).

This percentage does not express the proactive nature of the employee shareholder policy implemented by Company management since the Group's listing on the stock exchange in 2014, because it is calculated based solely on the number of shares that the Group's current employees continue to hold.

Employee shareholding is expected to increase significantly in the coming years, due to Management's stated ambition to share the business's growth with its employees, as discussed in Chapters 1 and 5 of this registration document. The implementation of new free share allocation plans, which began at the start of 2016, seeks to make each employee a shareholder of the Group and enable him/her to benefit from the dividend paid to shareholders and from the capital gains obtained by an increase in the price of Altarea shares.

(4) These are Altarea shares that continue to be held by employees and that would have been allocated to them free of charge as stock options, as well as Altarea shares held by the mutual funds (FCPE) of employees.
(5) Decision made on March 1, 2016, after delivery of free share allocation plan no. 27.

6.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE INTO EQUITY

Issue date	Issue amount	Subscription rate	Date of maturity
12/21/2012	€100,000,000	Entirely subscribed	12/21/2017
05/23/2014	€100,000,000	Entirely subscribed	05/23/2021
06/02/2014	€50,000,000	Entirely subscribed	05/23/2021
06/12/2014	€80,000,000	Entirely subscribed	05/23/2021

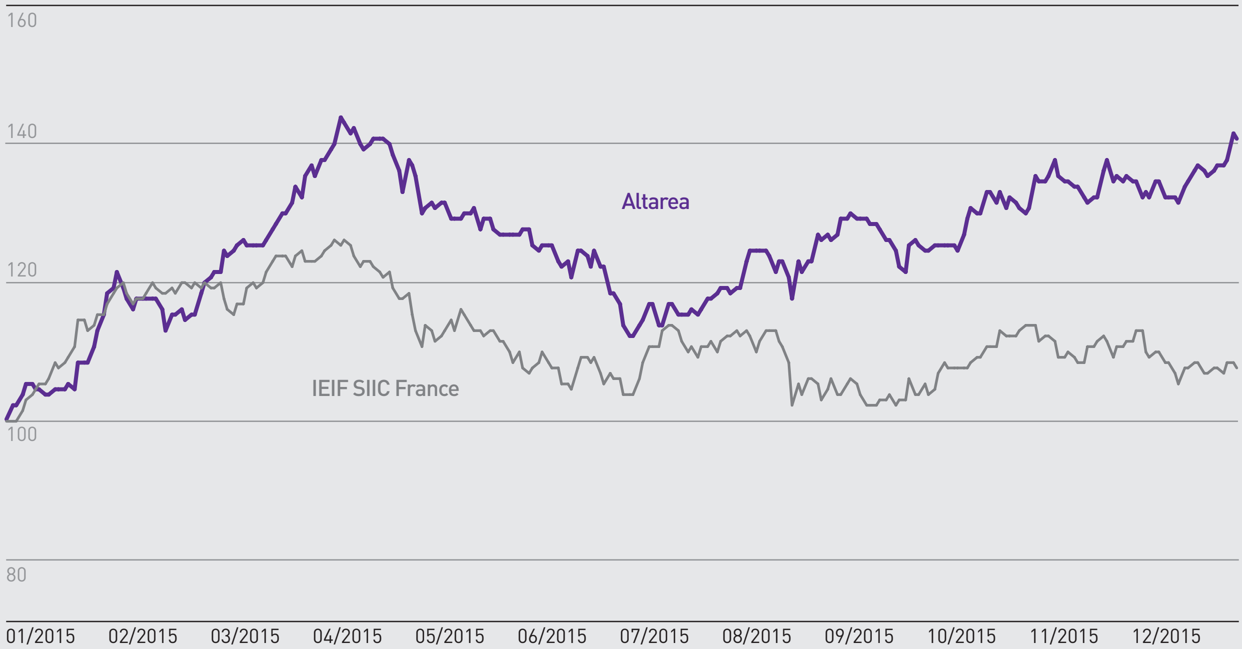
Bonds issued on 06/02/2014 and 06/12/2014 were assimilated upon issue and comprised a single item with the existing bond issue carried out on 05/23/2014.

6.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/Altarea						
Market						Compartment A – NYSE Euronext
Securities exchange						Paris
	2010	2011	2012	2013	2014	2015
Market capitalization	1,272,352,125,00	1,226,547,449	1,276,638,597	1,483,879,040	1,647,039,500	2,000,057,000
Number of shares traded	160,896.00	366,875	551,953	587,100	373,158	572,766
Average price (€)	115.29	133.70	115.42	126.76	133.27	158
Value of shares traded (€)	18,550,102.00	49,051,188	64,926,335.80	74,419,856.00	49,448,737	90,400,975
Highest	128.00	148.50	130.99	154.00	14090	188
Lowest	103.00	111	98.51	105.40	123.05	131
Latest	125.00	120.50	117	128.00	131.60	184

	High	Low	Latest	Number of shares traded	Value of shares traded (€)
January 2016	182.95	164	176.7	32,382	5,721,899.40
December 2015	185.8	171.55	184	67,299	12,383,016.00
November 2015	180	171.5	176.5	46,352	8,181,128.00
October 2015	175	161.5	171.25	29,130	4,988,512.50
September 2015	171	158.8	163.5	29,919	4,891,756.50
August 2015	166	151.5	166	31,710	5,263,860.00
July 2015	162	146	155	28,803	4,464,465.00
June 2015	167.95	158	160.5	23,867	3,830,653.50
May 2015	181	166.05	166.05	19,035	3,160,761.75
April 2015	187.9	174	174.2	30,359	5,288,537.80
March 2015	180	155	177	38,307	6,780,339.00
February 2015	163.7	145.05	155	38,184	5,918,520.00
January 2015	150.50	131.10	150.50	220,297	30,261,449.00
December 2014	137.35	131.60	131.60	49,159	6,559,143.00
November 2014	134.00	131.50	133.00	22,266	2,958,540.00
October 2014	135.15	128.50	134.00	15,544	2,043,347.00
September 2014	139.80	126.25	131.35	38,437	5,137,233.00
August 2014	140.00	133.30	139.15	18,580	2,543,837.00

Change in Altarea share price
(from 01/01/2015 through 12/31/2015, base 100)



6.4. DIVIDEND POLICY

6.4.1. DIVIDENDS PAID OVER THE PAST FIVE FINANCIAL YEARS

Financial year	Dividend per share
Financial year ended 12/31/2010	€8.00
Financial year ended 12/31/2011	€9.00
Financial year ended 12/31/2012	€10.00
Financial year ended 12/31/2013	€10.00
Financial year ended 12/31/2014	€10.00

6.4.2. DIVIDEND DISTRIBUTION POLICY

A dividend of €11.00 per share in respect of the financial year ended December 31, 2015 will be proposed at the Annual General Meeting to be held on April 15, 2016. This is the same dividend as was paid the year before.

The dividend to be paid in 2017 in respect of the 2016 financial year should be at least equal to that paid this year.

6.4.3. EXPENDITURES AND FEES UNDER ARTICLE 39-4 OF THE FRENCH GENERAL TAX CODE

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the General Tax Code was incurred in 2015.

6.5. SUMMARY OF THE COMPANY'S PAYMENT TERMS

In accordance with Article D. 441-4 of the French Commercial Code, created by the French Economic Modernization Act (LME) of August 4, 2008, we specify that:

- the Company's total trade payables (including amounts due on non-current assets) amounted to €5,555,938 at December 31, 2014, including €4,246,443 of unbilled payables at the closing date and €401,400 in holdbacks. The balance came to €908,095, all maturing within more than 60 days;
- the Company's total trade payables (including amounts due on non-current assets) amounted to €7,809,841 at December 31, 2015, including €7,215,858 of unbilled payables at the closing date and €398,924 in holdbacks. The balance came to €195,059, all maturing within more than 60 days.

6.6. AGREEMENTS CONCLUDED BETWEEN AN EXECUTIVE OFFICER OR A MAJOR SHAREHOLDER AND COMPANY SUBSIDIARIES

As of the date of this registration document, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.7. SUMMARY OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS

TYPE OF INDICATIONS	2015	2014	2013	2012	2011
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share capital	191,244,972	191,244,972	177,146,239	166,734,997	155,540,502
Number of shares	12,515,497	12,515,497	11,592,805	10,911,441	10,178,817
- ordinary	*12,515,497*	*12,515,497*	*11,592,805*	*10,911,441*	*10,178,817*
- preferred shares					
Maximum number of shares to be created					
- by bond conversions					
- by subscription rights					
OPERATIONS AND EARNINGS					
Revenues excl. tax	29,426,248	25,462,290	41,034,088	39,407,606	40,158,840
Profit before tax, interest, depreciation and provisions	11,329,786	44,229,409	191,804,094	36,216,000	(4,186,943)
Income tax	(346,124)	338,305	(88,331)	(24,266)	(57,333)
Employee participation					
Allowances Depreciation, amortization and provisions	5,624,685	40,157,535	74,973,819	32,818,718	(9,521,967)
Net profit	6,051,225	3,733,569	116,918,606	3,421,549	5,392,357
Distributed earnings					
EARNINGS PER SHARE					
Profit after tax and interest, before depreciation and provisions	0.9	3.5	16.6	3.3	(4)
Profit after tax, interest, depreciation and provisions	0.5	0.3	10.1	0.3	0.5
Dividend distributed					
PERSONNEL					
Average employee workforce	3	5	6	6	5
Payroll	1,029,263	1,833,756	1,845,482	1,819,892	1,394,862
Amounts paid in benefits (social security, social welfare, etc.)	3,168,514	1,384,810	1,270,590	4,598,122	1,838,671

6.8. RECENT EVENTS AND LITIGATION

Recent events and litigation are discussed in chapter 3 of this registration document, in Notes 11.2 and 12 to the consolidated financial statements.

On February 26, 2016, the Company published a press release. This communication was worded as follows:

Finalization of the business combination of Altarea Cogedim and Pitch Promotion: Today Altarea completed its acquisition of 100% of the share capital and voting rights of Pitch Promotion. The transaction, announced on November 16, 2015, reinforces Altarea Cogedim's position in real estate development, a position that will be discussed in detail in the press release announcing Altarea Cogedim's 2015 annual results of operations on March 9 after the close of the Stock Exchange. In accordance with the agreements between the parties, the Terrassoux group used a portion (€31.7 million) of the proceeds from the sale to subscribe for 190,000 Altarea shares (or 1.5% of Altarea's capital) in a capital increase of Altarea reserved for it. Christian Terrassoux remains chairman and Chief Executive Officer of Pitch Promotion. He will be coopted as a member of Altarea Cogedim's Supervisory Board at the next Board meeting and will be a member of the Group's Strategic Committee.

6.9. INFORMATION THAT CAN AFFECT ALTAREA'S BUSINESSES OR PROFITABILITY

Overall, the Company is not dependent on its customers.

In the retail REIT division, the ten largest tenants of shopping centers managed by Altarea accounted for 31.18% of total rental income (excl. tax) as of December 31, 2015. No single tenant accounted for more than 10% of rental income.

Furthermore, the ten largest customers in Altarea's Residential property business accounted for 18% of total revenue (excl. tax) as of December 31, 2015. No single customer accounted for more than 10%.

However, the two largest clients in the office property business accounted for more than 10% of total revenue (excl. tax) as of December 31, 2015.

6.10. COMPETITIVE ENVIRONMENT

The sections of this registration document containing the company description and management report (chapters I and II) provide detailed, quantitative information on Altarea's businesses and services, along with their trends, competitive landscape, and earnings. The management report also discusses the macroeconomic factors and business cycles affecting the shopping center and Residential property markets.

The Company's main competitors are as follows:

- in the retail REIT sector, the ten property companies with a market capitalization of over €1bn, other than Altarea Cogedim Group, are Unibail-Rodamco, Klépierre, Gecina, Foncière des Régions, Icade, Société Foncière Lyonnaise, Foncière des Murs, Mercialys, Eurosic and Foncière de Paris SIIC [6];
- in the Residential and Office Property development sector, Altarea Cogedim Group's main competitors in 2014 were as follows [7]:
  - with respect to housing [8], the ten largest real estate companies, including the Altarea Cogedim Group, are as follows: Bouygues Immobilier, Nexity, Kaufman & Broad, Icade, Promogim, Vinci Immobilier, BPD Marignan, Eiffage Immobilier and Sogeprom,
  - with respect to offices, the nine largest real estate companies, including the Altarea Cogedim Group, are as follows: BNP Paribas Real Estate, Bouygues Immobilier, Vinci Immobilier, Icade, Kaufman & Broad, Eiffage Immobilier, Emerige, Nexity and Constructa-Promotion.

(6) Source: Institut de l'Épargne Immobilière & Foncière: Euronext IEIF SIIC France, Classification Index to 01/29/2016. http://www.ieif.fr/tableau-siic/.
(7) In total sales volume in millions of euros – Palmarès 2015 – Classement des Promoteurs 2015 – Innovapresse – pages 18 and 20.
(8) Including Résidences Services business.

6.11. RISK FACTORS

The Company has conducted a review of the risks that could have a material adverse effect on its business, financial situation or earnings, and considers that there are no significant risks other than those presented. Internal control and risk management procedures are detailed in the Chairman's report on internal control, which is reproduced in full in chapter 8 of this document, and more particularly in sub-section 8.3.

In this area, the Company abides by the provisions of the Code of Conduct of Listed Property Investment Companies.

6.11.1. RISKS INHERENT IN THE OPERATIONS OF ALTAREA COGEDIM

Risks related to trends in the property market and to the business climate

Altarea operates in several sectors of the property market, mainly Retail property (mostly shopping centers), Residential and Office Property, and Serviced residences. The Company is exposed to systemic risks and uncertainties specific to the property market, most notably its cyclical nature, as well as the risks inherent to each property asset. The Company's risk management strategy and measures adopted aim to limit the negative consequences should one of these risks materialize. However, a prolonged deterioration of economic conditions or abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate could have a negative impact on the Altarea Group's businesses, asset values, earnings, development projects, and investments.

Risks related to acquisitions

As part of its external growth strategy, the Group makes acquisitions or acquires significant stakes allowing it to increase its market share in its various business segments.

The Group could face difficulties integrating companies or the assets it acquires. It can not, for instance, guarantee the maintenance of key competencies identified during the acquisition process. The Group could also face challenges arising from the wide cultural or status difference between entities. Additionally, it could have to incur expenses or liabilities not identified by audits and due diligences, covered in part by representations and warranties.

All these risks might have a significant adverse impact on the Group's business, financial posities or reputation.

Property Development risks

There are a number of risks related to Property Development, including:

- risks related to obtaining building permits or permits for commercial operations, and to administrative proceedings that could delay Property Development projects;
- risk of inability to meet construction schedules owing to delays due to archaeological excavation, soil typology, decontamination, etc., the risk of construction cost overruns, contractor business failures, the inability of contractors and service providers to adapt to new standards and the risk of ensuing potential litigation with construction companies;
- commercial risk, which is related mainly to the possibility that products developed will not be consistent with demand, or to the extended length of time required to structure certain operations;
- with respect to offices, when the Group acts as a developer by signing off-plan or Property Development agreements in which it undertakes to build a building with a fixed price and deadline, it bears the completion risk with regard to its customers. The risk would be one of non-compliance of the product delivered or of a delay in delivering;
- competition risk, which may in particular affect the acquisition of commercial land/shopping centers, product sales prices, or the availability of subcontractors.

Risks related to REIT assets and activities

Risks related to assets in operation and to the retail and office REIT business include:

- risks related to letting and re-letting of space in shopping centers and offices, in particular in a challenging economic climate;
- risks related to Property Portfolio Management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.);
- risks related to the operation of shopping centers (natural or technological risks, accidental damages, closure of a center by the government, etc.).

Risk of tenant and buyer insolvency

Altarea's ability to collect rental income from shopping center tenants depends on the tenants' solvency. Altarea checks the creditworthiness of potential tenants and their brand appeal prior to entering into any lease agreement. However, it may occur that tenants do not pay their rent on time or that they default on their rental payments, which may impact Altarea's operating income. This could be the case if the current economic situation were to worsen into a full-blown recession as this would have a significant impact on consumer behavior and create difficulties for tenant stores and retailers. However, rents are relatively unscathed as tenants fear eviction and the loss of their business.

In Residential property, a deterioration in consumer solvency would mainly impact demand for Residential property in the marketing stage. Once the residential unit has been marketed, Cogedim holds a seller's lien on the property and the keys are not handed over until the buyer has paid the balance of the selling price. Thus risks relating to the company's ability to collect sums due from its customers mainly entail extending payment terms and therefore optimizing working capital requirements.

Finally, marketing of Serviced residences managed by the Group ensures guaranteed returns for investors' long-term placements. Occupancy rates could therefore have a negative impact on the operation of these residences.

Risk related to the appraisal of property assets

The valuation of Altarea's portfolio of Retail property is linked to many exogenous factors (economic conditions, Retail property market, interest rates, etc.) as well as endogenous factors (shopping centers' return on investment and performance) that may vary appreciably.

The Group arranges for its property to be appraised twice a year by independent appraisers. The fees paid to appraisers are lump-sum amounts determined in advance of the valuations and amounted to €297,000 (excl. Tax) for 2015, of which €20,000 related to the preparation of reliance letters required by banks. They are not determined as a percentage of the value of the assets being valued, and represent less than 10% of the revenues of each of the appraisal firms. The form of work conducted and the method used to value the assets are described in paragraph 8.3.3.1. (c) "Risks linked to REIT assets and activities," in the Chairman's report on internal control. The sensitivity of the Property Portfolio's value is analyzed in Note 7.1 to the consolidated financial statements (chapter 3.6 of the registration document) focusing particularly on investment properties.

The condensed reports of the Company's appraisers are reproduced in full below:

Short Report | Altarea-Cogedim – Retail Portfolio

CUSHMAN & WAKEFIELD

Short Report – ALTAREA – 31st December 2015

1.1 Context of instruction

Outline

- ALTAREA-COGEDIM's property assets are given a market value periodically so that every semester (on the 30th June and 31st December) the group can provide the financial markets with a value of its total holdings as certified by independent experts.
- According to an agreement signed between the parties for the years 2015 – 2017, Cushman & Wakefield – Valuation & Advisory France (DTZ Valuation France), Cushman & Wakefield Italy et Cushman & Wakefield Spain have been commissioned to carry out the valuation of a number of the assets located in France, Italy and Spain.
- Cushman & Wakefield – Valuation & Advisory France (DTZ Valuation France), Cushman & Wakefield Italy and Cushman & Wakefield Spain, subsidiaries of Cushman & Wakefield (formerly DTZ), confirm to have carried out the valuation acting as an External Valuer qualified for the purpose of the valuation with all capital and financial independence. We also confirm that we have the appropriate knowledge, skills and understanding to undertake the valuation competently.
- Cushman & Wakefield – Valuation & Advisory France (DTZ Valuation France), Cushman & Wakefield Italy and Cushman & Wakefield Spain confirm that they have no conflict of interest for this Valuation.
- The valuation has been prepared in accordance with the AMF recommendations for the presentation of valuation and risk assessment data for listed companies' property assets, published 8th February 2010.

Appointment

Cushman & Wakefield – Valuation & Advisory France (DTZ Valuation France), Cushman & Wakefield Italy and Cushman & Wakefield Spain, subsidiaries of Cushman & Wakefield (formerly DTZ)'s December 2015 valuation consisted of expert assessment with partial internal and external property visits, and the determination of market values taking into account occupancy conditions as at 31st December 2015.

The assets valued, according to ALTAREA, consist of 23 sites used as follows:

- 16 shopping centres,
- 4 retail-parks,
- 2 high street shops,
- 1 other site.

Valuation date : 31st December 2015
Report date : 29th January 2016

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Short Report | Altarea-Cogedim – Retail Portfolio

CUSHMAN & WAKEFIELD

The 23 sites are divided between France, Italy and Spain as follow:

France:
- 13 shopping centres,
- 4 retail-parks,
- 2 high street shops,
- 1 other site.

Italy:
- 2 shopping centres

Spain:
- 1 shopping centre

Please note that as long as the property is subject to the terms of a financial lease ("crédit bail"), the valuation expert evaluates exclusively the underlying assets and not the financial lease. Similarly, as long as the property asset is held by an ad hoc company the value of the latter is estimated according to the hypothetical selling of the underlying property asset and not according to that of the company.

1.2 Terms of instruction

Valuation elements

The valuation has been carried out on the basis of documents and information provided to us which we assume to be true and which we assume correspond to the entirety of information and documents held by the company which could have an effect on the price of the property.

Reference documents

The valuation has been carried out in accordance with:

- On a national level :
  - The recommendations of the Barthès de Ruyter report on the valuation of property holdings of listed companies carrying out a public offering, published in February 2000,
  - The French property appraisal charter ("Charte de l'Expertise en Evaluation Immobilière" – 4th Edition),
  - Principles set out by the SIIC (Sociétés d'Investissements Immobilières Cotées) [listed real estate investment companies] code of conduct.
- On an international level:
  - The European Group of Valuers' Association European valuation standards published in its blue book "European valuation standards".
  - The Royal Institution of Chartered Surveyors' (RICS) Red Book published within its "Appraisal and valuation manual" (9th Edition).

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Short Report | Altarea-Cogedim – Retail Portfolio

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Valuation method

The valuations techniques used are based upon methods regularly used for these types of assets, notably methods based on income:

- Income capitalisation method,
- Discounted cash flow (DCF) method.

The comparison method of valuation has been used only for crosschecking purposes for certain assets.

1.3 Cumulative market value as at 31st December 2015

The overall market value corresponds to the sum of the individual value of each asset.

Total Market Value (100 %):

€ 3,167,396,209 including fees and transfer costs

Market value of share:

€ 2,290,252,263 including fees and transfer costs

This value is to be understood assuming a stable market and an absence of notable changes to the properties between the date of the expert assessment and the date of the value.

This short report should be taken as an inseparable element of the total works produced during the expert valuation.

Completed in Neuilly-sur-Seine, 29th January 2016.

Jean-Philippe Carmarans, MRICS

Head of Valuation France
International Director
RICS Registered Valuer

For and on behalf of
DTZ Valuation France

As of September 2, 2015, DTZ and C&W have combined under a new common brand.
Notwithstanding our new branding, our underlying legal entities have not changed, including their names.

Valuation date : 31st December 2015
Report date : 29th January 2016

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Portfolio 25 assets ALTAREA COGEDIM

1 The Basis of Our Instructions

1.1 Purpose of the Valuation

This report is provided in accordance with the valuation proposal by Jones Lang LaSalle Expertises SAS dated 20th April 2015 confirmed by Altarea Cogedim Group, under which Jones Lang LaSalle is to provide you with our opinion of the Fair Value of the assets that constitute this portfolio for IFRS financial reporting purposes as at 31st December 2015.

We have assessed the Fair Value of these properties in accordance with IFRS 13, "Measurement of Fair value".

As per your instructions, this is a shortened report format. For full details in respect of this instruction, please refer to our extended report which has been provided in French

1.2 Client identity and professional liability

The client of Jones Lang LaSalle Expertises SAS for this instruction is **ALTAREA COGEDIM**. The report is provided solely for the purpose stated above. Jones Lang LaSalle Expertises SAS accepts no liability to its clients for any non-authorised use and accepts no liability to any third party in relation to any use of this valuation report and its contents.

All valuation instructions undertaken by Jones Lang LaSalle Expertises in France are covered by the insurance of the Jones Lang LaSalle group.

Please note that the liability of Jones Lang LaSalle in contract in respect of this instruction is in any event limited to € 5 million (five million Euros) in the aggregate, covered by AON civic and professional insurance (police N° QC1502087).

1.3 Valuation basis

Our valuation has been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Professional Standards, January 2014 ("the Red Book"), the *Charte de l'expertise immobilière*, and with the European Valuation Standards of TEGoVA (the European Group of Valuers' Associations). They are also consistent with the recommendations provided in the Barthès de Ruyter report resulting from the working group on property valuation for publically quoted companies drawn up in February 2000 by the COB, now AMF. This valuation report is also compliant with the International Valuation Standards 2012.

The assets have also been valued in accordance with our **General Principle of Valuation**, a copy of which is attached in the report's appendices.

In view of the purpose of the valuation, as set out above, we have valued the asset(s) on the basis of their Fair Value.

Fair Value is defined in IFRS 13 as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The various standards referred to above agree that in most cases the definition of Fair Value leads to the same value conclusion as the definition of Market Value.

We have considered the properties as if free and clear of all mortgages, *crédit-bail* or other charges that may be secured thereon.

We would point out that we have not carry out a building survey and that, whilst we have taken account of any readily visible defects, we have not been able to confirm that the properties are free from defect.

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Portfolio 25 assets ALTAREA COGEDIM

We are neither lawyers nor accountants. Any comments made on legal or accounting matters in this report are provided in good faith, but should be checked with legal or accounting specialists.

1.4 Conflict of interest check and experience

Following enquiries no conflict of interest has been found in respect of the properties or the parties concerned by this instruction.

We confirm that Jones Lang LaSalle Expertises SAS has the experience and market knowledge required to value of the subject assets.

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Portfolio 25 assets ALTAREA COGEDIM

2 Valuation Report

2.1 Summary of the portfolio

We summarise the main details of the properties as follows:

- 10 Shopping centre
- 8 Retail Park
- 1 Residential Hotel
- 6 Commercial asset

2.2 Inspections

Since it is an update valuation, we did not visit the properties. The date of the visit is given in each individual properties report.

2.3 Sources of information

We were provided with full information at the time of our initial valuation which was carried out in June 2015. In terms of our update, we were provided with the following information for each property:

- Tenancy schedules at 30/09/2015
- Speciality leasing income
- Turnover € including VAT
- Amounts of annual recoverable service charges per asset and per tenant
- Special rents for Gare du Nord and Gare de l'Est

2.4 Floor areas

Under French Law, only architects or *géomètre-experts* are authorised to certify floor areas of buildings. Thus, we have not taken measurements of the properties and have relied on the information with which we have been supplied in the floor area tables certified by a *géomètre-expert*.

2.5 Valuation approach

We have valued this property using three main methods and compared the results obtained. This is consistent with valuation practice in France were valuers generally use at least two methods :

- The traditional French capitalisation method
- Discounted cash-flow method
- Direct comparison method.

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Portfolio 25 assets ALTAREA COGEDIM

2.6 Valuation Conclusions

In accordance with the comments in our report, we estimate the Fair Value of the various properties is therefore as shown below:

€1,081,817,600 Net
(One Billion and Eighty One Million Eight Hundred and Seventeen Thousand Six Hundred EUROS)

derived from a rounded gross value of

€1,135,482,600 Gross
(One Billion One Hundred and Thirty Five Million Four Hundred and Eighty Two Thousand Six Hundred EUROS)

In accordance with normal French market practice we have not made any deductions for purchaser's or vendor's legal or agents' fees associated with a purchase or sale, nor have we taken account of any capital gains or other taxes that either party might have to pay as a result of such a transaction.

Note: The Net value (hors droits) above represents the price that a vendor would receive. A Gross price would represent the total that a purchaser would have to pay, including property transfer taxes and notaire's fees. **It is therefore the Net value that equates to the RICS or TEGoVA definition of Market Value**.

We have therefore assumed that a sale at our valuation date would fall within the VAT regime. This applies to properties sold for the first time within 5 years of their completion or of a major works programme that involved the breaking of floor slabs.

In such cases, the tax authorities will accept the sale as under the VAT regime and the sale would then be subject to VAT on the net price. A company who bought would probably be able to recover the VAT, leaving other non-recoverable *notaire's* costs at around 1.8%. A private individual would have to bear both the VAT and these costs.

On any subsequent sale, or on a sale after the end of the 5 year period, transfer taxes and *notaire's* fees can be expected to be around 6.2% of the net value.

The Council of Paris voted 23rd November 2015 the increase of "departementale" part of transfer taxes by passing from 3.80% to 4.50%. This increase would take place on 1 January 2016. Regarding the Paris properties, we used the 6.20% transfer taxes for all of our valuation until 31 December 2015 (included), then we will retain a rate of 6.90% as of 01/01/2016.

In our discounted cash-flow method, we used 6.20% to express the value (before 31/12/2015) and 6.90% for exit value end of DCF.

Paris, 3rd February 2016

Anne Le Daniel
For and on behalf of Jones Lang LaSalle Expertises
Senior Valuer

Gareth Sellars, MRICS, REV, CIS HypZert (MLV)
For and on behalf of Jones Lang LaSalle Expertises
President

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Risks related to the Group's information systems

The performance and reliability of the Group's information systems are major factors in conducting the Group's business. As a result, Altarea could be affected by events outside of its control and liable to lead to interruptions in its information flows or issues affecting its activities.

The Group could also face cyber-attacks, ranging from theft and loss of data to denials of service. It could be exposed to a risk of liability and of damage to its reputation. This could force Altarea to make additional investments to protect its information systems and to repair any damages that may have been caused.

6.11.2. LEGAL, REGULATORY, TAX AND INSURANCE RISKS

Legal and regulatory risks

Altarea must comply with regulations in a variety of areas, including urban planning, construction, leases, operating permits, health and safety, the environment, commercial lease regulations, corporate Law and tax Law (most notably the tax rules governing SIICs).

Changes to any of these regulations could require Altarea to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values, and expenses, and may slow or halt progress on some of the Company's Property Development or marketing activities.

Altarea is involved in legal procedures as part of its regular business operations, and is subject to tax or regulatory audits. The Company recognizes a provision whenever a risk is identified and its cost can be reasonably estimated.

Litigation risk

As of the date of this registration document, and as stated in Note 11.2 to the consolidated financial statements (chapter 3.6), on litigation and claims, no significant new litigation issues arose in 2015 other than those for which provisions were set aside or that the Company has challenged.

The other provisions are presented in Note 6.3 to the consolidated financial statements (chapter 3.6).

Tax risks related to SIIC status

Altarea has elected to adopt tax treatment as an SIIC under Article 208-C of the French General Tax Code, which exempts it from French Corporate income tax providing that it meets certain conditions and obligations, particularly pertaining to dividend distributions. If Altarea fails to meet these criteria, it will be required to pay Corporate income tax under French common Law for the financial years in which it does not meet these criteria, which would have a negative impact on its earnings.

In addition, if one or more Shareholders acting in concert were to attain an ownership threshold of 60% of the share capital or voting rights, this would also result in loss of SIIC status. This is why Altarea's Articles of Association cap voting right ownership at 60%.

Altarea could be liable for an additional income tax charge if it pays an exempt dividend to a Shareholder that is not subject to French Corporate income tax (or an equivalent tax) and that owns at least 10% of Altarea's shares, and if Altarea cannot pass the charge on to this Shareholder. Altarea's Articles of Association state explicitly that Shareholders must pay this charge, but Altarea may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the Shareholder becomes insolvent before the payment is made.

Finally, Altarea is subject to changes in existing tax laws.

Other tax risks

In connection with its activities that do not fall under the SIIC regime (which covers the taxable activities of companies with SIIC regime status and the general regime applicable to subsidiaries that are not eligible for the SIIC regime), Altarea is subject to the general Corporate income tax Law and, in particular, to the rules governing tax consolidation. This is because Altareit, a subsidiary of Altarea SCA, is the head of a tax consolidation group that includes most of the Group's subsidiaries that are engaged in the business of Development for Third Parties.

The treatment of Corporate income tax as well as the main potential or unrealized litigation between Altarea and the tax authorities are described in Note 5.3 to the consolidated financial statements (chapter 3.6).

Risks related to the cost and availability of insurance coverage

Altarea believes that the type and amount of insurance coverage it and its subsidiaries have is consistent with practices in its industries.

Nevertheless, the Company could experience losses that are not fully covered by its insurance policies, or the cost of its insurance policies could go up. The Company could also be faced with insufficient insurance or an inability to cover some or all of its risks, potentially resulting from capacity limitations in the insurance market.

The cost or unavailability of appropriate coverage in the case of damages could have a negative impact on the Company's asset values, earnings, operations, and financial position.

Altarea's overall policy concerning insurance and the main types of coverage enjoyed are set out in paragraph 8.3.3.3. (d) "Risks related to the cost and availability of insurance coverage" in the Chairman's report on internal control.

6.11.3. SOCIAL AND ENVIRONMENTAL RISKS

Social and environmental risks

Social risks

Like all companies, Altarea Cogedim is potentially exposed to employee-related risks, primarily owing to its rapid growth: employees' ability to abide by all new regulations and professional restrictions; their desire to share in the Company's profits; the level of information provided in order to share the Group's strategy guidelines, projects and major trends; and tapping into the best talent. These factors influence the level of employee motivation, which is essential in sustaining the Company's growth momentum.

Environmental risks

As an operator that builds, operates and manages property complexes, the Altarea Group is exposed to certain environmental risks mainly relating to the new thermal and environmental regulations set out in the Grenelle Act and in its various implementing decrees, as they apply to all of the Group's new projects. The Group is also affected by the environmental objectives of Grenelle II relating to improvements in the energy and environmental performance of existing buildings. Finally, the Law on the energy transition for green growth, which was passed in 2015, set a goal of "renovating buildings to achieve energy savings" and could have an impact on the Group in the coming years.

To meet these challenges, in 2010 the Group initiated a progress-based approach to anticipate the new energy and environmental regulations for all of its new production and to implement an accurate reporting system regarding the energy and environmental performance of its Property Portfolio (see paragraph 8.3.3.4. (a) "Social and environmental risks," in the Chairman's report on internal control).

Health and public-safety risks (asbestos, legionella, classified facilities, etc.)

Altarea's assets could be exposed to human health and safety risks such as those related to asbestos, legionella, termites, and lead. As the owner of its buildings, facilities, and land, Altarea could be formally accused of failure to adequately monitor and maintain its property against these risks. Any proceedings invoking the Company's liability could have a negative impact on its operations, outlook, and reputation. The Group's actions on these risks are described in paragraph 8.3.3.4 (b) "Risks Relating to Public Health or Safety".

6.11.4. RISKS RELATED TO ALTAREA'S FINANCING POLICY AND FINANCIAL CAPACITY

Liquidity risk – Borrowing capacity – Compliance with bank covenants

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. The Company may not always have the desired access to capital markets or be able to obtain financing under favorable conditions. This situation could result from a crisis in the bond or equity markets, a serious deterioration in the property market, or any change in Altarea's businesses, financial position, or Shareholder structure which affects investors' perception of the Group's credit quality or attractiveness as an investment.

Altarea does not feel it has a significant exposure to liquidity risk as of the date of this registration document.

Furthermore, under the terms of loan agreements between Altarea and its financial partners, Altarea must meet certain commitments or obligations in its capacity as borrower. These commitments and obligations are in reference to the disclosure of financial, accounting, legal and operational information and estimates, as well as to compliance with covenants defined specifically in each agreement. Failure to meet these commitments or obligations could result either in default or potential default that would mainly entail prepayment of all or part of the outstanding amounts. This situation could produce an unfavorable impact on the Company's business and financial condition.

Notes 6.2, 8 and 9 to the consolidated financial statements (chapter 3.6 of this registration document) provide information on the Group's cash position and set out the main financial covenants to be respected by Altarea and its subsidiaries.

Interest rate and hedging risk

Note 9 to the consolidated financial statements (chapter 3.6 of this registration document) shows an analysis of sensitivity to interest rate risk across the entire portfolio of variable-rate financial liabilities and derivative financial instruments.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty.

Equity risk

Altarea does not feel it has any material exposure to equity risk as of December 31, 2015.

Currency risk

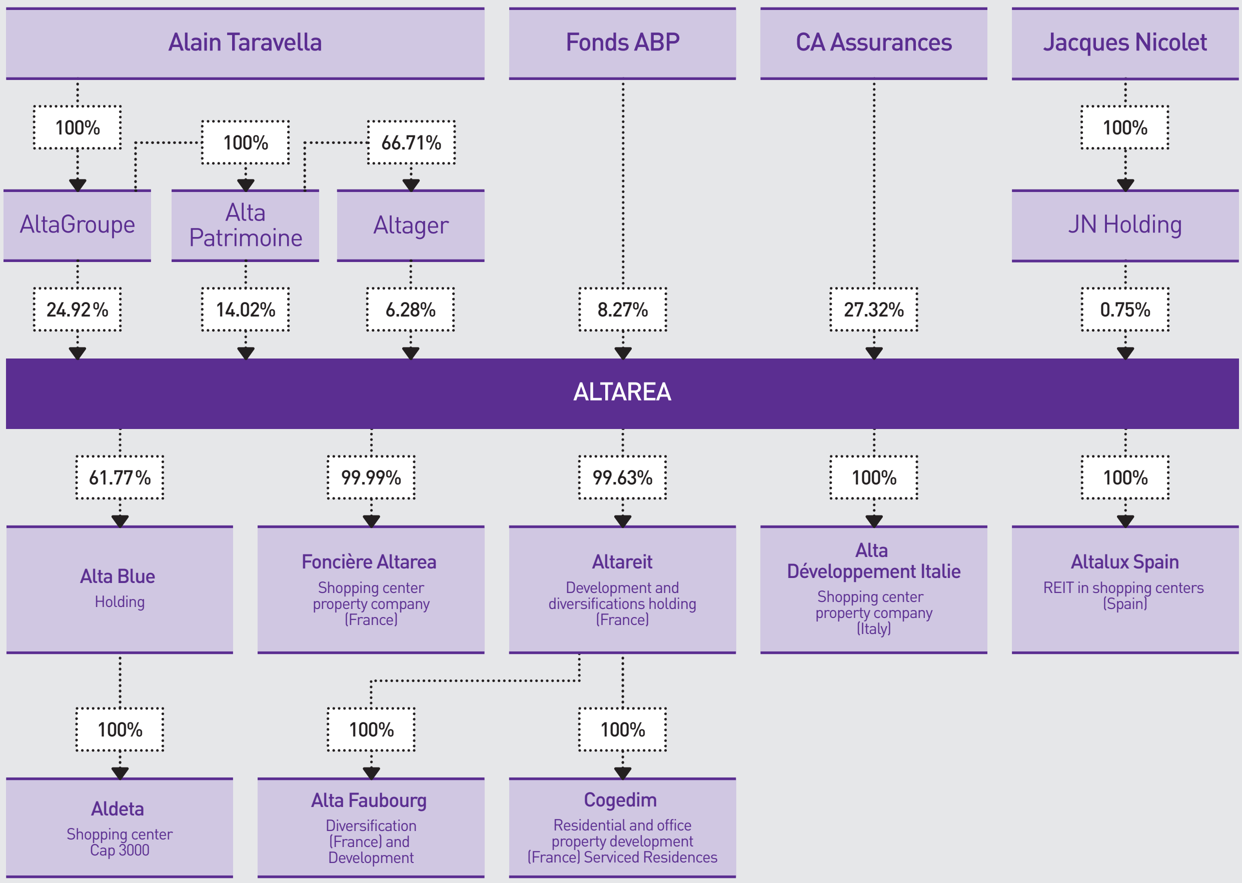
At the date of this registration document, Altarea operates exclusively in the eurozone. The Company is therefore not exposed to currency risk.

6.11.5. RISKS OF CONFLICTS OF INTEREST

Altarea has entered into partnerships or protocol agreements with other organizations, mostly for the purposes of carrying out joint Property Development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

6.12. SIMPLIFIED FLOWCHART AT DECEMBER 31, 2015

Simplified flowchart at December 31, 2015



Altarea centralizes the Group's cash surpluses. Note 9 to the consolidated financial statements on (section 3 of this registration document) on financial instruments and market risks provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The offices held by the senior executives and corporate officers of Altarea in the Company's subsidiaries are listed in chapter 7 of this document.

No significant equity investments were made during FY 2015.

6.13. HISTORY AND DEVELOPMENT OF THE COMPANY

1994: Altarea is founded by Alain Taravella and Jacques Nicolet.

1995: Control of Gerec, a company specializing in shopping center development and created in 1973. Altarea is selected following a competition sponsored by the city of Le Havre for development of Espace Coty.

1996: Altarea wins a competition sponsored by the city of Roubaix for the development of Espace Grand'Rue. Completion of a residential building in Asnières. Control of Espace Aménagement, the Retail property management arm of Foncière Rallye.

1997: Launch of Bercy Village.

1999: Opening of Espace Coty in Le Havre.

2000: Completion of Bercy Village.

2001: Start of operations in Italy with the creation of Altarea Italia.

2002: Shopping center openings: Espace Jaurès in Brest, Espace Grand'Rue in Roubaix, Côté Seine in Argenteuil, Boutiques Gare du Nord in Paris. Start of Retail Parks business with the creation of Compagnie Retail Park. Funds managed by Morgan Stanley acquire a 20% stake in Altarea.

2003: Altarea wins contests for the development of Carré de Soie (Vaulx-en-Velin/Villeurbanne), Porte Jeune (Mulhouse), L'Aubette (Strasbourg). Altarea Italia enters into a partnership agreement for the development of a shopping center in Rome (Casetta Mattei Center). Delivery of 117 homes in Argenteuil.

2004: Start of operations in Spain with the creation of Altarea España. Acquisition of Imaffine and merger of Altarea into Imaffine. Altarea is listed on Eurolist by Euronext Paris. Completion of Les Tanneurs in Lille.

2005: Altarea Group elects for SIIC tax treatment. Opening of Casetta Mattei center in Rome.

2006: Acquisition of property assets of Bail Investissement Foncière. Equity investment in RosEvroDevelopment (Russian property company).

2007: Acquisition of Cogedim. Structures adapted to SIIC 4 regime. Altarea is converted into a *société en commandite par actions*. The Group becomes the largest Shareholder alongside the French government, with a 34% stake in SEMMARIS (*Société d'Économie Mixte d'aménagement et de gestion du Marché d'Intérêt National* de la région parisienne), which manages the Rungis National Interest Market (MIN), the world's largest food wholesale market in volume terms, under a concession contract running until 2034. Opening of five shopping centers in France and Italy. Shareholder structure simplified by merging Altafinance and Altarea.

2008: €375 million share issue; ABP pension fund acquires a stake in Altarea. Reorganization by business line, with the spin-off of Property Development and diversification companies to Altareit, also listed on Euronext Paris.

2009: Rebirth of a legendary site: La Salle Wagram. Altarea Cogedim takes on the challenge of ecology and sustainable development: Altarea Cogedim receives one of the first three HQE® Commerce (high environmental quality) certifications for its Okabe shopping center in Le Kremlin-Bicêtre. NF Logement – HQE® certification approach applied to all residential projects.

2010: Acquisition of Cap 3000 regional shopping center in Nice. Altarea Cogedim breaks ground on development of the former Laennec hospital site by creating a new "city neighborhood" in the 7th *arrondissement* in downtown Paris. Altarea Cogedim invests in renewable energy by acquiring a stake in 8 minutes 33.

2011: In partnership with the ABP Fund and Predica, Altarea Group creates Alta Fund, an office Property Investment vehicle with equity of €350 million[9].

2012: Following an initial public offering, the Group takes control of e-commerce operator Rue du Commerce. Altarea brings its stake in Alta Blue to 61.77%. Alta Blue in turn holds the entire share capital of Aldeta, the company that owns the Cap 3000 regional shopping center in Nice. The Group raised €530 million in corporate finance, including €250 million in bonds.

2013: Altarea enters into a long-term partnership with Allianz Real Estate for a portfolio of five shopping centers over which Altarea will retain control and management.

2014: Altarea delivers the Qwartz regional shopping center in Villeneuve-la-Garenne, with a surface area of 67,000 m² GLA. The Group is selected as a partner by French rail operator SNCF to modernize the Paris-Montparnasse rail station. The Group launches the extension-renovation project of the Cap 3000 shopping center, located outside of Nice. The Group acquires 55% of the capital of Histoire & Patrimoine, a company specializing in renovation and redevelopment of urban heritage properties. The acquisition is carried out essentially via a capital increase. A partnership is concluded with Crédit Agricole Assurances in the company operating Cogedim Club® residences. The Group raises €805 million in corporate funding, including €230 million in bonds.

2015: The Group has increased its stake from 50% to 100% in the Qwartz Regional Connected Shopping Center. Altarea wins the tender for the transformation of the retail space at the Paris-Austerlitz train station. Altarea breaks ground on the Place du Grand Ouest neighborhood in Massy, opens the Cogedim Club® Serviced Residence in Sèvres, inaugurates the extension-renovation of the Jas de Bouffan shopping center, Marques Avenues A13 in Aubergenville, the Sky program to reconvert offices into housing in Courbevoie, the program to renovate the Arras Citadel in connection with its subsidiary Histoire & Patrimoine, and launches its mixed-use project in the Coeur de Ville urban development zone in Bezons. The Group takes advantage of unusual market conditions to refinance a large part of its balance sheet, with nearly €2.2 billion of financing concluded.

(9) Currently €650 million.

6.14. RESEARCH AND DEVELOPMENT

The Department of Studies and Forecasting in the Property Investment division for shopping centers has five employees. The department provides concrete assistance by offering information needed on essential changes to be made to the Property Portfolio through operational guidance on retail trends. It is responsible for studies on project potential and procedures for obtaining business permits and for interfacing with the relevant staff in charge of development, valuations, sales and legal affairs, as well as operational personnel. The Department of Studies and Forecasting also coordinates the economic and competition analysis of the Property Portfolio.

En 2015, the Group created a cross-cutting innovation department. AltaFuture, the innovation department, is responsible for identifying and selecting innovations that can be implemented by the operational teams in their various sectors. In addition, an external, multidisciplinary scientific advisory board works with AltaFuture to provide practical solutions to the new urban challenges of metropoles. AltaFuture is also responsible for building contacts and partnerships with companies and organizations outside of the pure real estate world and developing an ecosystem of young, innovative businesses.

CORPORATE GOVERNANCE

7

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The report of the Chairman of the Supervisory Board (see Section 8) sets out the composition and practices of the Supervisory Board and its Special Committees, and the restrictions on the powers of the Managers. This Section supplements the Chairman's report and, where applicable, the notes to the consolidated financial statements concerning the Company's Executive Management.

7.1. COMPOSITION AND PRACTICES OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Altarea is a *société en commandite par actions* (a French partnership limited by shares).

It is managed and run by a Board of Managers. The Supervisory Board is responsible for ongoing control over the Company's management.

The number (1) indicates that a company is listed, the number (2) specifies that it is directly or indirectly controlled by Altarea, and the number (3) indicates that it is a foreign company.

7.1.1. MANAGEMENT

a) Composition

At December 31, 2015, Company Management consisted of Alain Taravella and the companies Altafi 2 and Atlas.

It is noted that Alain Taravella is chairman of Altafi 2 and Atlas. Gilles Boissonnet and Stéphane Theuriau are managing directors of Atlas. Mr Taravella, Mr Boissonnet and Mr Theuriau form a Board of Managers.

Alain Taravella, Co-Manager

Alain Taravella was appointed Co-Manager on June 26, 2007 for a term of ten years. He is a French citizen, born in Falaise (14) in 1948. He is a graduate of HEC. From 1975 to 1994, Mr Taravella held various positions within the Pierre & Vacances Group, of which he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has managed since. Mr Taravella is a *Chevalier of the Légion d'Honneur*.

Corporate offices held at December 31, 2015

Other corporate offices in the Group[1]

Management Altarea[1]

Member and Chairman of the Supervisory Board: Cogedim (SAS)[2]; Altarea France (SNC)[2]

Director: Alta Blue

Representative of Altarea, Chair: Alta Blue[2]; Alta Delcassé[2]; Alta Développement Italie[2]; Alta Rungis[2]

Representative of Alta Faubourg, Chair: Alta Saint Germain; Alta Reim

Representative of Alta Penthièvre, Chair: Altacom

Representative of Alta Blue, Chair: Aldeta[2]

Permanent representative of Altarea, Director: Société d'Économie Mixte d'Aménagement et de gestion du marché d'intérêt national de Rungis – SEMMARIS

Representative of Alta Patrimoine, Manager: SNC Altarea Commerce; SNC ATI; SCI Matignon Toulon Grand Ciel

Representative of Altarea, Co-manager of foreign companies: Alta Spain Archibald BV[2][3]; Alta Spain Castellana BV[2][3]; Altalux Spain[2][3]; Altalux Italy[2][3]

Corporate offices outside the Group

Chairman: Altafi 2; Altafi 3; Atlas (formerly Altafi 4); Altafi 5; AltaGroupe (formerly Altafinance 2); Altager (formerly Alta Pat 1); Alta Patrimoine

Representative of Altafi 2, Manager: Altarea[1]; Altareit[1][2]

Representative AltaGroupe (ex. Altafinance 2), Manager: SCI Sainte Anne

Corporate offices expired within the past five years

Chairman of the Board of Directors & Chief Executive Officer – Director: Aldeta[2]

Member and Chairman of the Supervisory Board: Altarea France (SAS)[2]

Director: Boursorama[1]

Representative of Altarea, Chair: Alta Développement Espagne[2]; Alta Développement Russie[2]

Representative of Altarea, Manager: SNC Richelieu International

Representative of Alta Faubourg, Chair: Alta Reim (ex Alta Montaigne)

Representative of Alta Penthièvre, Director: Altacom

Representative of Altacom, Director: Rue du Commerce

Chair and/or Director of foreign companies: SSF III Zhivago Holding Ltd[2][3]; Altarag Srl[2][3]; Altarea Italia Srl[2][3]; AltaFund Value-Add I; Altarea Inc.[2][3]; Altarea Espana[2][3]

As of December, 31, 2015, to the Company's knowledge, Mr Taravella owned 5,805,183 shares in Altarea, directly or indirectly through AltaGroupe (formerly known as Altafinance 2), Alta Patrimoine and Altager, which he controls, and members of his family.

Atlas, Co-Manager

Atlas is a *société par actions simplifiée* (simplified limited liability company) with share capital of €61,000.

Its registered office is located at 8 avenue Delcassé, 75008 Paris.

Its registration number is 518 994 678 RCS Paris.

It is fully owned by AltaGroupe, whitch is controlled by Mr Alain Taravella.

Mr Alain Taravella serves as Chairman of Atlas. Mr Gilles Boissonnet and Mr Stéphane Theuriau serve as Managing Directors.

Atlas was appointed as Co-Manager of the Company on December 11, 2014 for a term of 10 years.

Corporate offices held at December 31, 2015

Other corporate offices in the Group[1]

Co-Manager: Altarea[1]

Corporate offices expired within the past five years

None

As of December 31, 2015, to the Company's knowledge, Atlas did not own any shares of Altarea.

Altafi 2, Co-Manager

Altafi 2 is General Partner of the Company and is presented in paragraph 7.1.2 below.

b) Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

The Manager can be a natural or legal person.

The age limit for Managers who are natural persons is 75. If one of the Managers is a legal entity, the number of its directors that are natural persons aged above 75 may not exceed a third of all directors.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in paragraph 13.3 of the Articles of Association. Pending such appointment or appointments, the Company shall be managed by the General Partners who may then delegate any powers necessary for the management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office without reason by an unanimous decision of the General Partners. If the Manager is also a General Partner, such a decision may be taken by a unanimous decision of the other General Partners. Insofar as the Company now has a sole General Partner who also serves as Manager, this removal is currently not an option.

Managers may also be removed from office under the conditions provided by Law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the Company of the fixed compensation set out in Article 14.1, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled in accordance with Article 14.3.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of Shareholders.

c) Powers (Article 13 of the Articles of Association)

Each Manager has the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate purpose and subject to any powers expressly conferred on the collective body of Shareholders or on the Supervisory Board, whether by Law or by the Articles of Association.

In accordance with the Law, each Manager may authorize and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

Each Manager may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not having a contractual relationship with the Company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

7.1.2. GENERAL PARTNER

a) Identity

Altafi 2 is a *société par actions simplifiée unipersonnelle* (simplified limited liability company) with share capital of €38,000 divided into 38,000 shares owned by AltaGroupe (formerly Altafinance 2), in turn controlled by Mr Alain Taravella. It is registered at the Paris Commercial and Companies Registry under number 501 290 506 RCS Paris.

Alain Taravella is the Chairman of Altafi 2. His term is for an unlimited period.

On January 2, 2012, Altafi 2 resigned from its position of Supervisory Board member of Altareit (2). As of that date, it is Manager of Altareit (2). It is Co-Manager of Altarea and represents Altareit, Chairman of Alta Penthièvre.

At December 31, 2015, to the Company's knowledge, Altafi 2 owned ten shares of Altarea.

b) Appointment and termination of office (Article 24)

General Partners are appointed by Extraordinary General Meetings of the Shareholders upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

7.1.3. SUPERVISORY BOARD

Information on the appointment and termination of office of members of the Supervisory Board, their powers, the dates of their appointment and the dates of expiry of their terms of office, is set out in Section 8 in relation with the Chairman's report on the Company's internal control system. This paragraph contains the identity of the members of the Supervisory Board and offices held in other companies.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings of the Shareholders. Shareholders with the status of General Partner (Altafi 2 on the date of this document assuming that this company is a Shareholder) may not take part in the vote on the relevant resolutions.

At this time, the Supervisory Board does not comprise any representative elected by the employees or any member other than the members listed below and who are also listed in Section 8 containing the Chairman's report on internal controls.

Christian de Gournay

Member and Chairman of the Supervisory Board,

Christian de Gournay is a French citizen, born in Boulogne-Billancourt (92) in 1952.

A graduate of the French Haute École Du Commerce and École Nationale d'Administration, Christian de Gournay began his career at the French Council of State in 1978, and later worked for Indosuez Bank as Director of Treasury and Bond Markets. In 1994, he became Senior Executive Vice-President of AGF, where he was in charge of managing Group financial and real estate assets, as well as banking and financial activities. He joined Cogedim in 2002 as Vice-Chairman of the Management Board. Christian de Gournay served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Board became effective.

Christian de Gournay was co-opted by the Supervisory Board at its meeting of March 5, 2014 to replace resigning member Opus Investment. The nomination was ratified by the Annual Ordinary General Meeting of May 7, 2014. At its meeting of March 5, 2014, the Supervisory Board appointed Christian de Gournay Chairman of the Supervisory Board as from June 2, 2014. These appointments will expire at the close of the Annual Ordinary General Meeting to be held in 2019 to approve the financial statements for the financial year ending December 31, 2018.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Chairman and Member of the Supervisory Board: Altarea[1]; Altareit[1][2]

Corporate offices outside the Group

Management: SCI Schaeffer-Erard

Co-Director: Opus Investment

Corporate offices expired within the past five years

Chairman and Member of the Management Board: Cogedim

Management: Cogedim Valorisation

At December 31, 2015, Mr Christian de Gournay directly or indirectly owned 165,999 shares in the Company.

Jacques Nicolet

Supervisory Board member

Jacques Nicolet, a French citizen, was born in Monaco in 1956. From 1984 to 1994, he served successively as Program Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a *société en commandite par actions*, Chairman of the Supervisory Board.

Mr Nicolet was appointed as a member and Chairman of the Supervisory Board on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2018 financial statements. Mr Jacques Nicolet resigned from his duties as Chairman at the Supervisory Board Meeting of March 5, 2014, maintaining his position as member and Chairman of the Investment Committee until June 2, 2014, in order to better focus on his own professional activities. Mr Nicolet remains a member and continues to chair the Investment Committee as mentioned in the report of the Chairman of the Supervisory Board on internal control.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Member of the Supervisory Board of SCA: Altarea [1]; Altareit [1][2]

Supervisory Board member: Altarea France [2] (SNC); Cogedim [2] (SAS)

Corporate offices outside the Group

Chairman of SAS: JN Holding; JN Investissements

Chief Executive Officer: Circuit du Maine

Management: 14 rue des Saussaies; SCI Damejane; JN Participations

Chairman and/or Director of foreign companies: SA Monégasque Productions de Monte-Carlo [3]; HP Composites Srl [3]

Representative of JN Holding, Chair: Immobilière Dame Jane; JN Automotive; JN Properties; Onroak Automotive; Proj 73; Proj 78; Proj 87; Proj 89 Shootshareshow, Ecodime; ABM Holding; Ecodime Academy

Representative JN Holding, Chief Executive Officer: AOT Tech; SAS Les 2 Arbres Circuit du Vigeant

Representative of JN Holding, itself Chair of JN Automotive, Chair: OAK Invest

Representative of JN Holding, itself Chair of JN Properties, Manager: SCI Immotech; SCI Innovatech; SCI Les Fleurs

Representative of JN Investissements, Chair: OAK Racing

Permanent representative of JN Holding, Director: ABM Holding

Representative of JN Holding, Chair of Foreign Companies: Ecodime Italia

Permanent representative de Ecodime, Chair: Mind Values (ex Proj 56)

Corporate offices expired within the past five years

Chairman of the Supervisory Board of SCA: Altarea [1]; Altareit [1][2]

Permanent representative of Alta Rungis [2], Director: Société d'Économie Mixte d'Aménagement et de gestion du marché d'intérêt national de Rungis – SEMMARIS

Permanent representative of JN Holding, Chair: Mind Values (ex Proj 56)

Chair and/or Director of foreign companies: SSF III Zhivago Holding Ltd [2][3]; Altarea Italia [2][3]; Galleria Ibleo S.R.L. [2][3] (ex Altarag S.R.L.); Altarea Espana [2][3]

At December 31, 2015, to the Company's knowledge, Jacques Nicolet owned 93,927 shares in Altarea, directly or indirectly through JN Holding, which he controls.

Gautier Taravella

Member of the Supervisory Board whose appointment is sought at the Annual General Meeting

Gautier Taravella is a French citizen, born in Maisons-Laffitte (78) in 1980. He was appointed as a member of the Supervisory Board on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2018 financial statements. Gautier Taravella is Alain Taravella's son.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Chief Executive Officer: AltaGroupe (ex. Altafinance 2)

Corporate offices expired within the past five years

None

At December 31, 2015, to the Company's knowledge, Gautier Taravella owned 56,750 shares in Altarea.

Matthieu Taravella

Supervisory Board member

Matthieu Taravella, a French citizen, was born in Paris (16th arrondissement) in 1978. He was appointed as a member of the Supervisory Board on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2018 financial statements. Gautier Taravella is Alain Taravella's son.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Chairman: Allevarat

Chief Executive Officer: AltaGroupe (ex. Altafinance 2)

Manager: SARL Galerie Sakura

Corporate offices expired within the past five years

Director/Vice-Chairman: Altarea Inc [2][3]

At December 31, 2015, to the Company's knowledge, Matthieu Taravella owns 57,011 shares in Altarea.

Françoise Debrus

Supervisory Board member

Françoise Debrus, a French citizen, is a graduate of the *École Nationale du Génie Rural des Eaux et des Forêts* and of the *Institut National Agronomique Paris-Grignon*. 1984-1987: Head of the economic and agricultural production department of the Ministry of Agriculture and Forestry. With the Crédit Agricole group since 1987: First as an auditor and then as audit team Manager of the Internal Audit Department of *Caisse Nationale de Crédit Agricole* (CNCA), before becoming head of management control and then of financial management at Unicredit. In 1997, she was appointed head of the debt collection/lending department of the Finance Division of Crédit Agricole SA. In 2001, she became head of finance and tax at the *Fédération Nationale du Crédit Agricole* (FNCA). In 2005, she was appointed Chief Financial Officer of the *Caisse Régionale d'Île-de-France*. Since March 27, 2009, she has been with *Crédit Agricole Assurances* as Head of Investments. She was appointed as a member of the Supervisory Board on 20/05/09. Her term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Corporate offices outside the Group

Supervisory Board member: Foncière Développement Logement[1]; Foncière des Murs[1]

Director: Beni Stabili[1][3]

Permanent representative of Predica, Director: Eurosic[1]; Korianmedica[1]

Permanent representative of CAA, Director: Générale de Santé[1]

Corporate offices expired within the past five years

Director: Socadif; Sicav Portfolio Stratégie de CAAM; Ramsay Santé

Permanent representative of Predica, Director: Foncière des Régions; Crédit Agricole Immo. Promotion; Medica

Permanent representative of Predica, Supervisory Board Member: Foncière Paris France SA

At December 31, 2015, to the Company's knowledge, Françoise Debrus owned 2 shares of Altarea.

Éliane Fremeux

Supervisory Board member

Ms. Éliane Fremeaux, of French nationality, was born in Paris (15th) on September 8, 1941. Ms. Éliane Fremeaux was a partner in the Notary firm of SCP THIBIERGE Associés until October 18, 2012. A Chevalier in the French Legion of Honor and a member of the Legal Studies Institute of the Conseil Supérieur du Notariat (High Council of Notaries), of the Joint Ownership Commission (Commission relative à la copropriété) representing the Conseil Supérieur du Notariat (High Council of Notaries) at the Chancellerie; of the Commission on Polluted Sites and Soils within the French Ministry of Sustainable Development's High Council of Classified Installations. She is a member of honor of the Circle of Women Real Estate Professionals and a member of the *association René Capitant des amis de la culture juridique française* (René Capitant Association of Friends of French Legal Culture). Ms. Fremeaux is a regular participant in numerous seminars and conferences in France and abroad, primarily on topics related to corporate Law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment. She was appointed as a member of the Supervisory Board on June 27, 2013. Her term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Corporate offices outside the Group

Co-Manager: SCI PALATIN

Corporate offices expired within the past five years

Co-Manager: S.C.P. Thibierge Associés

At December 31, 2015, to the Company's knowledge, Éliane Fremeaux owned 75 shares of Altarea.

Dominique Rongier

Supervisory Board member

Dominique Rongier, a French citizen, graduated from the HEC Business School in 1967. He served in succession as Auditor with Arthur Andersen (1969-1976), Chief Financial Officer of the Brémond – Pierre & Vacances Group (1976-1983), and Chief Financial Officer of the Brossette SA Group (1983-1987). In 1987, he designed and set up a holding structure for the Carrefour Group, and from 1988 to 1990, he was Corporate Secretary of Bélier, a member of the Havas-Eurocom network, before becoming Chief Financial Officer of the holding company Oros Communication, which holds majority interests in the communications sector, from 1991 to 1993. Since September 1993, Dominique Rongier has been an independent consultant with DBLP & Associés SARL, of which he is Manager and majority shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the US advertising group D'Arcy) for more than two years. Until March 31, 2009, Mr Rongier was Chairman of a software publishing company specializing in sports and health.

He was first appointed as a member of the Supervisory Board of May 20, 2009, and his term was renewed on June 5, 2015. His term expires at the close of the Annual General Meeting called to vote on the 2020 financial statements.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea[1]; Altareit[1][2]

Corporate offices outside the Group

Director: Director: SA Search Partners

Corporate offices expired within the past five years

Management: DBLP & Associés

At December 31, 2015, to the Company's knowledge, Dominique Rongier owned 10 shares of Altarea.

Predica – Crédit Agricole Assurances

Supervisory Board member

Predica was appointed as a member of the Supervisory Board on June 26, 2007. The company's term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

The company's permanent representative is Emeric Servin.

Emeric Servin

Permanent representative of Predica

Mr Servin, a French citizen, was born in 1949 in Versailles (78). He has a degree in Law, a master's degree in public Law, and a post graduate degree in finance from the HEC Business School.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Member of the Board of Directors: Alta Blue[2]

Corporate offices outside the Group

Chairman and Chief Executive Officer, Director: SA Foncière Hypersud; SA Francimmo Hôtels

Chairman of the Board of Directors: OPCI Predica Commerces; OPCI Iris Invest; OPCI Camp Invest; OPCI Messidor; OPCI SAS CAA Kart

Chairman of the Supervisory Board: SCPI Unipierre Assurance

Chairman of SAS: Holding Euromarseille; IMEFA (142 à 144); SAS CAA Résidences Seniors

Director of SAS: SAS Carmila

Manager – Co-Manager, Board of Managers: (140) SCI IMEFA; (19) SCI FEDER; SCI Le Village Victor Hugo; SCI Euromarseille 1; SCI Euromarseille 2; SCI Montparnasse Cotentin; SCI Carpe Diem; SCI Dahlia; SCI NEW Vélizy; SCI Fondis; SCI Washington; SCI DS Campus; SCI 1 Place Valhubert; SCI Parc des Vergers; SCI 3/5 Bis, Boulevard Diderot; SCI 17, Avenue de l'Europe; SCI Grenier Vellefaux; SCI Longchamp Montevideo; SCI Medibureaux; SCI Medic Habitation; SCI Vicq d'Azir Vellefaux; SCI Vicq-Neuilly; SCI Baudin Vellefaux; SCI La Croix au Beau; SCI Petersbourg Vellefaux; SCI Royal Opéra; SCI Sedaine Vellefaux

Permanent representative of Predica, Board of Directors: SA Foncière Développement Logements[1]; OPCI Predica Bureaux; OPCI CAA Commerces 2; OPCI B2 Hôtels Invest; SAS Louvresses Developpement 1

Permanent representative of Predica, Supervisory Board: SAS OFELIA; SCA Foncière des Murs[1]; SARL Imméo Wohen GmbH[3]

Corporate offices expired within the past five years

Chairman of the Board of Directors: SA B.Immobilier; SA Resico

Chairman of SAS: IMEFA 145

Director: Aldeta[2]

Manager – Co-Manager, Board of Managers: SCI Place de l'Europe

At December 31, 2015, to the Company's knowledge, Predica owned 3,419,655 shares in Altarea, directly or indirectly through Groupe Crédit Agricole Assurances, its parent company.

At December 31, 2015, to the Company's knowledge, Emeric Servin did not hold any shares of Altarea in his own name.

Société Stichting Depositary APG Strategic Real Estate Pool (Fonds ABP)

Supervisory Board member

Algemene Pensioen Groep NV (APG) was appointed as a member of the Supervisory Board on May 28, 2010. It was replaced by Stichting Depositary APG Strategic Real Estate Pool by cooptation on November 20, 2015. The company's term of office expires at the end of the General Meeting called to vote on the 2018 financial statements.

The company's permanent representative is Alain Dassas.

Alain Dassas

Permanent representative of APG

Alain Dassas, a French citizen, is a graduate of the ESCP Europe business school and holds a Master's degree in Econometrics and a Master's degree in Management Science from Stanford University. Mr Dassas began his career with Chase Manhattan Bank in 1973. In 1983, he joined Renault Group, where he successively served as Head of the representative office in New York, Head of banking relationships and financial markets, Finance Director of Renault Crédit International, Head of Financial Operations and Head of Financial Services. In 2003, Mr Dassas was appointed a member of the Renault Group Executive Committee, then Chairman of Renault F1 Team. In 2007, Mr Dassas was named a member of the Executive Committee of Nissan Motor Company in Tokyo. Since 2010, Mr Dassas has acted as a consultant for the Renault Group and as Chief Financial Officer of Segula Technologies.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Supervisory Board member: Altarea[1]

Corporate offices outside the Group

Director: Strategic Initiatives (London)[3]

Corporate offices expired within the past five years

Director: Segula Technologies (Paris); Renault Finance (Lausanne); Hardware Infogérance (Paris)

At December 31, 2015, to the Company's knowledge, APG and its parent company Groupe ABP owned 1,034,692 shares in Altarea.

At December 31, 2015, to the Company's knowledge, Alain Dassas did not hold any shares of Altarea in his own name.

ATI

Supervisory Board member

In accordance with current legislation, which does not require the appointment of a permanent representative, ATI is represented at meetings of the Supervisory Board by any *ad hoc* representative.

ATI is a *société en nom collectif* (general partnership) with capital of €10,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 498 496 520 RCS Paris. Its Manager is Alta Patrimoine SAS, represented by Alain Taravella.

ATI was first appointed to the Supervisory Board on May 20, 2009, and its term was renewed on June 5, 2015. His term expires at the close of the Annual General Meeting called to vote on the 2020 financial statements.

ATI does not hold any other offices.

At December 31, 2015, to the Company's knowledge, ATI owned one share of Altarea.

Its representative is Léonore Reviron.

Léonore Reviron

Permanent ATI representative as of March 9, 2016

Ms. Reviron, a French citizen, is a graduate of the EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, she joined a listed REIT group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager. In 2015, Léonore Reviron joined Mr Alain Taravella's holding.

Ms. Reviron does not hold any other office.

At December 31, 2015, to the Company's knowledge, Léonore Revison owned 1,000 shares of Altarea.

Christian Terrassoux

Appointed member of the Supervisory Board by cooptation on March 9, 2016, his ratification by the Annual General Meeting is being sought

Mr Terrassoux, a French citizen, is an engineering graduate of the École Supérieure de l'Armement Terrestre. He began his career in 1983 at the Direction Générale de l'Armement. In 1983, he founded Pitch Promotion, a leading French real estate development player in Residential and Office Property, which was acquired by Altarea Cogedim on February 26, 2016. Mr Terrassoux has served as CEO of Pitch Promotion since 1989. Since 1995, he has been a member of the national steering committee of the Fédération des Promoteurs Immobilier and became its vice-president in 2015. Since 2014, he has been president of the Chambre Régionale d'Ile-de-France de la Fédération des Promoteurs Immobiliers. Christian Terrassoux is a Chevalier of the Légion d'Honneur.

As of December 31, 2015, to the Company's knowledge, Christian Terrassoux did not own any shares of Altarea.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

None

Corporate offices outside the Group

Chief Executive Officer: Pitch Promotion SA

Chairman: Fédération des Promoteurs Immobiliers Ile-de-France

Vice-Président: Club Athlétique Briviste Corrèze Limousin; Fédération des promoteurs immobiliers France

Chief Executive Officer: SAS Serie-Flex Habitat

Director: Institut Fournier; ASFO Grand Sud; Festival de Ramatuelle

Supervisory Board member: Primaxia

Management: EURL Société de Patrimoine Immobilier SPI; SCI Voltaire SPI ; SARL Altana Investissements; SDAB SOCANCO Finance et Conseil; SCF Terra Nova; SNC Lognes A 413; SCEA des Courcelles et de la Moricière

Director and Vice President of Foreign Companies: Wagram Real Estate Inc (United States)

Michaela Robert

Member of the Supervisory Board whose appointment is requested by the Annual Shareholders' Meeting

A French citizen, born in Saint-Jean-de-Luz (64) on October 20, 1969, Ms. Michaela Robert is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for 10 years as a property and structured financing lawyer at international firms. In 2005, she joined a Property Investment fund managed by Morgan Stanley as Chief Financial Officer. Her roles as finance officer for all the investments made by different funds in France, Spain and Benelux have enabled her to build a solid banking network and acquire diverse expertise in legal issues and legal constraints. In 2010, she founded Finae Advisors, a property financing firm specialized in particular in origination, structuring and debt raising, of which she is Manager.

As of December 31, 2015, to the Company's knowledge, Michaela Robert did not own any shares of Altarea

Corporate offices held at December 31, 2015

Other corporate offices in the Group

None

Corporate offices outside the Group

Manager: Finae Advisors

Corporate offices expired within the past five years

None

Marie-Anne Barbat-Layani

Member of the Supervisory Board whose appointment is sought at the Annual General Meeting

Marie-Anne Barbat-Layani, a French citizen, is a general inspector of finance. A graduate of the Institut d'Études Politiques de Paris and an alumna of the Ecole Nationale d'Administration, she is Chief Executive of the French Banking Federation since January 2014. From 2010 to 2012, she was Deputy Director in the cabinet of the French Prime Minister. She served as deputy director-general of the Fédération nationale of Crédit Agricole from 2007 to 2010. From 2002-2007, she served as assistant director of Banking and Financing of General Interest Activities at the Directorate-General of the Treasury. From 2000 to 2002, she was head of the office of credit institutions and investment firms, after having served as a technical advisor to the Minister of the Economy, Finance, and Industry and holding several positions in the Directorate General of the treasury and the Permanent Representation of France to the European Union. Marie-Anne Barbat-Layani is a Chevalier of the Légion d'Honneur and of the Order of Merit.

As of December 31, 2015, to the Company's knowledge, Ms. Barbat-Layani did not own any shares of Altarea.

Corporate offices held at December 31, 2015

Other corporate offices in the Group

Corporate offices outside the Group

Chief Executive Officer: Fédération Bancaire Française (FBF); Association Française des Banques (AFB); Association Française des Établissements de Crédit et des Entreprises d'Investissement (AFECEI)

Director: Association d'Economie Financière; Centre des Professions Financières; CFPB (Centre de Formation de la Profession Bancaire); Europlace; Fédération Bancaire Européenne; Finance Innovation (Pôle de compétitivité); MEDEF International

Member of the Executive Committee: Groupement des Professions de Services (GPS); MEDEF

Altafi 5

Member of the Supervisory Board whose appointment is sought at the Annual General Meeting

ALTAFI 5 is a *société en nom collectif* (general partnership) with capital of €38,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 798 710 612 RCS Paris. Its Chairman is Alain Taravella.

ALTAFI 5l does not hold any other offices.

At December 31, 2015, to the Company's knowledge, ALTAFI 5l did not own any shares of Altarea.

7.2. COMPENSATION

7.2.1. PRESENTATION

As a *société en commandite par actions* (limited partnership), the company is run by Managers and overseen by a Supervisory Board. It also has one or more General Partners.

7.2.1.1. Management

A – Current compensation

The Managers' compensation is determined in accordance with the provisions of Article 14 of the Articles of Association, which reads as follows:

"With effect from 1 January 2013, the Management's compensation is fixed for successive periods of three years by the Ordinary General Meeting of Shareholders (limited partners) in accordance with the provisions of Article L. 226-8 of the Commercial Code, on a proposal from the General Partners and after consultation of the Supervisory Board.

If there is more than one Manager, they will decide how to distribute the said compensation amongst themselves.

No other compensation may be paid to the Managers in respect of their office unless previously approved by the Ordinary General Meeting of Shareholders with the prior unanimous agreement of the General Partners.

The Managers are also entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the company.

The compensation to which the Managers are entitled shall be invoiced directly to Altarea or its subsidiaries. In the latter case, the portion of compensation received by the Manager which is attributable economically to Altarea, shall be deducted from the compensation to be paid by Altarea."

In accordance with Article 18 of the Articles of Association, the Compensation Committee, made up entirely of independent members of management, submitted its management compensation proposal to the Supervisory Board at its meeting of February 19, 2013. The General Partner decided to present a compensation proposal identical to that of the Compensation Committee at the Ordinary General Meeting of June, 27, 2013. On February 27, 2013, the Supervisory Board unanimously reported favorably on the General Partner's compensation proposal, which was inserted into the sixth resolution submitted to the annual Ordinary General Meeting.

The General Meeting voted to approve the resolution and consequently set Managers' compensation for 2013, 2014 and 2015 as follows:

Sixth resolution
(Determination of Managers' Compensation)

"The General Meeting, voting under the conditions for quorum and majority required for Ordinary General Meetings, having considered the Company management report and the unanimously favorable report of the Supervisory Board, through prior consultation in accordance with Article 14 of the Articles of Association, on the proposal of the General Partner, decides to determine management compensation as follows:

- fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2013 and revisable each year according to changes in the Syntec index;
- variable compensation determined according to consolidated FFO and the average number of shares in circulation each year, i.e.:
  - 1.5% of FFO reached each year above €120 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

At December 31, 2012, the share capital of Altarea comprised 10,911,411 shares; in the event that the number of shares increases during the course of the year due to the creation of new shares, the €100 million and €150 million thresholds applicable to this year and future years shall be revised as follows:

$$\frac{\text{€100 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares of the previous year (in 2012: 10,911,411 shares)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than the March 31 following the end of the financial year, i.e., on March 31, 2014 for FY 2013.

Decides that that Management shall be awarded, in accordance with Article 14 of the Articles of Association of the Company, annual compensation in the form of fees as follows:

- fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2013 and revisable each year according to changes in the Syntec index;
- variable compensation determined according to consolidated FFO and the average number of shares in circulation each year, i.e.:
  - 1.5% of FFO reached each year above €100 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

At December 31, 2012, the share capital of Altarea comprised 10,911,411 shares; in the event that the number of shares increases during the course of the year due to the creation of new shares, the €100 million and €150 million thresholds applicable to this year and future years shall be revised as follows:

$$\frac{\text{€100 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares of the previous year (in 2012: 10,911,411 shares)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than the March 31 following the end of the financial year, i.e., on March 31, 2014 for FY 2013.

The annual compensation of Management shall be determined according to the conditions set out above for the three-year period corresponding to the financial years ending December 31, 2013, December 31, 2014, and December 31, 2015."

B – New determination of compensation at the General Shareholders' Meeting of April 15, 2016

The Combined General Meeting to be held on April 15, 2016 will be charged with determining management's compensation for the next three-year period.

In accordance with Article 18 of the Articles of Association, the Compensation Committee, comprised entirely of independent members of management, submitted its management compensation proposal to the Supervisory Board at its meeting of February 23, 2016. The General Partner decided to present a compensation proposal identical to that of the Compensation Committee at the Ordinary General Meeting of April 15, 2016. On March 9, 2016, the Supervisory Board unanimously reported favorably on the General Partner's compensation proposal, which was inserted into the fifth resolution submitted to the annual Ordinary General Meeting, the text of which is included below.

Fifth resolution

(Determination of Managers' Compensation)

The General Meeting, voting under the conditions for quorum and majority required for Ordinary General Meetings, having considered the Company management report and the unanimously favorable report of the Supervisory Board, through prior consultation in accordance with Article 14 of the Articles of Association, on the proposal of the General Partner, decides to determine management compensation as follows:

- fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2016 and revisable each year according to changes in the Syntec index;
- variable compensation determined according to the group share of consolidated FFO and the average number of shares in circulation each year, i.e.:
  - 1.5% of FFO reached each year above €120 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

In FY 2015, Altarea's average number of shares in circulation during the financial year is 12,367,215 shares; should the number of shares comprising Altarea's share capital increase due to the creation of new shares during a financial year, the €120 million and €150 million thresholds applicable to this financial year and future ones shall be revised as follows:

$$\frac{\text{€120 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares in circulation during FY 2015 (12,367,215 shares)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than March 31 following the end of the financial year, i.e., for the first time on March 31, 2017, for FY 2016.

Decides that Management shall be awarded, in accordance with Article 14 of the Articles of Association of the Company, annual compensation in the form of fees as follows:

- fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2016 and revisable each year according to changes in the Syntec index;
- variable compensation determined according to the group share of consolidated FFO and the average number of shares in circulation each year, i.e.:
  - 1.5% of FFO reached each year above €120 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

In FY 2015, Altarea's average number of shares in circulation during the financial year is 12,367,215 shares; should the number of shares comprising Altarea's share capital increase due to the creation of new shares during a financial year, the €120 million and €150 million thresholds applicable to this financial year and future ones shall be revised as follows:

$$\frac{\text{€120 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares in circulation during FY 2015 (12,367,215 shares)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than March 31 following the end of the financial year, i.e., for the first time on March 31, 2017, for FY 2016.

The annual compensation of Management shall be determined according to the conditions set out above for the three-year period corresponding to the financial years ending December 31, 2016, December 31, 2017, and December 31, 2018."

7.2.1.2. Supervisory Board

Supervisory Board

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Ordinary General Meeting and is maintained until the General Meeting decides otherwise. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

The General Meeting held to approve the 2008 accounts, which took place on May 20, 2009, decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for every subsequent year until the Ordinary General Meeting adopts a new decision. This compensation, which has been unchanged since 2008, is therefore expected to remain the same for the year 2016, unless the General Meeting decides otherwise.

Chairman of the Supervisory Board

At its meeting of February 19, 2013, the Compensation Committee, comprised entirely of independent members of Management, proposed to the Supervisory Board to establish gross annual compensation of €300,000 for the Chairman of the Board. This proposal was unanimously adopted by the Supervisory Board on February 27, 2013.

At its March 5, 2014, meeting, upon the appointment of Christian de Gournay as incoming Chairman of the Supervisory Board to replace Jacques Nicolet, the Supervisory Board confirmed that the amount of compensation paid to its Chairman would remain unchanged. This compensation encompasses all work done for the Supervisory Board and is exclusive of any other compensation.

Members

To encourage members of the Supervisory Board to effectively participate in the Board's work, and taking into account the attendance fees awarded by comparable companies, the Supervisory Board decided at its February 27, 2013 meeting to set the amount of directors' fees at €2,500 for each attendance at a meeting of the Board or its Special Committees.

7.2.1.3. General Partners

Article 32, paragraph 5 states that: "The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid."

7.2.2. INFORMATION ON COMPENSATION

Application of the AFEP-MEDEF recommendations

As described in the report of the Chairman of the Supervisory Board on internal controls (see chapter 8), the Company has adopted the AFEP-MEDEF corporate governance code for listed companies (the "AFEP-MEDEF Code") as its reference code, which it applies where the provisions are compatible with the legal form of an SCA (*société en commandite par actions*) and with the Company's Articles of Association.

The information provided below complies with the AMF's recommendations regarding disclosures on executive compensation in the annual registration document (the "Recommendations"), published on December 20, 2010, February 9, 2012, October 10, 2013, and September 22, 2014.

NB: Article 24.3 of the AFEP-MEDEF Corporate Governance Code for Listed Companies provides for consultation of shareholders regarding individual compensation of executive officers. Such a consultation is clearly non applicable at Altarea, as the Ordinary General Meeting of Shareholders itself determines executive compensation pursuant to the Company's Articles of Association. The General Meeting of Shareholders, which possesses authorities beyond that generally vested in the shareholders of listed companies, cannot issue an opinion on its own decisions.

The Company's executive officer is a Management comprised of three Co-Managers: Mr Alain Taravella, the company Altafi 2 and the company Atlas. Both companies have as their Chairman Alain Taravella and are controlled by him as defined by the provisions of Article L. 233-3-I of the French Commercial Code. The Chief Executive Officers of Atlas are Gilles Boissonnet and Stéphane Theuriau.

In 2015, the Management's compensation was chiefly allocated to Atlas.

The non-executive corporate officers are the Supervisory Board members.

Lastly, Altafi 2, in its capacity as General Partner, receives a bonus dividend of 1.5% of the annual dividend. This amounted to €1,618,300.50 for FY 2012, €1,715,518.50 for FY 2013 and €1,853,624.85 for FY 2014. It is proposed at the annual Ordinary General Meeting of Shareholders, which is responsible for approving the financial statements for FY 2015 and appropriating its results, to paying the shareholders a dividend representing a payment of €2,076,460.32 to the General Partner Altafi 2.

Note: the figures appearing in the tables below are in thousands of euros.

Table 1

Summary table of compensation, stock options and shares awarded to each executive officer

(in € thousands)	FY 2014	FY 2015
1. ALAIN TARAVELLA – CO-MANAGER		
Compensation due in respect of the financial year (itemized in Table 2)	0	0
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
Total Alain Taravella	**0**	**0**
2. ALTAFI 2 – CO-MANAGER		
Compensation due in respect of the financial year (itemized in Table 2)	3,898 (4)	4,345 (5)
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
Total Altafi 2	**3,898**	**4,345**
3. ATLAS – COGÉRANTE		
Compensation due in respect of the financial year (itemized in Table 2)	0	0
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
Total Atlas	**0**	**0**
3A. STÉPHANE THEURIAU, CHIEF EXECUTIVE OFFICER OF ATLAS		
Compensation due in respect of the financial year (itemized in Table 2)	781 (6)	800 (7)
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
Total Stéphane Theuriau	**781**	**800**
3B. GILLES BOISSONNET, CHIEF EXECUTIVE OFFICER OF ATLAS		
Compensation due in respect of the financial year (itemized in Table 2)	796 (8)	800 (9)
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
Total Gilles Boissonnet	**796**	**800**

Regarding application of articles L. 225-102-1 and L. 233-16 of the French Commercial Code, note that beside Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer falls within the scope of these provisions.

In 2015, Alain Taravella received from Altafi2 a compensation of €80,004. However, he did not collect any compensation from Atlas in 2015.

The amounts provided in the compensation table below and the following tables include all compensation due or paid by Altarea and the companies it controls. The figures below include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries.

Variable executive compensation is calculated by applying the rules set out by the Ordinary General Meeting of Shareholders, which determined executive compensation in accordance with the provisions of Article 7.2.1.1 above.

(4) €3,392,000 for management of Altarea and €506,000 for management of Altarea subsidiary Altareit.
(5) €3,839,000 for management of Altarea and €506,000 for management of Altarea subsidiary Altareit.
(6) Stéphane Theuriau does not receive any compensation from Altarea or Atlas. In 2014, Stéphane Theuriau received €269,000 in compensation for his duties as Chairman of Altarea subsidiary Cogedim and €258,000 in compensation for his duties as Manager of Altarea subsidiary Cogedim Gestion. Before assuming these duties and those of Chief Executive Officer of Atlas, he had received €253,000 as part of an employment agreement with Altarea.
(7) Stéphane Theuriau did not receive any compensation from Altarea or Atlas. This sum compensates him for his duties as Manager of Altarea subsidiary Cogedim Gestion.
(8) Gilles Boissonnet does not receive any compensation from Altarea or Atlas. In 2014, Gilles Boissonnet received €537,000 in compensation for his duties as Chairman of Altarea subsidiary Foncière Altarea, and €259,000 in compensation for his duties as Manager of Altarea subsidiary Altarea France.
(9) Gilles Boissonnet does not receive any compensation from Altarea or Atlas. This sum compensates him for his duties as Manager of Altarea subsidiary Altarea France.

Table 2

Summary table of compensation of each executive officer

The compensation mechanisms are detailed in paragraph 7.2.1 above.

Name and position of executive officer	FY 2014		FY 2015	
(in € thousands)	Amount due	Amount paid	Amount due	Amount paid
ALAIN TARAVELLA – CO-MANAGER				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
ALTAFI 2 – CO-MANAGER				
Fixed compensation	2,025	2,025	2,024	2,024
Variable annual compensation	1,367	1,062	1,815	1,125
Variable multi-year compensation	0	0		
Exceptional compensation	0	0	0	0
Other compensation [10]	506	506	506	506
Attendance fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**3,898**	**3,593**	**4,345**	**3,655**
ATLAS – CO-MANAGER				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind	0	0	N/A	N/A
TOTAL	**0**	**0**	**N/A**	**N/A**
STÉPHANE THEURIAU – CHIEF EXECUTIVE OFFICER OF ATLAS				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation [11]	781	631	800	800
Attendance fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**781**	**631**	**800**	**800**
GILLES BOISSONNET – CHIEF EXECUTIVE OFFICER OF ATLAS				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation [11]	796	646	800	800
Attendance fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**796**	**646**	**800**	**800**

(10) Compensation paid solely for duties as corporate executive of Altarea subsidiaries; see above.
(11) Compensation paid solely for duties as corporate executive of Altarea subsidiaries; see above.

Table 3

Table of attendance fees and other compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

This compensation includes attendance fees granted not only by Altarea but also by its subsidiaries.

Non-executive corporate officers	FY 2014 (in € thousands)	FY 2015 (in € thousands)
Jacques Nicolet, Chairman of the Supervisory Board until June 2, 2014		
Attendance fees	12	8
Other compensation	153[12]	0
Christian de Gournay, Chairman of the Supervisory Board as of June 2, 2014		
Attendance fees	0	0
Other compensation[13]	175	300
Matthieu Taravella, Supervisory Board member		
Attendance fees	12.5	12.5
Other compensation	0	0
Gautier Taravella, Supervisory Board member		
Attendance fees	5	0
Other compensation	0	0
Olivier Dubreuil, Permanent representative of JN Holding, Supervisory Board member		
Attendance fees	1.5	N/A
Other compensation	0	N/A
Alain Dassas, Permanent representative of APG, Supervisory Board member		
Attendance fees	15	12.5
Other compensation	0	0
Prédica – Crédit Agricole Assurances Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Émeric Servin, Permanent Representative of Prédica, Supervisory Board member		
Attendance fees	7.5	7.5
Other compensation	0	0
Françoise Debrus, Supervisory Board member		
Attendance fees	12.5	12.5
Other compensation	0	0
Dominique Rongier Supervisory Board member		
Attendance fees	19.5	15.5
Other compensation	0	0
ATI Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Eliane Frémeaux, Supervisory Board member		
Attendance fees	7.5	7.5
Other compensation	0	0
Total	**421**	**376**

(12) Compensation paid to Jacques Nicolet was deducted from Management's compensation.
(13) Compensation from 06/02/2014 to 12/31/2014.

Table 4

Stock options allocated during the financial year to the executive officers by the Company and by any Group company

No stock options were allocated during the financial year to the executive officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, by the Company or by any other Group company.

Table 5

Stock options exercised during the year by the executive officers

No stock options were exercised during the financial year by the executive officers, namely, Alain Taravella, Altafi 2 or Atlas, Co-Managers, by the Company or by any other Group company.

Tables 6 and 7

Free shares allocated to each corporate officer

No free shares were allocated to the corporate officers during the financial year by the Company or by any other Group company.

No corporate officer is eligible for a free share plan during the shares' vesting period.

It should be noted that on April 2, 2015, at the end of the vesting period, Gilles Boissonnet, Chief Executive Officer of Atlas and Co-Manager of Altarea, received 12,000 free shares in Altarea that had been allocated to him before his appointment. In addition, on June 15, 2015, at the end of the vesting period, Christian de Gournay, Chairman of the Supervisory Board, received 9,000 free shares in Altarea that had been allocated to him before his appointment.

Table 8

History of stock option grants and share purchases

There is currently no stock option plan for which corporate officers are eligible, including other financial instruments that give access to capital (buy option, voucher redeemable share warrants, PSPCE, etc.).

Table 9

Stock options granted to and exercised by the top 10 employees excluding corporate officers and options exercised thereby

There is currently no stock option plan for which the top 10 employees excluding corporate officers are eligible, including other financial instruments that give access to capital (buy option, redeemable share warrants, PSPCE, etc.).

Table 10

History of free share allocations

No free shares were granted to the corporate officers during the financial year by the Company or by any other Group company.

No corporate officer is eligible for a free share plan during the shares' vesting period.

Table 11

Employment contracts, pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive officers

None.

It is hereby specified that the Company has made no commitments *vis-à-vis* its corporate officers with respect to any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

7.3. ABSENCE OF CONFLICTS OF INTEREST

No conflicts of interest have been detected at the level of the company's administrative, management and supervisory bodies, or at the level of its Executive Management, between the duties of those bodies and any other potential duties they might have.

7.4. ABSENCE OF IMPROPER CONTROL

7.4.1. NATURE OF CONTROL OVER THE COMPANY

Alain Taravella, his family and the companies AltaGroupe, Alta Patrimoine and Altas, which he controls, Jacques Nicolet, together with JN Holding, which he controls, and Gilles Boissonnet together with SCI Jouffroy 2, which he controls, and Stéphane Theuriau act in concert. At December 31, 2015, the concert members collectively held 47.75% of the capital and theoretical voting rights of the Company and 48.40% of actual voting rights (those that could effectively be cast at General Meetings, taking into account treasury shares stripped of their voting rights).

7.4.2. MEASURES PREVENTING IMPROPER CONTROL

Regarding governance, the Chairman's report on internal control (chapter 8) specifies: The Supervisory Board examines investments and divestments starting from a very low threshold (€15 million); the Supervisory Board's Special Committees, i.e., the Audit Committee, Investment Committee and Management Compensation Committee, include independent members.

7.4.3. ABSENCE OF IMPROPER CONTROL

Measures have been adopted to prevent any improper control. The Company is controlled as described above; however, the Company considers that there is no risk that control could be exercised in an improper way.

7.5. CONVICTIONS, BANKRUPTCIES, PROSECUTIONS

The undersigned hereby represents and warrants that to his knowledge, no Co-Manager or member of the Supervisory Board has, in the last five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory bodies or from being involved in the management or conduct of the affairs of any issuer.

Altafi 2
Represented by its Chairman
Mr Alain Taravella
Co-Manager

7.6. LEGAL AND ARBITRATION PROCEEDINGS

In the past twelve months, the Company has not been involved in any proceedings that are liable to have a material impact on the Group's financial position or profitability.

7.7. ABSENCE OF MATERIAL CHANGES IN THE COMPANY'S FINANCIAL OR BUSINESS SITUATION FORESEEABLE CHANGES IN BUSINESS OPERATIONS

Over the last twelve months, with the exception of what may appear in Note 12 to the consolidated financial statements, the Company has not experienced significant changes in its financial or business position.

The Altarea Cogedim Group composed of the Company and its subsidiaries enjoys both the recurring revenue characteristic of a retail REIT and the added value of a developer active on the three main real estate markets (Retail, Residential, and Offices).

The Altarea Cogedim Group plans to continue developing its business during the 2016 financial year. It will continue to implement its strategic plan with regard to its different divisions: for retail, the Group will continue concentrating its asset portfolio around regional shopping centers and major Retail Parks using the "Family Village®" concept; in residential, the Group intends to continue gaining market share by working on the entire product line; finally, for offices, the Group means to capitalize on the new business cycle thanks to its investment capacity for Office property. On each of these three markets, Altarea Cogedim enjoys a distinguished and competitive position based on innovation, brand image and technology.

7.8. SENIOR MANAGEMENT

1. Executive Management

This consists of Alain Taravella, Gilles Boissonnet and Stéphane Theuriau, who form the management team.

The Company is managed by Alain Taravella personally and by the companies Altafi 2 and Atlas. Alain Taravella is Chairman of Altafi 2 and Atlas. Gilles Boissonnet and Stéphane Theuriau are the Chief Executive Officers of Atlas.

2. Operational Management

Gilles Boissonnet is in charge of REIT in shopping centers. He is Chairman of Foncière Altarea.

Stéphane Theuriau is in charge of Residential and Office Property development. He is Chairman of the Management Board of Cogedim.

3. Committees

Bearing in mind that the main subsidiaries of Altarea[14] feature Operational Committees, several committees hold regular meetings to examine going concerns and assist Executive Management in decision-making.

These committees are the Expanded Executive Committee, the Executive Management Committee and the Expanded Executive Management Committee

4. Absence of firm commitments made by Management and not communicated by the Company

As of the date of this registration document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

(14) See the Chairman's report on internal control in chapter 8 of the registration document.

7.9. COMPLIANCE WITH CORPORATE GOVERNANCE REGIME

In accordance with Article 16.4 of Annex I of Regulation EC 809/2004 implementing EC Directive 2003/71/EC, the undersigned hereby declares and warrants that the company complies with the corporate governance regime applicable in France as set out in the Law on commercial companies and subsequent legal instruments.

Altafi 2
Represented by its Chairman
Mr Alain Taravella
Co-Manager

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON INTERNAL CONTROL

8

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8.1. DILIGENCE PERFORMED – FRAMEWORK AND REFERENCE CODE

The Chairman of the Supervisory Board prepared this report. The Corporate Secretary and the Group's Finance Department also participated. This report was submitted to the Supervisory Board, which approved it at its meeting of March 9, 2016.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the company declares that it has based its corporate governance code on the Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF), revised in November 2015. The Company refers to the principles set forth in the AFEP-MEDEF Code, which it applies where compatible with the legal form of an SCA (*société en commandite par actions*).

Because the company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, the lead director, cannot be applied to partnerships limited by shares. Because the company is an SCA (*société en commandite par actions*), the financial statements are established by Management and not by a collegiate body. The Supervisory Board is responsible for overseeing the Company's management on a continual basis, but is not involved in this management. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided the same documents by the Managers as those made available to the Statutory Auditors. The Articles of Association also give the Supervisory Board significantly greater powers than required by Law, for example in reviewing investments. Lastly, the Company affords shareholders greater powers than provided for in applicable legislation or in the AFEP-MEDEF Code, in particular with respect to establishment of Management compensation. This compensation was set in the Company's Articles of Association until 2012. Since 2013, Management compensation is determined by the Ordinary General Meeting of Shareholders, for successive three-year periods on a proposal from the General Partners and after consultation with the Supervisory Board.

Pursuant to the "complain or explain" principle, the company specifies, in the summary table below, which of the recommendations from the AFEP-MEDEF Code were not implemented, taking account of the Company's form as a *société en commandite par actions* (limited partnership), with explanations and, where necessary, remedial measures.

Recommendation	Code heading	Explanations or remedial measures
Board of Directors: collegiate body	1	In a *société en commandite par actions* (limited partnership), each Manager has the powers to bind the company.
The separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer	2	In a *société en commandite par actions* (limited partnership), each Manager has the management power, so this separation is not possible.
The Board of Directors and business strategy	4	In a *société en commandite par actions* (limited partnership), management has exclusive competence to review and decide on operations of strategic importance. However, the Supervisory Board of Altarea reviews investment and divestments or loans of more than €15 million.
Representation of employees	7	*Sociétés en commandite par actions* (limited partnerships) are not subject to Article L. 225-23 of the French Commercial Code, which prescribes the appointment of employee representatives because Article L. 226-1 of the French Commercial Code excludes such partnerships from Articles L. 225-17 – L.225-93 of said Code.
Independent directors	9.2.	The company will propose the appointment of two additional independent members to the General Shareholders' Meeting of April 15, 2016.
Evaluation of the Board of Directors	10	There is no formal system for evaluating the work of the Supervisory Board. However, the Board freely reviews its operations and ways to improve those operations every year.
The term of office of directors	14	In a *société en commandite par actions* (limited partnership), management powers are exercised by management, not by a Board of Directors
The composition of the Audit Committee	16.1	The proportion of independent members of the Audit Committee has changed from two-thirds to one-half. The Supervisory Board responsible for examining 2016 accounts is expected to appoint new independent members.
The committee in charge	17	In a *société en commandite par actions* (limited partnership), Managers are appointed by the General Partners.
"Say on pay"	24.3	Compensation of the management is set directly by the Ordinary General Shareholders' Meeting. The powers conferred on the shareholders are thus considerably greater than those recommended by the code. However, the General Meeting may not issue an opinion on its own decisions.

8.2. PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

8.2.1. SCOPE AND POWERS (ARTICLE 17 OF THE ARTICLES OF ASSOCIATION)

The Supervisory Board is responsible for overseeing the company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions, and dividend payment procedure (in cash or in shares) to be proposed to the Annual General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the Annual General Meeting for the appointment of new Statutory Auditors. It appoints an appraiser for the Company's Property Portfolio, renews or terminates the appraiser's term of office. In the latter case, it provides for the appraiser's replacement. In accordance with French law, the Supervisory Board prepares a report for the Annual Ordinary General Meeting, which approves the Company's financial statements: the report is made available to shareholders along with the management report and the full-year financial statements for the financial year. The Supervisory Board draws up a report describing any proposed capital increase or reduction and submits it to the shareholders. The Supervisory Board can call an Ordinary or Extraordinary Shareholders' Meeting according to the procedures set forth by French law, if the Board deems necessary and after informing the Managers in writing. The Supervisory Board also plays an important role in terms of the Company's investments and commitments, above and beyond the traditional role played by this body in companies in the form of SCAs (sociétés en commandite par actions). Management is required to consult the Supervisory Board before the following important decisions are made: (i) any investment of an amount greater than €15 million, (ii) any divestment of an amount greater than €15 million, (iii) any commitment by the Company of an amount greater than €15 million, (iv) the establishment of any loan agreement for more than €15 million.

Lastly, the Board reviews the social and environmental report and the report prepared by Management on the comparative situation of overall employment and training conditions of men and women.

8.2.2. COMPOSITION OF THE SUPERVISORY BOARD

(a) Members

As of the date of this report, the Supervisory Board consisted of the following 10 members:

Name	Duties	Permanent Representative [a]	Term expires [b]
Mr Christian de Gournay	Chairman	-	2019
Mr Jacques Nicolet	Member	-	2019
Mr Matthieu Taravella	Member	-	2019
Mr Christian Terrassoux	Member	-	2019
Ms. Françoise Debrus	Member	-	2019
Ms. Eliane Fremeaux	Member	-	2019
Mr Dominique Rongier	Member	-	2020
APG	Member	Mr Alain Dassas	2019
Crédit Agricole Assurances	Member	Mr Emeric Servin	2019
ATI	Member	Ms. Léonore Reviron	2020

(a) Legal persons that have not appointed a Permanent Representative are represented at meetings either by their legal representative or by a representative specifically designated thereby.
(b) Year of Annual Ordinnary General Meeting.

Chapter 7 of the registration document lists the ages, nationalities, experience and professional duties, including in international matters, of the members of the Supervisory Board and the offices they hold or have held over the last five financial years. Each member must hold at least one Company share as stipulated in Article 15.4 of the Articles of Association.

(b) Balanced gender representation on the Supervisory Board

The Company is currently in compliance with the initial requirements of Law no. 2011-103 of January 27, 2011, as neither gender represented under 20% of the Supervisory Board at the first Annual General Meeting held after January 1, 2014.

The Company intends to comply gradually with the future stages of said Law, viz., to ensure that neither gender represents less than 40% of the board members at the first Ordinary Shareholders' Meeting held after January 1, 2017.

As of the date of this document, the Supervisory Board has increased the percentage of women members to 30. The appointment of two additional women will be proposed to the Annual Ordinary General Shareholders' Meeting of April 15, 2016 to bring the Company into compliance with the recommendations of the Afep Medef Code to anticipate the legal requirements as from the 2016 General Meeting.

(c) Average age

Since the company changed its legal form to an SCA (*société en commandite par actions*), legal entities with a seat on the Board are no longer required to appoint a permanent representative, in contrast with the policies in force for French SAS (*sociétés anonymes*). Legal-entity members are represented at Board meetings either by their legal representative, by a permanent representative if they have chosen to designate one, or by any other *ad hoc* proxy. It is therefore no longer relevant to establish and communicate an average age.

(d) Offices held in other companies

A list of the offices held by Supervisory Board members outside Altarea is provided in the appendix of the management report, to which this report is attached, and in the Company's registration document.

(e) Compensation

PRINCIPLES

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Ordinary General Meeting and is maintained until the General Meeting decides otherwise. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

DECISION OF THE MEETING

The Ordinary General Meeting of May 20, 2009, allocated total compensation of €600,000 to Supervisory Board members in respect of 2009, the same amount as in prior years. This amount payable in respect of 2009, will remain unchanged for future years until it is modified by an eventual new decision of an Ordinary General Meeting.

PAYMENTS

Chairman of the Supervisory Board

At its meeting of February 19, 2013, the Compensation Committee, comprised entirely of independent members, proposed to the Supervisory Board to establish gross annual compensation of €300,000 for the Chairman of the Supervisory Board. This proposal was unanimously adopted by the Supervisory Board on February 27, 2013.

At its March 5, 2014, meeting, upon the appointment of Christian de Gournay as incoming Chairman of the Supervisory Board to replace Jacques Nicolet, the Supervisory Board confirmed that the amount of compensation paid to its Chairman would remain unchanged. This compensation encompasses all work done for the Supervisory Board and is exclusive of any other compensation.

Members

To encourage members of the Supervisory Board to effectively participate in the Board's work, and taking into account the attendance fees awarded by comparable companies, the Supervisory Board decided at its February 27, 2013 meeting to set the amount of directors' fees at €2,500 for each attendance at a meeting of the Board or its Special Committees.

A detailed breakdown of compensation is provided in an appendix to the management report to which this report is attached.

(f) Independent members

CHOICE OF INDEPENDENCE CRITERIA

At its meeting on August 31, 2009, the Supervisory Board unanimously voted, on the Chairman's recommendation, to adopt the independence criteria stated in Articles 8.4 and 8.5 of the AFEP-MEDEF Code of Corporate Governance, namely:

- not to be in the Company, its parent company or a company it consolidates: an employee, corporate officer, customer or significant supplier, corporate banker or investment banker for the Company, a close relative of a corporate officer, a former auditor (during the previous 5 years) or a former Company director (during the previous 12 years);
- for representatives of large shareholders (holding more than 10% of the company's voting rights), the Supervisory Board must "regularly review whether the member is independent, and whether there may be any potential conflicts of interest."

The criteria chosen are made public each year in this report.

APPLICATION OF THE INDEPENDENCE CRITERIA TO SUPERVISORY BOARD MEMBERS

The Board examines the situation of its members with regard to the independence criteria each year.

The latest review of the status of Board members was carried out by the Supervisory Board at its meeting of March 9, 2016. On the basis of the independence criteria it had adopted, the Board deemed unreservedly that Dominique Rongier, Alain Dassas and Eliane Fremeaux qualified as independent members.

8.2.3. FREQUENCY OF MEETINGS

The Board met three times in 2015. The attendance rate in person or by proxy was 96.90%.

8.2.4. NOTICE OF MEETING

The Company's Articles of Association provide that Board members be invited to meetings via simple letter or by any means of electronic communication. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be convened at least one week before The Meeting date, except under emergency circumstances.

8.2.5. INFORMATION

Under French law, the company's Managers must give Supervisory Board members the same documents as those given to the Statutory Auditors.

8.2.6. MEETING LOCATION – MANAGEMENT ATTENDANCE

Meetings take place at the head office located at 8 avenue Delcassé in Paris (75008).

Managers are invited to Board meetings to answer questions from the Supervisory Board, so that the Board can perform its role of overseeing the company's Management on a continual basis. At Board meetings, Managers present the company's financial statements, discuss business developments and present any investment or divestment plans. Management answers any questions that the members deem appropriate to ask. These questions may or may not be included on the agenda. Management does not participate in deliberations and cannot vote on decisions taken by the Board or on opinions it issues.

The attendance of at least half of the Supervisory Board's members is required to conduct valid deliberations. Decisions are made by a majority of the members present or represented and able to take part in the vote. A member present may only represent one absent member and may do so only upon presenting a valid proxy. In the event of a tie, the Chairman has the deciding vote.

8.2.7. RULES OF PROCEDURE

The Supervisory Board currently has no rules of procedure. The Supervisory Board did not deem such a document necessary given that Articles 16 and 17 of the Articles of Association describe The Meeting procedure and the powers granted to the Supervisory Board, and because there are detailed rules of procedure for the Board's Special Committees, i.e., the Audit Committee and Investment Committee.

8.2.8. SPECIAL COMMITTEES

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to Special Committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of SCAs (sociétés en commandite par actions).

The Supervisory Board has three Special Committees: An Accounting Committee known as the Audit Committee, an Investment Committee and a Management Compensation Committee.

The Special Committees present their work at Supervisory Board meetings. The work is presented by committee chairs, all of whom are members of the Board.

INVESTMENT COMMITTEE

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members (pursuant to a Supervisory Board decision on March 5, 2014, amending the Investment Committee's rules of procedure):

- Mr Jacques Nicolet;
- Mr Alain Dassas, representing the APG Fund;
- Mr Emeric Servin, representing Crédit Agricole Assurances;
- Mr Christian de Gournay;
- Mr Philippe Mauro;
- Mr Eric Dumas.

The Committee is chaired by Mr Jacques Nicolet.

Operational Managers involved in the investment project(s) also participate in the Meeting.

Proceedings – Minutes

Investment Committee recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. Minutes are drawn up and signed during the meeting indicating the decision made. The Company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meeting may be sent by any means (post, fax, email, etc.).

Missions

The Investment Committee advises the Supervisory Board on investment and divestment decisions for amounts between €15 million and €100 million, under the following conditions:

a) Investment and divestment opportunities of between €15 million and €50 million are presented to either:

- the Investment Committee directly; or
- the Chairman of the Investment Committee for an initial recommendation, especially in urgent situations, which is ratified at the next Investment Committee meeting.

b) Investment and divestment opportunities of between €50 million and €100 million are presented to the Investment Committee before any final decision is made.

c) For transactions initiated by the Cogedim subsidiary, the €15 million ceiling is understood to be:

- before entering into any bilateral sales agreements for real estate over €15 million;
- before signing any deeds for real estate over €15 million, including pursuant to a unilateral sales agreement; and
- before commencing any construction work if the cost price, including land and after deducting any units that have already been reserved or sold, exceeds €15 million.

d) Investments and divestments of:

- less than €15 million, do not require a Supervisory Board recommendation; and
- over €100 million must be submitted to the Supervisory Board for a recommendation.

These limits are adjusted annually on the basis of the Syntec index.

e) The disposal of investment property and equity interests in companies owning investment property, within the aforementioned limits.

f) The limits given above apply as a percentage of the Group's equity interests, and exclude tax.

Work of the Committee

The Investment Committee has not met in 2015 because all investment and divestment opportunities were reviewed by the full Supervisory Board as required by Article 17.6 of the Articles of Association (see section 8.2.1 above and 8.2.9. below), or by its Chairman, considering the amounts involved.

AUDIT COMMITTEE

Members

Audit Committee members are appointed by the Supervisory Board. They are chosen for their experience in the industry and their knowledge of the Company. The Audit Committee currently consists of the following members (pursuant to a Supervisory Board decision on March 5, 2014, amending the Audit Committee's rules of procedure):

- Françoise Debrus;
- Léonore Reviron;
- Alain Dassas;
- Dominique Rongier.

The Rules of Procedure of the Audit Committee were amended on March 9, 2016, to take into account the replacement of Gautier Taravella, who resigned, by Léonore Reviron.

Mr Dominique Rongier serves as Chairman of the Audit Committee.

Skills and experience of the Audit Committee members relevant to the Committee's responsibilities:

- Françoise Debrus has worked as head of internal audit and of financial management at Unicredit; head of debt collection and lending in the finance department of Crédit Agricole SA; head of finance and taxation at the Fédération Nationale du Crédit Agricole; Chief Financial Officer at the Caisse Régionale d'Île-de-France; and investment director at Crédit Agricole Assurances;
- Alain Dassas, independent member, was head of banking relations and financial markets at Renault; finance director at Renault Crédit International; and Head of Financial Operations and financial services at Renault;
- Dominique Rongier, Committee Chairman, independent member, was an auditor at Arthur Andersen; Chief Financial Officer of the Brémond-Pierre & Vacances Group; Chief Financial Officer of Brossette SA; and Chief Financial Officer of the holding company Oros Communication;
- Ms. Léonore Reviron is a graduate of the EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Cabinet Ernst & Young. In 2011, she joined a listed REIT group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager. She has joined Mr Alain Taravella's holding in 2015.

Members meeting the criteria set forth in Article L. 823-19 of the French Commercial Code

The Audit Committee currently includes two independent members. Consequently, the company meets the requirement under French law that an Audit Committee must have at least one independent member. However, the Company does not comply with recommendation 16.1 of the AFEP-MEDEF Code of Corporate Governance of Listed Companies, which stipulates that the two-thirds of Audit Committee members should be independent. The Company will make its best efforts to expand the composition of the Audit Committee to meet this requirement. The Committee does not includes no executive officer, in accordance with Article 16.1 of the Code.

Proceedings – Minutes

A quorum is reached when at least half of the Committee members are present. Recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. If it deems it necessary to do so, the Audit Committee prepares minutes of its meetings; these minutes are drafted by the Chairman. It presents to the Supervisory Board its report on the half-year and full-year financial statements.

Frequency of meetings

The Audit Committee meets when convened by the Chairman, on dates set according to the company's schedule for approving the half-year and full-year financial statements. A meeting can be called at any time if necessary. Notices of meeting may be sent by any means (post, fax, email, etc.). The Group's Finance Department sends any necessary documentation prior to The Meeting.

During the 2015 financial year, the Committee met twice to examine the following points:

- March 3, 2015: review of annual financial statements at December 31, 2014;
- July 29, 2015: Review of the main internal control actions and risk management actions carried out during the first half of 2015. Review of the half-year financial statements as of June 30, 2015.

Missions

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee is responsible for the following:

- monitoring the preparation of the company's financial information. The Committee reviews this information by analyzing the accounting impact of significant events or operations that had an effect on the Company's accounts. In the event of a failure in this process, the Committee ascertains that corrective measures have been applied;
- ensuring that the company's systems for internal control, internal audit, and risk management are working effectively. The Committee reviews risks that have an impact on the Company's financial statements (including information in the Notes) and risks identified by the internal control systems established by Management and that could have an impact on the financial statements. The Committee may consider the potential impacts on financial information and accounting documents arising from a significant unidentified risk that it learns of or identifies during its work and may use reports on other main risks identified by Management and/or Corporate Secretary. In the event shortcomings are identified, the Committee ensures that (i) appropriate action plans have been set up and that (ii) the situation has been addressed. The company's internal control and risk management systems are based on guidelines drawn up by the AMF and updated on July 22, 2010, to take into account the report of the working group chaired by Olivier Poupart-Lafarge. The Committee familiarizes itself with the Supervisory Board Chairman's report on internal control and risk management procedures and, where applicable, formulates observations on matters within its scope;
- monitoring the statutory audit of the company's individual and consolidated financial statements by the Statutory Auditors. The Committee reviews the main risks and uncertainties identified by the Statutory Auditors in the individual and consolidated financial statements, including the half-year financial statements. The Committee also reviews the auditors' approach and any difficulties encountered in performing their duties;
- ensuring that the company's Statutory Auditors are independent. The Committee verifies that the budget for Statutory Auditors' fees is monitored to ensure that it is in keeping with their engagement and ascertains that the co-audit is effective. Each year, the Statutory Auditors provide (i) a statement of independence; (ii) the total amount of fees paid to the Statutory Auditors by companies controlled by the Company or the company that controls it in respect of services not related directly to the statutory audit engagement; and (iii) information on work and services related directly to the statutory audit engagement;
- ensuring that the Company's operations comply with all applicable laws and regulations.

The Audit Committee maintains working relationships with the Company's Executive Management, Managers, internal controllers, internal auditors and Statutory Auditors. It may ask the Statutory Auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit Committee may also ask a Company employee to attend a meeting, in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful.

The Audit Committee must be consulted for the following:

- Statutory Auditor appointments. Under Article 17.4 of the Articles of Association, the Supervisory Board is required to submit a list of candidates for appointment as Statutory Auditors at the General Shareholders Meeting. The Audit Committee issues guidelines on the Statutory Auditors whose nominations the Supervisory Board will submit to the General Meeting on the basis of a tender procedure;
- any significant changes in accounting methods and principles that may seem likely or necessary;
- approval of the half-year and full-year financial statements.

The Audit Committee ensures that the Company has taken the appropriate measures, including protection of documents, files and systems, to operate as a going concern and to protect the company against fraud and malice.

The Audit Committee reviews the scope of consolidation and, where applicable, the reasons for which companies are not included.

If it deems necessary, the Committee may call on external experts, ensuring their competence and independence.

The Committee ensures that internal control and risk management systems exist, and monitors their use and the implementation of corrective actions in the event of deficiencies or material anomalies. To this end, it is informed of the main findings of the Statutory Auditors and the internal audit. It meets with the heads of the internal audit and of risk control and advises on the organization of their departments. It is informed of the internal audit program and receives internal audit reports and/or periodic summaries.

The Committee reviews significant risks and off-balance sheet commitments, assesses the seriousness of malfunctions or deficiencies of which it is made aware, and informs the Supervisory Board, if necessary.

MANAGEMENT COMPENSATION COMMITTEE

History

On May 20, 2009, the Extraordinary General Meeting voted to create a Management Compensation Committee, and added for this purpose a second paragraph to Article 18 of the Articles of Association concerning the Board's Special Committees.

This meeting also amended the provisions of Article 14 of the Articles of Association regarding management compensation: as of January 1, 2013, management compensation shall be determined by the Ordinary General Meeting of Shareholders for successive three-year periods on a proposal of the General Partners and after consultation with the Supervisory Board.

The Supervisory Board, at its meeting of July 26, 2012, voted to create a Compensation Committee, in accordance with Article 18 of the Articles of Association. On the recommendation of its Chairman, the Supervisory Board voted to grant the committee powers wider than those provided for by the Articles of Association. The committee will participate in determining the compensation not only of management but also of members of the Supervisory Board and of the Group's principal executive Managers.

Members

The Management Compensation Committee is composed exclusively of members of the Supervisory Board, except for the Group General Secretary, who performs secretarial duties during meetings but cannot vote.

All members of the Management Compensation Committee are independent of company Management.

The Supervisory Board, at its March 5, 2014 meeting, modified the composition of the Compensation Committee, which is now comprised as follows:

- Mr Dominique Rongier;
- Mr Alain Dassas;
- Mr Dominique Rognier chairs the Compensation Committee.

Mr Philippe Mauro, Secretary General of the Group, was appointed as Secretary of the Compensation Committee.

Responsibilities (Article 18 of the Articles of Association)

The Management Compensation Committee submits proposals for Managers' compensation to the Supervisory Board.

Work

The Committee used a study conducted by the specialized firm Towers Watson and submitted to the Supervisory Board at its February 27, 2013, meeting proposals related to Management compensation. These proposals allowed the Supervisory Board to make an informed recommendation on the General Partner's proposal, in accordance with Article 14 of the Articles of Association, to the Ordinary General Meeting of Shareholders responsible for setting Management compensation.

The Compensation Committee also made proposals on the annual compensation of the Supervisory Board Chairman, which it advised to set at €300,000, and on the amount of attendance fees. The Committee advised that the latter be increased to €2,500 to encourage members to actively participate in the work of the Supervisory Board.

At its February 27, 2013, meeting, the Supervisory Board decided to adopt all recommendations put forth by the Compensation Committee.

During 2014, the Compensation Committee met on April 8 to examine the compensation paid to the Chairman of the Supervisory Board and Group operational Managers, and to make recommendations to the Supervisory Board and Management.

The Committee did not meet in 2015.

On February 23, 2016, the Compensation Committee met to review management compensation and to develop proposals intended for the Supervisory Board, in order to put forth recommendations at the Combined General Meeting of 15.04.16, to set management compensation.

8.2.9. SUPERVISORY BOARD MEETINGS AND WORK IN 2015

The Altarea Supervisory Board held the following meetings in 2015:

- March 4, 2015: Review of the full-year financial statements as of December 31, 2014. Proposal for appropriation of results at Annual Ordinary General Meeting. Authorizations granted to Managers to effect capital increases or decreases. Preparation of the Supervisory Board's report to the Annual General Meeting. Recommendation to be given on investment projects. Recommendation on disposals and divestments. Funding in 2015. Recommendation to Management for guarantees, pledges and endorsements given to the Company's subsidiaries. Review of forecast management documents. Review of corporate governance issues: annual deliberation on the Company's policy on professional and salary equality, the social and environmental report, annual review of how the Supervisory Board's work is prepared and conducted, review of the independence criteria for the members of the Supervisory Board and Special Committees, renewal of the office of two members of the Supervisory Board, review of the related party transactions that had already been authorized by the Supervisory Board with an upholding and reclassification of transactions;
- July 30, 2015: Review of half-year financial statements as of June 30, 2015. Group's financial policy. Recommendation to be given on investment and divestment projects. Forecast documents;
- November 20, 2015: Replacement by co-option of a resigning member, review of the agenda and draft resolutions submitted to the Extraordinary General Meeting of January 20, 2016, drafting of the report of the Supervisory Board, Group's financial strategy, recommendations on new funding projects.

8.2.10. MINUTES OF THE MEETINGS

The minutes of Supervisory Board meetings are recorded in a special registry and signed by The Meeting Chairman and secretary, or by a majority of Board members present.

8.2.11. ASSESSMENT OF WORK OF THE BOARD AND SPECIAL COMMITTEES

At its meeting of March 9, 2016, the Supervisory Board assessed the way in which its work is prepared and conducted. The company believes that the operating practices of the Supervisory Board are appropriate and that no formal assessment procedures are necessary.

8.3. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In accordance with Article L. 225-37 of the French Commercial Code, the following sections describe the principal measures that the company took in FY 2015 and since the beginning of FY 2016 in order to enhance its internal controls.

8.3.1. REMINDER OF OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

In accordance with AMF guidelines, Altarea Group's internal control system is based on the general principles of internal control set forth in the reference framework developed by the AMF in July 2010. Internal control aims to ensure:

- compliance with laws and regulations;
- proper observance of instructions issued by Management;
- effective functioning of the Company's internal procedures, particularly those intended to protect its assets;
- the reliability of the Company's financial information.

The system implemented within the Group is based on a risk management system that aims to identify the main risks to be controlled in order to: safeguard the Company's value, assets and reputation; shore up its decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

The scope for the application of the company's internal controls is that of the Altarea Group, that is, the Altarea parent company and all companies that it controls as defined by Article L. 233-3-I of the French Commercial Code, except for Property Development joint ventures that are managed by a commercial partner.

When producing accounting and financial information, every effort is made to abide by the principles set forth in Article L. 233-21 of the French Commercial Code: "The consolidated financial statements must be honest and truthful and provide an accurate representation of the assets, the financial condition and the profits of the whole made up of the businesses included in the consolidation."

In addition, in accordance with European Council regulation no. 1606/2002 adopted on July 19, 2002, because Altarea is listed on a regulated market within a European Union member state, it is required to present its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, along with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union. International Financial Reporting Standards and IFRIC/SIIC interpretations as approved by the European Union.

Lastly, readers are reminded that internal control and risk management systems, like any system of control subject to inherent limits, cannot fully guarantee that objectives will be achieved.

8.3.2. OVERALL ORGANIZATION OF INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

8.3.2.1. Internal control environment

Internal control is based on codes of conduct and integrity established by the company's governing bodies and communicated to all employees.

Each new employee receives a copy of the Altarea Group's Ethics Charter when he or she is hired.

This Ethics Charter sets out Altarea's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the Charter should inspire and guide Group employees in their daily tasks, enabling them to resolve issues of conduct, ethics and conflicts of interest in a clear and coherent way.

In accordance with AMF Recommendation No. 2010-07 of 3 November 2010 – Guide to Preventing Insider Misconduct by Executives of Listed Companies (paragraphs 2.2.2, 2.2.4 and 2.2.5), the Group's Charter:

- formally states the obligations placed on executives and any other persons who may have access to inside information;
- calls for the appointment of an ethics director and defines his or her role;
- defines "closed periods" during which the relevant persons must abstain from trading in shares of Altarea and its subsidiary Altareit.

Moreover, the Charter lays out the rules that apply regarding benefits granted to Group employees.

The Ethics Charter may be viewed on the Group intranet site in the "Group" section.

8.3.2.2. Participants

(a) Management

Management is responsible for the overall organization of the internal control system. It establishes internal control procedures and defines focuses in order to control the risks associated with the Company's business.

In the performance of its responsibilities, Management has also implemented an Executive Committee, which is composed of the heads of each Group business line (retail, residential, offices, and support functions) and an Executive Management Committee. These committees are not directly involved in the general organization of internal controls; however, they may express their views on topics pertaining to Group internal controls, as is the case for risk mapping.

(b) Supervisory Board

The Supervisory Board plays a significant role in the company's internal control system as part of its general duties of ongoing oversight of Company management (see paragraph 8.2, Preparation and organization of the Board's work).

(c) Audit Committee

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee's duties and responsibilities are described in this report in paragraph 8.2.8, Special Committees.

(d) Corporate Secretary

Internal control procedures are coordinated by the Corporate Secretary, who reports to Management. These controls are performed mainly within the various subsidiaries. The Corporate Secretary is also responsible for coordinating coverage of insurable risks and underwriting insurance policies at the Group level.

In the office of the Corporate Secretary, the Internal Control function is handled by one full-time employee (internal control officer) and three employees who carry out internal control assignments on a part-time basis (the Secretary General, a legal officer and an executive assistant), representing approximately two full-time-equivalent employees. An annual budget of €150,000 (excluding personnel costs) is allocated to this function and is used primarily to commission outside firms for internal-audit or control missions.

Priority missions are to:

- ensure that the Supervisory Board committees (Audit Committee and Investment Committee) follow rules of procedure and operating practices;
- identify the operating committees of Altarea and its subsidiaries;
- identify and assist the business lines in identifying risks related to:
  - the business operations of Altarea's subsidiaries in France and abroad,
  - Altarea's status as a listed company;
- draw up general and specific procedures (corporate officers, powers, etc.) or assist the business lines in doing so;
- review the rules applying to the company's operating commitments, and compile existing procedures and standardize them if needed;
- carry out all checks for compliance with internal control procedures.

The Corporate Secretary also works with some of the subsidiaries, mainly Cogedim, with the person in charge of risk control and commitments relating to property-development transactions, and Altarea France, with the Property Legal Department.

(e) Company employees

Every Altarea Group employee is urged to formulate proposals to keep the internal control system effective and up to date. Operational Managers see to it that the processes are suited to the goals assigned them.

(f) External consultants

The company regularly hires specialized firms to perform audits and provide advice or assistance.

8.3.2.3. Components of the internal control and risk management systems

The internal control system consists of four closely related components.

(a) Organization

The Altarea Group's internal control system is based on:

- an organizational structure comprising three business lines and an administrative division, with a system of delegation of powers and responsibilities;
- a definition of the duties and responsibilities of the governance bodies (see paragraph 8.2. Preparation and organization of the Board's work);
- information systems (see paragraph 8.3.3.2, "Risks related to the preparation of financial and accounting information" (c) for a description of the main business and financial information systems) and procedures and operating methods specific to risks related to the activities and goals of each of the Group's business lines;
- a human resources and skills-management system, based on a shared approach revolving around annual interviews.

(b) Dissemination of information

The Group has tools for disseminating information within the Group, including intranet, procedural notes, instructions and reporting timetables.

(c) Risk management system

The Group's main risks are regularly presented in detail to the Audit Committee. They are identified through a risk-mapping process organized by business processes and support functions. This risk map is regularly updated. The latest version was presented to the Audit Committee in March 2016.

The Internal Control department, which falls under the responsibility of the Corporate Secretary, uses the analysis of risks identified through risk mapping, as falls within the scope of internal controls, for the preparation of its action plan. Other sources, such as summaries of internal-control review work, are analyzed and taken into consideration in defining actions to be taken. Internal control also relies on comments and recommendations by the Statutory Auditors.

(d) Proportionate control activities

The procedures and controls instituted to cover the Altarea Cogedim Group's main risks are described in paragraph 8.3.3, Risks Covered.

8.3.3. RISKS COVERED

The main risks covered are the following:

- risks inherent to Altarea Cogedim's business (risks related to market trends, the economic climate and competitive environment, risks related to acquisitions, Property Development risks, and risks related to REIT assets and activities);
- risks related to the preparation of financial and accounting information;
- legal, regulatory, tax and insurance risks;
- social and environmental risks;
- risks related to Altarea Cogedim's financing policy and financial capacity;
- other risks.

8.3.3.1. Risks inherent in the operations of Altarea Cogedim

(a) Risks related to market trends, the economic climate and competitive environment.

Altarea Cogedim Group's positioning on several segments of the real estate market (shopping centers, residential real estate, corporate property and services residences) enable it to optimize its risk-return profile. Moreover, Management and the Executive Committee closely monitor trends in these markets and the economy; the strategy and policies that they implement are designed to anticipate and mitigate those risks.

(b) Property Development risks

1. SHOPPING-CENTER DEVELOPMENT

(i) France

These risks are controlled by the Investment Committee, a Special Committee of the Supervisory Board (see section 8.2.8., Special Committees) and by the following Special Committees:

- development, Operations and Planning Committee: this committee, which meets weekly, works with the subsidiary's Executive Management to set operating targets for property-development projects, oversee construction work, approve initial budgets and make any revisions thereto. Chaired by Group Management, it meets once a month to examine the most strategic issues;
- coordination and Sales Committee: this committee helps the Executive Management to define and set sales targets for each project. Pre-marketing mitigates marketing risk;
- interdisciplinary Committee: this committee brings together the members of the Altarea Commerce Executive Committee and the subsidiary's main operating Managers. It meets every two weeks. It addresses all subjects relating to the subsidiary (development, operations, sales, valuation, and legal questions).

The Research Department coordinates economic and competitive analyses of the portfolio and provides operational guidance to Altarea France staff on commercial and business trends in the sector so as to adjust the products developed to meet market needs.

Risks related to development operations are also monitored through several processes and reporting systems:

- tracking of investments: authorized investments are tracked individually on a monthly basis and are subject to a control system carried out by the Operations Management and Finance Departments. The Executive Management of Altarea France then authorizes payment based on previous controls;
- a quarterly report is drawn up for each project under development or in progress, showing commitments and expenditures to date and the balance to be invested;
- process of half-year approval of operations budgets: settlement of construction invoices with accounting department and revision of financial expenses based on market conditions, review of schedules. Fully operational since 2010, this procedure provides for the budgets of developments under construction to be signed by the subsidiary's Executive Management.

Administrative authorization requests (building permit, regional retail development commissions, etc.) are subject to prior review by a specialized Law firm.

(ii) Italy and Spain

New investments in these countries are reviewed by the Group Investment Committee.

- **In Italy**, the Management Committee meets monthly, preparing minutes if necessary. Specific meetings with Group Management may also be organized according to topics on the agenda. Since 2011, the organizational, management and control model in Italy has been implemented in accordance with legislative decree no. 231/2001. This model stipulates that there must be a surveillance body that oversees the enforcement and suitability of the model, including two persons: one attorney and one certified public accountant and tax consultant.
- **In Spain**, new developments have been discontinued.

Altarea Managers hold monthly meetings with the subsidiaries' Management teams; minutes are not necessarily drafted for each of these meetings.

2. RESIDENTIAL-PROPERTY DEVELOPMENT

- The main risks related to development operations pertain to Cogedim's Property Development division. The established procedures are described below.

In the Residential property segment, a best practices guide brings together the practices applicable at each key stage of housing creation. The guide aims to define the role of each actor within Cogedim, to improve and harmonize practices and facilitate interactions with partner services. This guide, which will soon be updated, is available on the Group's intranet and is distributed to all employees involved.

The following systems are designed to cover risks related to Property Development:

(i) Commitment Committees: Cogedim has Commitment Committees that meet weekly and review all the real estate projects at the key stages constituting a commitment for the Company: closing of a sales agreement for land, launching of a marketing campaign, purchase of land, beginning of construction. In addition to the advisability and advantages of carrying out such a transaction, objective data are validated at each stage: profit ratio, percentage of pre-marketing upon the purchase of the land and then when construction begins, approval of construction cost, etc.

In addition to working on the processes of the Commitment Committees, the Commitments Manager works with the subsidiaries' financial controllers on all the issues involving the Company but not directly related to the Commitment Committees, and is informed about all proposed agreements, sales agreements, specific contracts, etc. He is also kept informed about the progress of the Company's major development projects regarding the risks they may present in terms of amounts involved or legal arrangements, for example. The Commitment Manager works with the Group's Corporate Secretary with regard to internal control issues.

(ii) Cogedim *Contracts Department*: as soon as the sales agreement for the land has been signed, this department approves the construction costs used in budget forecasts for development projects. Costs are updated as the product is defined. The *Contracts Department* is responsible for consulting the companies prior to the signature of work contracts. Companies are chosen via calls for tender according to established specifications. The final selection is made following a comparative analysis of offers received.

(iii) Sales/marketing procedures: Cogedim has its own marketing tool formed by a dedicated subsidiary: Cogedim Vente. This structure is responsible for sales and marketing, as well as sales administration. For each real estate program, the commercial strategy is defined by the program Director and Manager, the Commercial Director and the Cogedim Vente product head. Cogedim Vente also provides staff in charge of developing studies and opinions to evaluate local markets and their prices, which allows teams to incorporate these figures in operations' forecasted budgets. The digital budget monitoring tool used for each project is updated in real time with commercial data (reservations and sales) and allows each Manager to track the progress made in programs for which he or she is responsible.

In addition, every week a business report is produced presenting sales figures for the week and a monthly total.

(iv) Reports and periodic operating budget reviews: various reports (reservations and consolidated deeds of sale, portfolio of projects under contract, tracking of projects under development) are sent to the Cogedim Executive Management Committee, the Corporate Finance Department, the Chairman of the Supervisory Board and Altarea's Management.

In addition, as part of the budgetary process, all operating budgets are updated at least twice per year in addition to being updated at each stage that pertains to a particular Commitment Committee (see above) (revision with the accounting department, marketing and monitoring of operational work, schedule tracking, etc.).

(v) Building-permit applications: for large projects or projects presenting specific difficulties, building-permit applications are submitted to a specialized Law firm, which participates in drafting the application or reviews the completed application.

(vi) Insolvency risk of buyers: in Residential property, Cogedim does not deliver the keys to the dwelling before the buyer has paid the balance of the sales price. The Company also holds a seller's lien on the property. However, in order to avoid longer payment times, before signing the final contract of sale, buyers' loan applications are reviewed to verify that approval of their financing has been obtained or that it is under way. In addition, monthly reports on overdue invoices are sent to operational departments.

- Finally, under the Cogedim Club® brand, Altarea Cogedim Group is developing a Services residences concept for seniors with a variety of *à la carte* services and attractive downtown locations. As of the end of 2015, four Cogedim Club® residences are in operation, in Villejuif, Arcachon, Sèvres and Bénodet. The Group has chosen to manage the design and the development of these residences, as well as rentals during the buildings' operation. Along with the senior residences, the Group is developing an extended line of Serviced residences: student residences, business travel residences, exclusive residences and more.

3. OFFICE-PROPERTY DEVELOPMENT

The systems designed to hedge the risks relating to the Property Development transactions described above (see § 2, Residential property development) are also applicable to office-property development.

(c) Risks related to REIT assets and activities

(i) France

The risks associated with REIT assets and activities are covered by the following systems:

- The Property Portfolio Committee helps Management set asset management targets for each property. This committee draws primarily from the work of the Asset Management Department comprising senior executives reporting to the Chief Executive Officer of Altarea France. The asset Managers, along with the portfolio teams, represent owners at General Meetings of co-owners, participate in various internal committees, carry out arbitrage transactions, participate in the property-acquisition process, coordinate any operating and financial reporting for third parties, and measure the financial performance of assets.

Purchases of assets in operation are subject to due diligence completed with the assistance of outside consultants in order to mitigate the risks related to the assessment and incorporation of these centers into the portfolio. On a weekly basis, the Marketing Coordination Committee monitors all re-marketing events in order to set the lease-renewal terms for properties in the portfolio. A system that includes progress sheets signed by the heads of the relevant business lines is also in place.

In order to ensure that leases are enforced properly, an independent outside firm annually audits the correct invoicing of rents and costs on three or four different sites.

The Group's Executive Committee, which meets every two weeks, takes inventory of the strategic challenges related to marketing the portfolio and to projects in development.

The Interdisciplinary Committee, which meets every two weeks, also addresses topics associated with shopping centers in operation or under development.

- Property-portfolio reports: property-portfolio Managers regularly provide the Group Finance Department with financial statements and reports, including forecasts of rental income and noncollectable expenses, data on property vacancies, and changes in headline rents, billed rents and gross rents. Half-yearly property-portfolio reports are also submitted to provide a comprehensive view of business at the company's shopping centers.
- Risk of tenant insolvency: in the REIT division, in order to anticipate tenant- and buyer-insolvency risk as effectively as possible, the Portfolio Management Department produces systematic reports on payments that are 30, 60 or 90 days in arrears, and holds monthly meetings to review collections. Once a month, a rent-abatement committee reviews solutions for tenants experiencing financial difficulty.

The legal-dispute unit in Altaix allows for simplified management of insolvent tenants and has been used to compile a database for use by both the Portfolio Management and Property Legal Departments in the rent billing system.

- Insurance and assets in operation (see paragraph 8.3.3.3 (d) "Risks related to the cost and availability of insurance coverage").
- Safety of shopping centers in operation: technical and safety checks and inspections carried out by inspection agencies and safety commissions are diligently scheduled and tracked. A systematic review of reports is carried out by the Engineering and Safety Department as part of the follow-up procedure for safety-commission recommendations.

Furthermore, as part of the emergency procedures implemented in conjunction with government departments, additional steps have been taken in order to ensure that sites visited by the public remain safe in case of emergency. Accordingly, employees and procedures related to managing people flow and technical facilities have been bolstered.

- Electronic Data Management (EDM): all of the company's original paper documents, such as lease contracts, administrative authorizations and various agreements, have been scanned and the files stored externally. All of the original documents generated by the Company are therefore secure.

(ii) Italy and Spain

In Italy: the operations of all shopping centers in operation are reviewed by the Management and Re-marketing Committees.

Monthly Management reports on these centers are drawn up and sent to the Executive Management of the subsidiary and to Group Management.

In Spain: Altarea España owns a shopping center that it manages for the portfolio. Monthly Management reports on this shopping center are sent to the Executive Management of the subsidiary and to Group Management.

(iii) Valuation of property assets

Methods used for asset valuation:

In accordance with standards IAS 40 and IFRS 13, Altarea has opted for the fair value model and measures its investment property at fair value whenever this can be determined reliably.

- Investment property in operation is systematically measured at fair value, on the basis of independent appraisals.

At December 31, 2015, an external appraisal was performed of all completed investment properties in the portfolio[1].

- Investment property under development and construction is measured either at cost or at fair value in accordance with the following rules:
  - property under development before land is purchased and land not yet developed is measured at cost,
  - property under construction is measured at fair value if most of the uncertainties affecting the determination of fair value have been removed or if the project completion date is in the near future.

Selection of appraisers and form of appraisal work

Altarea Group assets are assessed twice a year by an independent appraiser. External assessment of Group assets has been entrusted to Cushman & Wakefield, formerly known as DTZ Valuation (in France, Italy and Spain), and to Jones Lang Lasalle (in France).

A signed and dated report is provided for each appraised property. The appraisers use two methods[2]: updated cash flow and capitalization of net income. They comply with French and UK standards applicable to property appraisals.

8.3.3.2. Risks related to the preparation of financial and accounting information

(a) Finance committees

The Group's Finance Committee meets monthly and includes the Management Council, the Chief Financial Officer, the Chief Executive Officers of the branches and when necessary, the appraisers they work with. The agenda is set by the Chief Financial Officer. The meetings address accounting, taxation and financial issues. During these committee meetings, the committee defines and sets Altarea Cogedim Group's financial objectives in line with the Group's financial equilibria, particularly the LTV ratio level.

(1) See note 2 of the appendix to the consolidated financial statements (section 3.6 of the registration document) for more information on asset-valuation methods; see note 7 of the appendix to the consolidated financial statements" section 3.6 of the registration document) for an analysis of investment properties on the balance sheet at 12/31/2015.
(2) For more information on the methods used by the appraisers, see note 2.3.6 of the appendix to the consolidated financial statements (section 3.6 of the registration document).

This committee meeting is conducted in three parts: The Corporate Finance Committee, the REIT Finance Committee and the Property Development Finance Committee.

(b) Accounting and financial organization and principal internal control procedures

1. ACCOUNTING AND FINANCIAL ORGANIZATION

In order to enable controls at every level, the accounting and finance teams are structured by division (Group Holding division; Property Investment division for shopping centers in France, Italy and Spain; e-commerce division until its removal from the scope following the disposal of Rue du Commerce on January 1, 2016; and Development division).

Within the operating divisions, the main accounting and financial departments are organized with:

- individual company accounts physically maintained by Group employees within each operating subsidiary;
- management controllers in charge of reviewing the income of each operating subsidiary.

Each division prepares consolidated financial statements with dedicated teams.

Within the Corporate Finance Department, a deputy Chief Financial Officer is responsible for the quality and reliability of all the published or regulatory accounting information: consolidated financial statements (IFRS standards), corporate statements (French standards) and Company projections (1984 Law). This department is in charge of coordinating relations with the Statutory Auditors for the entire Group.

At each half-year closing date, the Corporate Finance Department draws up a review of operations that is consistent with the accounting information.

2. PRINCIPAL INTERNAL CONTROL PROCEDURES

The principal internal control procedures applied in the preparation of accounting and financial information are the following:

- formally documented budget tracking and planning process, performed twice a year (in April-May and October-November) with a comparison of actual and budgeted data approved by business-line and Group Managers. At the beginning of the 4th quarter, an update of this process supplements these budget sessions. This process facilitates preparation and inspection of half-year and full-year Group financial statements. The budget is presented and provided to the Statutory Auditors before each period-end;
- a vertical procedure for data reporting from various operating departments upstream (period-end timetables and instructions, quarterly meetings, tracking charts for information sharing), with audits carried out by the operating management controllers (by business for the Property Investment division and by region for the Property Development division) before the information is sent to the Corporate Finance Department; cross-functional control procedures (consistency checks and reconciliations of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.);
- analysis of material events: events likely to have a material effect on the financial statements (acquisitions, disposals, restructuring, etc.) are modeled with financial software and described in Notes written by the Corporate Finance Department or by the business lines. The accountancy applied to complex transactions (heavily structured transactions, complex financing transactions, tax impact on transactions) is systematically presented to the Statutory Auditors before the financial statements are prepared. These items are then used to document the Notes to the consolidated or individual company financial statements;
- reporting, key indicator monitoring and quarterly account:
  - unaudited interim statements (March 31 and September 30) providing analyses of key indicators (revenue and net debt),
  - periodic reporting by the operating subsidiaries to management and department heads in the Property Investment division (half-year Property Portfolio Report, monthly report on shopping center operations, etc.), and in the property development for third parties (monthly division report, monthly tracking tables of key business indicators for the subsidiaries);
- documentation of the period-end closing process:
  - REIT division: a matrix formally documenting the overall internal-control procedures applying to the period-end closing process; summary files for each company, divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial transactions; formal documentation of claims and legal disputes,
  - Property Development division for Third Parties: consolidation and accounting procedures guide, formalization of tracking of petitions and disputes,
  - Holding division: Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; notes to the financial statements, including taxes and off-balance-sheet commitments;
- audit of the accounts of the French and foreign subsidiaries via contractual or statutory audits.

(c) Information systems

Accounting and financial information is prepared with the use of business and financial information systems. Manual and automatic controls exist in order to secure the flow and processing of data that comes from these systems.

(i) Rental-property software

The Property Investment division uses the Altaix management software in France, Italy and Spain. This system allows for automatic transfer of corporate accounting data from Altaix to Sage. Moreover, Altaix automatically transmits data on entry of supplier invoices and monitoring of shopping centers' commitments to the centralized rental-property management department. This business software makes it possible to monitor merchants' declared revenue, thereby facilitating reconciliation of budget and actual figures for new development programs.

(ii) Primpromo property-transaction software

The development division uses management software for real estate programs that optimizes monitoring and control of these programs throughout the different phases. By integrating sales data in real time, daily accounting data and the position of cash management data (also daily), this software makes it possible to track and manage the budget activity of every property transaction of the Development Division.

Software updates and developments are tracked by a special committee comprising the financial controllers and the division's IT-systems Managers.

(iii) Corporate accounting software

The Property Investment division uses the Sage Ligne 1000 accounting software. Its unique reference document (chart of accounts, personal account, analysis, etc.) enables multi-company cross-cutting analyses. Rental management data are imported into the accounting system via interface with the Altaix business software, and the following items are reconciled monthly: rent receipts, rent reduction, bad debt, re-invoicing of taxes, etc. Shopping centers under development are monitored using Sage and operating budgets are reconciled with accounting data on a quarterly basis to keep track of costs incurred. Use of the Altaix OPI module for new shopping centers under development allows for reliable control of costs incurred and reconciliation of budgets and accounting data.

The Property Development division uses Comptarel corporate accounting software, which incorporates data generated by the Primpromo business software for property transactions. A new version of Primpromo was installed at the end of 2012, improving the monitoring of commitments in Primpromo and automating in Comptarel the accounting data generated by Primpromo for all property transactions. Data in the two systems are regularly reconciled.

The accounting system used by the e-commerce division until its disposal on January 1, 2016, was the Sage Ligne Intégrale 1000 software. The accounting department was responsible for procurement (products and overhead expenses), wages and bank transactions. Customer billing and receipts are performed automatically by the cash-management system and then imported via interface to the accounting system. Numerous controls are performed by the accounting department (thoroughness of integrated data, review of age of receivables, etc.).

For the contribution of the various divisions to Group consolidated financial statements, Comptarel and Sage data are transferred to SAP BFC account-consolidation software through a shared Group-wide procedure. Because of the incorporation of this data, controls are performed on a quarterly basis by means of reconciliation of the Primpromo data from the Property Development division (project budgets, cumulative sales) and/or budget data (net income), and social and/or budget data from the Retail Division (comprehensiveness of incorporated data, cut-off, gross rents, overhead expenses, net debt, etc.).

(iv) Account-consolidation software

SAP BFC – Business Financial Consolidation – software, based on unified and multi-business accounting charts using a single database, was introduced on December 31, 2012, for all of the Group's business segments: brick-and mortar and online retail, as well as Residential and Office Property development. Thanks to its particular structure, this solution offers a platform that allows for considerable incorporation of accounting systems within the Group, thus reducing the risk of significant errors. This system authorizes modifications to allow for continued compliance with regulatory requirements. Previously, each operating segment had its own system for account consolidation.

In addition, the SAP DM (Disclosure Management) software package has been installed, providing secure disclosure management via SAP BFC of quantitative data and notes to the consolidated financial statements. This business software is also used to coordinate the different contributors to the registration document and thus allows for systematic cross-referencing of the different sections.

(v) Software for financial planning and budget reporting

SAP BPC software for financial planning and budget reporting has been used by the entire Altarea Group since 2008. This software uses operating data from business systems to generate consolidated-budget data. Estimated consolidated information is compared with actual figures. Any material differences are justified.

(vi) Cash-management software

The Group uses the Sage 1000 cash-management software for cash management. Unifying the cash-management information systems within the Group, which was done in 2012, has made it possible to comply with the SEPA standards on payment method management, and it has helped to continue to automate the interfaces among the accounting, business and cash-management software.

The cash-management unit reconciles bank balances and analyses changes in the cash balance for all divisions on a daily basis.

Data generated by the cash-management software is interfaced automatically with corporate accounting software.

8.3.3.3. Legal, regulatory, tax and insurance risks

(a) Legal and regulatory risks

Because of the nature of their activities, the entities of Altarea Cogedim Group are subject to the risks of regulatory changes. They are therefore monitored closely by the Group's Legal Departments.

1. Property Legal Department

The Legal Departments of Altarea ensure compliance with all applicable regulations and the issue of all permits required to carry out their operations. The regulations relate mainly to urban planning (business licenses, building permits, etc.), construction rights and commercial leases. Spanish subsidiaries also use outside Law firms. The Corporate Secretary of the Altarea Cogedim Group coordinates the Legal Departments of the subsidiaries.

The Property Development operating Managers often call upon outside specialized Law firms. The Property Legal Department also acts on behalf of and at the request of Cogedim teams, particularly for complex planning.

2. Corporate legal department

This department reports to the Group Chief Financial Officer. It ensures that Altarea and its main subsidiaries comply with workplace legislation and the requirements of being a listed company of Altarea and its subsidiary Altareit.

In order to manage all the interests and offices of Altarea Cogedim Group, the Visual Scope management software for holding companies and subsidiaries has been used since 2009. This centralized system makes it possible to automatically establish the legal and tax scopes and to monitor adherence to the related regulations. It has been deployed in France, Italy and Spain under the responsibility of the Group Corporate Legal Department.

3. Hoguet law

Some Group entities have licenses for property transactions and/or property management, and are eligible for the guarantees provided by French law.

(b) Litigation risk

Litigation matters arising in the course of the Group's business operations are monitored by Altarea's Legal Departments, operating Managers and Law firms, in accordance with paragraph (a) relating to legal and regulatory risks. Status reports on legal disputes are updated at period-end, with provisions recognized where necessary.

(c) Tax risks related to SIIC status

The requirements for SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association[3].

Monitoring and oversight of the proportion of property-related operating and management operations in the Group are centralized by the Corporate Finance Department.

(d) Risks related to the cost and availability of insurance coverage

Altarea believes that the type and amount of insurance coverage it and its subsidiaries have is consistent with practices in its industries.

1. General policy for insurance coverage

The Group's insurance-coverage policy aims to protect corporate and employee assets. The Corporate Secretary, reporting to management, has the following key missions:

- the coordination of insurance programs for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and measurement of insurable risks;
- the monitoring and implementation of insurance coverage;
- the coordination of actions with Group insurance brokers, although claims management remains the responsibility of each business segment.

The Group relies on the assistance of brokers specialized in risk management specific to each activity. It works only with reputable insurance companies.

Concerning foreign subsidiaries under Group control and management, when a subsidiary cannot be included in Group policies, it is insured locally and is responsible for monitoring its insurance coverage.

2. Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for 2015. These policies were valid at the time this report was published. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history, and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries, and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For FY 2015, the overall budget for the Group's main insurance policies (excluding construction insurance) was estimated at approximately €3.4 million (compared to €3.5 million in 2014).

- **Assets in operation**: for all the assets in operation, since January 1, 2014, the Group has been insured by Chubb under policies taken out for "all risks with exceptions" property damage and by Allianz for general third-party liability. The damages portion covers the reinstatement value of buildings and operating losses over a period of two years. With regards to the Cap 3000 shopping center, market-value partial complementary insurance is also taken into account. The damages portion includes non-occupant owners' insurance as of January 1, 2014. These insurance policies, which were renewed on January 1, 2016, are for the most part invoiced to tenants under contracts and regulatory provisions in force.
- **Property under construction**: Altarea has "construction damages" and "all worksite risks" insurance policies with AXA for property under construction. The Group has a unique framework agreement for "construction damages" and "all worksite risks" for all construction sites that do not exceed a certain size.
- **Professional liability insurance**: Altarea and its subsidiaries hold professional liability insurance policies with various insurance firms, including Generali and Allianz.
- **Miscellaneous insurance**: other insurance covers various rented offices (multi-risk), automobile fleets, computer equipment (multi-risk) and 10-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy.

8.3.3.4. Social and environmental risks

(a) Social and environmental risks

Social risks

Altarea Cogedim has developed an active training policy through targeted actions for business skills. These courses account for 62% of the total number of training hours. A cross-cutting Group training platform facilitates sharing of experience. A notable training-related event in 2015 was the establishment of Cogedim Academy, an internal sales school that trains marketing employees and their Managers as soon as they are hired, and then continues to train them over time. By the end of 2015, a total of 8,761 training hours were provided in the Group to 578 employees; this is a 12% increase in the number of training hours.

Information is also available on a daily basis: the magazine, intranet, internal conferences and committee meetings gathering the Group's key Managers are the primary means of communication. Integration days are organized every year to welcome new employees.

Employee-management dialogue is maintained and formally documented by employee-representative bodies, which play a vital role in transmitting and exchanging information.

The Group has a longstanding policy of employee participation through stock grants and profit sharing.

Diversifying hiring sources and techniques coupled with buoyant internal mobility (116 employees moved within the Company in 2015) allowed the Group to satisfy its personnel needs. 185 permanent hires were made to meet the needs of the different business lines. Individual guidance is provided for Managers and key profiles. The 80

(3) See paragraph 6.11.2, "Legal, regulatory, tax and insurance risks," under Risk Factors.

promotions granted in 2015 show the importance given by the Group to professional growth.

Environmental risks

- As detailed in the CSR section of the annual report and registration document, the Group complies with the RT 2012 thermal regulations, applicable since January 1, 2013, for residential, retail, and hotel properties. In addition, the Group has raised its standards for office properties and undertakes to reduce energy consumption of new projects by 10%.
- An energy-consumption and environmental analysis was carried out for nearly all shopping centers owned and managed by Altarea or its subsidiaries.

The Group also introduced green leases for new tenants and renewals, thereby procuring contractual means for obtaining environmental information on retailers' private-use areas, for which data is not regularly accessible.

By combining these two approaches, the Group can take measures to optimize and lower energy consumption and greenhouse gases, in anticipation of energy and environmental requirements to be announced when the next decree on existing buildings is published. The Group's overall progress-based approach is detailed in the CSR section of the registration document.

(b) Health and public-safety risks (asbestos, legionella, classified facilities, etc.)

To mitigate these risks, Altarea Cogedim closely follows all applicable public-health and safety regulations and takes a preventive approach to carrying out property inspections and any building work needed for compliance.

1. Asbestos

Asbestos represents a health risk for exposed persons, especially for customers of portfolio shopping centers.

In accordance with the French Health Code, Altarea Cogedim performs asbestos tests on all its assets whose building permits were issued prior to July 1, 1997. In addition, in accordance with the regulations, an asbestos technical report is completed for each of these assets and kept up to date. Property management teams make these reports available to the Group's clients.

Furthermore, in the event of a transaction, pursuant to the order of December 21, 2012, asbestos technical reports are to be updated for all affected sites.

In cases where asbestos materials present are found to be in a proper state of conservation and able to be maintained in the properties, regular visual inspections are performed on these materials.

Specially authorized contractors perform the removal of all such materials. Their elimination is also carried out according to specifically authorized and certified channels.

2. Legionella bacteria (cooling towers)

The primary source of legionella bacteria is at the level of the cooling towers used in certain shopping centers. These cooling towers come under category 2921 of the list of facilities classified for environmental protection (ICPE). Equipment subject to declaration for this category must abide by the requirements of the ministerial order of December 13, 2004. These cooling towers undergo methodological risk analyses every other year. A logbook accompanies these methodological risk analyses.

To address this risk, Altarea Cogedim performs regular monthly controls using selected service providers. Measures are also taken in the system of distribution of hot water for sanitary use. Maintenance and repair procedures have also been established with service providers.

To reduce this risk, recently built properties are equipped with adiabatic dry coolers or dry coolers that do not fall under the ICPE 2921 category (Balticare or Jacir equipment lines).

3. Termites

The presence of termites, wood-boring insects, or mold in buildings can have serious consequences on their structure, leading to material damage and risks for shopping center users.

Prefectoral decrees on termites have been issued in municipalities at risk for wood-boring insects. In those municipalities, a termite diagnosis must be conducted in the event of any transaction. Upon selling or purchasing an asset subject to termite diagnosis, Altarea Cogedim carries out such studies.

4. Radon

In light of the commercial nature of the assets of Altarea Cogedim's portfolio, shopping centers are not concerned by the order of July 22, 2004 on the management of radon-related risks.

5. ICPE classification

The power consumption of certain technical facilities may exceed the declaration or authorization thresholds set out in the list of facilities classified for environmental protection (ICPE) appended to Article R. 511-9 of the French Environmental Code.

Accordingly, Altarea Cogedim ensures that certifications or authorizations required for the operation of the relevant activities exist for all sites concerned by the ICPE classification.

Management of ICPE compliance limits the environmental impacts and nuisances to users and local residents of assets.

6. Accessibility

Pursuant to the Act of February 11, 2005 on equal rights and opportunities, technical regulations regarding accessibility for people with disabilities apply as of January 1, 2007 to newly-built or renovated residential buildings and those housing establishments open to the public.

In accordance with the Construction and Housing Code, Altarea Cogedim has conducted accessibility diagnoses on the common areas of all establishments whose building permits were issued prior to January 1, 2007.

7. Fire safety

To protect people and property against the risk of fire, Altarea Cogedim implements regulatory fire safety systems, which are verified by authorized, certified organizations, in all assets included in the scope of reporting.

Periodic regulatory checks are carried out on fire-hose stations, dry and wet risers, natural smoke evacuation systems, mechanical smoke extraction systems, security signage (lights and audible signals), fire extinguishing and emergency equipment (extinguishers, fixed water-based fire-extinguishing installations, fire doors, etc.).

8. Air quality

The Group ensures proper ventilation and adapts airflow to activity levels to guarantee a healthy distribution of fresh air.

For all of its new projects, Altarea Cogedim complies with the health and safety regulations in force with regard to the air renewal inside its shopping centers. The Group maintains a minimum 20% fresh air intake.

In shopping centers, air renewal is ensured through rooftops or air-handling units. These units may be adjusted manually or by CO_2 sensors, which adjust motor speed and air flap orientation. The use of CO_2 sensors allows for an optimal balance between mandated fresh air intake and heating cost control, by reducing the rate of mechanical ventilation to a minimum. Some centers are already equipped with such units. Certain centers are already equipped with such units, such as the L'Aubette center in Strasbourg, with 100% fresh air intake for rates higher than 1,000,000 ppm.

Altarea Cogedim also considers parking lot ventilation systems. To ensure regulatory indoor air renewal, its covered parking lots are equipped with carbon monoxide (CO) sensors that control ventilation fans. The parking lot ventilation system at the Okabé shopping center in Kremlin Bicêtre is equipped with CO and NO sensors. Recent concerns regarding the carcinogenicity of diesel particles have made parking lot ventilation an ever more crucial issue. The parking lot at the Lifestyle center Thiais Village is equipped with CO and NO sensors. It is also built around a central well that lets in fresh air naturally. To simplify parking lot organization and optimize energy consumption, Altarea Cogedim favors well-ventilated parking lots wherever project configuration allows it.

The Group also ensures ventilation system safety through regulatory checks and maintenance. The systems are replaced when needed to guarantee constant safety and efficiency. Rooftop and air handling unit filters are changed regularly. For example, the Okabé shopping center has filters on the rooftops. These filters have relative humidity sensors that are attached to a BMS. When the BMS indicates that the filters are clogged, they are changed. Visual checks are also performed on the filters. On average, the rooftop filters at Okabé are changed every three months.

9. Water sanitation

Water management at its shopping centers poses several challenges for Altarea Cogedim, including health-related issues.

To ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis.

10. Refrigerants

In accordance with European regulation no. 2037/2000, the use of new HCFCs has been prohibited in new refrigeration systems since January 1, 2010, and as of January 1, 2015, recycled HCFCs may not be refilled. R22 is the most common HCFC. The authorized alternatives are HFCs, the most common being R407C and R134A.

The main fluids used by the Group on its portfolio are HFCs 407C and R410A.

11. Natural and seismic risks

According to Article L125-5 of the French Environmental Code, a natural, mining and technological risk report must be drawn up in areas where any natural, technological, or seismic risks exist. These reports remain valid for six months.

Such reports are drafted each time an asset is sold, purchased or leased.

Some centers also have a natural risk prevention plan that covers the following: flood, ground movement or drought, but none of the Group's sites are covered by a technological risk prevention plan.

The Group complies with the requirements of any natural risk prevention plans when constructing new shopping centers.

Seismic zoning in France is defined in decrees 2010-1254 and 2010-1255 of October 22, 2010, and codified in Articles R. 563-1 to 8 and D. 563-8-1 of the Environmental Code. The territory is divided into 5 levels of seismicity, from 1 (very low) to 5 (high).

8.3.3.5. Risks related to Altarea Cogedim's financing policy and financial capacity

(a) Liquidity risk – Borrowing capacity – Compliance with bank covenants

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. As part of its financing process, the Group must provide guarantees to financial institutions. Altarea manages liquidity risk by keeping track of debt maturities and credit lines and by diversifying its financing sources. The budget process for cash management and projected cash flow analysis also provides a way to anticipate and hedge these risks.

Moreover, the Group monitors its compliance with obligations under credit agreements and with banking covenants[4].

(b) Interest rate and hedging risk

Altarea Cogedim Group has adopted a prudent approach to managing interest-rate risk. The company uses fixed/floating rate swaps as hedging instruments to cover the interest rates on mortgages and/or corporate loans backing its property and therefore to preserve the cash flow generated by its operating assets. The instruments used are mostly fixed-/variable-rate swaps[5].

(c) Counterparty risk

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

(4) See note 9, "Management of financial risks," in the appendix to the consolidated financial statements (section 3.6 of the registration document).
(5) The financial instruments used are described in note 9, "Management of financial risks," in the appendix to the consolidated financial statements (section 3.6 of the registration).

8.3.3.6. Other risks

(a) Risk of conflicts of interest

Altarea Cogedim has entered into partnerships or protocol agreements with other investors, mainly for carrying out joint property-development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

(b) IT system risk

IT system risk within Altarea Cogedim is managed through a policy of logical security of the information systems in accordance with common standards and awareness building among employees. There are also formalized procedures of user and business application management.

Every Group operating entity (Altarea France, Cogedim, Altarea Italia and Altarea España) has a data-backup system that allows for secure, remote storage of critical data. Cogedim has a business recovery plan that is tested twice per year. Altarea is implementing a policy of backing up all of the servers hosted at the head office. Servers hosted externally are backed up by the service providers. The company requires its technical partners to operate using the same level of security and redundancy.

Mindful of system security, in 2013 and again in 2014 the Group Information Security Department commissioned a security audit including internal and external intrusion tests for the Group as a whole. Based on the results of these audits, a remediation plan was implemented and resulting recommendations were implemented. A new audit is scheduled to be conducted in 2016.

(c) Risk of fraud and money laundering

To mitigate risks of fraud or embezzlement, procedures have been set up for cash management and cash flows to ensure that they are secure and to decrease the risk of fraud (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; separation of functions between the Accounting Department and the Cash-management Department).

In addition, the number of persons authorized to sign for payments is limited.

In the area of money laundering, as a preventative measure, Altarea France has implemented a procedure to identify suppliers and clients. Cogedim's *Contracts Department* is systematically involved in all tender invitations and consultations; it plays a decision-making role in choosing companies and favors working with companies that offer a full range of guarantees.

Moreover, a money laundering and terrorist financing prevention manual has been established in Spain and is subject to an annual report by an external firm.

(d) Risk of workplace safety

Security and safety at the Group's headquarters on avenue Delcassé in Paris include a fire-detection system installed throughout the building and an access-control system with card readers. This preventive measure was designed to limit risks of wrongful entry and to increase data security.

8.3.4. IMPROVEMENTS PLANNED FOR 2016

The updated risk map presented to the Executive Management in March 2016 will make it possible to determine the most important initiatives to institute in order to optimize risk management within the Group.

The internal control unit will also continue to ensure that the issued recommendations are implemented correctly, and it will continue to work on establishing a program to build awareness about fraud risks.

8.4. MANAGEMENT POWERS

8.4.1. PROCEDURES FOR EXERCISING EXECUTIVE MANAGEMENT POWERS

As an SCA (*société en commandite par actions*), the Company is run by Managers (*Gérance*).

The Manager can be a natural or legal person. It may or may not be a General Partner.

The first Managers were named in the Company's Articles of Association as amended at the time of its transformation into a partnership limited by shares. During the lifetime of the company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of Shareholders.

8.4.2. LIMITS ON MANAGEMENT POWERS AND INFORMATION PROVIDED TO THE SUPERVISORY BOARD ABOUT THE COMPANY'S FINANCIAL SITUATION, LIQUIDITY AND COMMITMENTS

In accordance with Article 13.4 of the Articles of Association, each Manager has broad powers to act on behalf of the company, within the scope of the company's corporate purpose and subject to the powers explicitly granted to Annual General Meetings or the Supervisory Board by either French law or the Articles of Association.

As set out in Article 17.1 of the Articles of Association, the Supervisory Board has the right to be provided the same documents by Management as those made available to the Statutory Auditors.

8.5. PRINCIPLES AND RULES USED TO DETERMINE COMPENSATION AND BENEFITS PAID TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

8.5.1. MANAGEMENT

As set out in Article 14 of the Articles of Association, Management compensation is fixed for successive periods of three years by the Ordinary General Meeting of Shareholders (limited partners) in accordance with the provisions of Article L. 226-8 of the French Commercial Code, on a proposal from the General Partners and after consultation of the Supervisory Board. The Supervisory Board also consults the Management Compensation Committee, a special committee composed of persons entirely independent of Management.

8.5.2. SUPERVISORY BOARD

The compensation and benefits paid to Supervisory Board members is set in Article 19 of the Articles of Association.

The Annual General Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and maintained until decided otherwise. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

8.6. PARTICIPATION IN THE ANNUAL GENERAL MEETING AND INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in Annual General Meetings.

The information stated in Article L. 225-100-3 of the Commercial Code is provided in the appendix to the management report to the Annual General Meeting.

Chairman of the Supervisory Board
Christian de Gournay

8.7. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE COMPANY'S SUPERVISORY BOARD, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE

(For the financial year ended December 31, 2015)

To the Shareholders,

In our capacity as Statutory Auditors of Altarea and in accordance with Article L. 226-10-1 of the French Commercial Code, we hereby present you with our report on the Supervisory Board Chairman's report submitted in accordance with this Article for the financial year ended December 31, 2015.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board a report on the Company's internal control and risk management procedures and to provide the other information required by Article L. 226-10-1 of the French Commercial Code relating in particular to corporate governance.

It is our responsibility:

- to submit to you our observations on the information set out in the Supervisory Board Chairman's report on internal control and risk management procedures relating to the preparation and treatment of accounting and financial information;
- to certify that the report contains all other information required by Article L. 226-10-1 of the French Commercial Code, it being specified that it is not our responsibility to verify the fair presentation of this other information.

We conducted our audit in accordance with the professional standards applicable in France.

Information concerning internal control and risk management procedures relating to the preparation and treatment of accounting and financial information

Professional guidelines require us to perform procedures to assess the fair presentation of information concerning internal control procedures relating to the preparation and treatment of accounting and financial information set out in the Chairman's report. These procedures notably consist of:

- understanding the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information underlying the information provided in the Supervisory Board Chairman's report, as well as existing documentation;
- understanding the work performed to prepare this information and existing documentation; and
- determining whether appropriate information is provided in the Supervisory Board Chairman's report about the major shortcomings in internal control relating to the preparation and treatment of accounting and financial information identified within the framework of our audit.

On the basis of these procedures, we have no matters to report concerning the information in the Supervisory Board Chairman's report on the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information, submitted in accordance with Article L. 226-10-1 of the French Commercial Code.

Other information

We certify that the Supervisory Board Chairman's report contains the other information required by Article L. 226-10-1 of the French Commercial Code.

Paris and Paris-La Défense, March 15, 2016

The Statutory Auditors

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

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3rd-largest retail REIT company

3rd-largest property development company

39 shopping centers in portfolio

6,011 reserved housing units

€563 million invested in office property
through **11** projects

Product pipeline of **2.7** million square meters,
or **€12** billion in market value

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