
**ANNUAL AND SUSTAINABLE
DEVELOPMENT REPORT**

2010

■ RETAIL ■ RESIDENTIAL ■ OFFICES





GROUP

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ASSET PORTFOLIO:

€2,602 MILLION

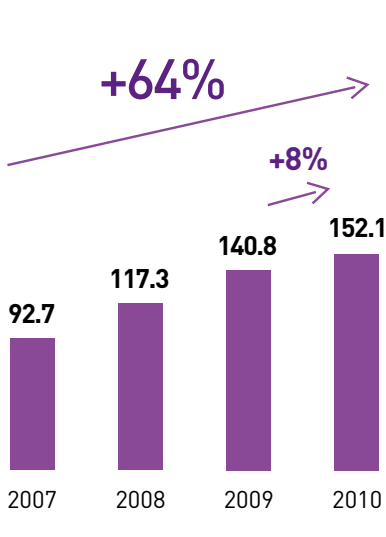
INVESTMENTS

€328 MILLION

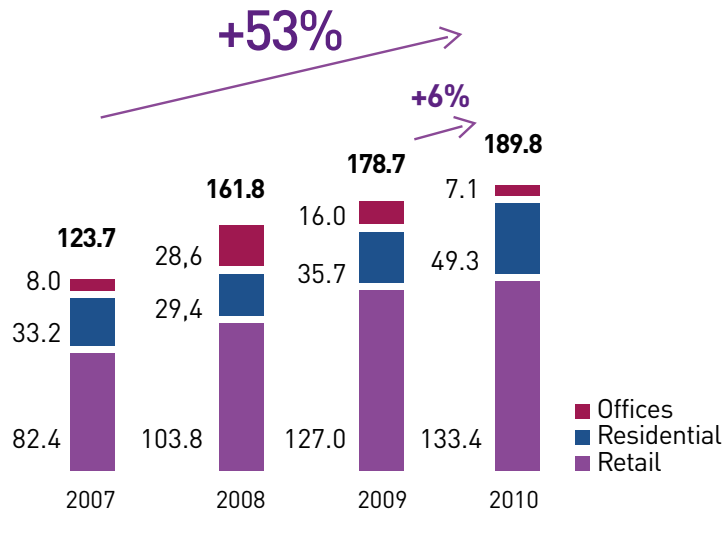
DISPOSAL PROCEEDS

€247 MILLION

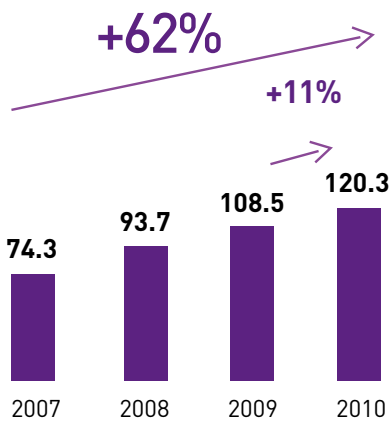
NET RENTAL INCOME - RETAIL (€M)



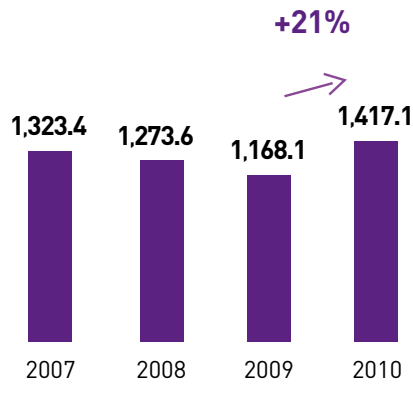
RECURRING OPERATING PROFIT (€M)



RECURRING NET PROFIT (€M)
(Group share)



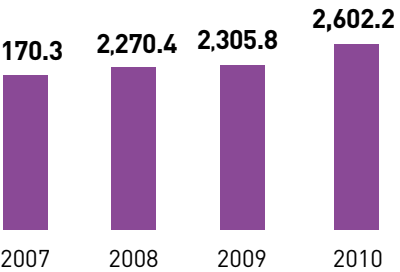
NET ASSET VALUE (€M)



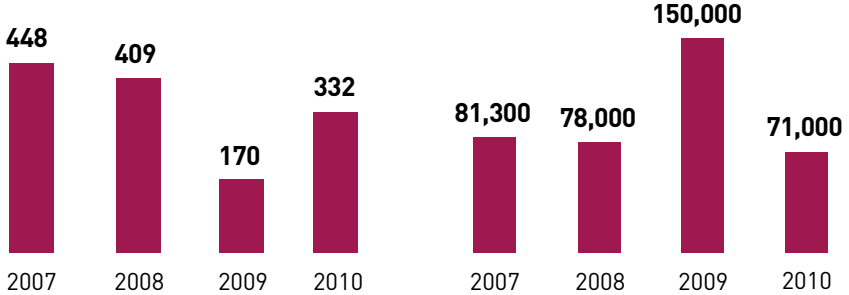
A MODEL THAT COMBINES RECURRING REVENUES WITH VALUE ADDED

Altarea Cogedim combines the recurring revenues of a commercial real estate investment company with the value added by a developer in the three main property markets. The Group's financial foundation rests on its portfolio of commercial properties and the value it adds to them through its development expertise, boosting performance. These complementary activities allow the Group to seize opportunities in each real estate cycle.

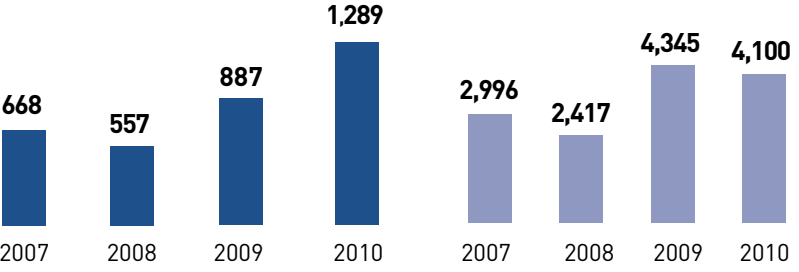
RETAIL PORTFOLIO
Portfolio value
(Group share) (€M)



OFFICE PROPERTY DEVELOPMENT
Reservations (€M, incl. tax) Completions (sqm)



RESIDENTIAL PROPERTY DEVELOPMENT
Reservations (€M, incl. tax) Number of lots



2010 BUSINESS VOLUME IN REAL ESTATE DEVELOPMENT:
€1,717 MILLION
INCLUDING VAT

ALTAREA COGEDIM A THREE-DIMENSIONAL REAL ESTATE COMPANY

Leader in its sector, as a real estate investment trust and development company, Altarea Cogedim is an active operator in the three main segments — retail, residential and office property — with the requisite expertise to design, develop, market and manage custom-tailored real estate products. The Group has built a model that relies on product design and implementation to create value and it has successfully seized the best opportunities in the property market by taking calculated risks and a long-term view.

Altarea operates in France and in Italy. The company is listed on compartment A of NYSE Euronext Paris.



Creating
customized,
pleasant, durable
housing.

Boulevard Morland,
Paris 4th district.

INVENTING PRODUCTS, CREATING VALUE

There are two different approaches to creating habitat: by replicating traditional designs or by inventing new kinds of places to live, work, or shop. Altarea Cogedim has chosen the second path. The Group's capacity to invent, create and innovate is underpinned by exceptional know-how and a vast array of in-house talents dedicated to a firm that focuses primarily on offering customized real estate solutions.



Inventing new shopping center formats dedicated to recreation and to customer satisfaction.

Bercy Village,
Paris 12th district.

A CUSTOMER-CENTRIC, SUSTAINABLE APPROACH

Shopping centers, housing, office buildings, hotels – Altarea Cogedim creates unique habitats for its customers and assumes responsibility for their living and urban environment. The company’s staff members are passionate about their work. They listen attentively to their customers to get to know them, their needs and their aspirations. In keeping with its sustainable development approach, Altarea Cogedim ensures that each project offers an appropriate solution for the city of today and tomorrow.



LEVERAGING GROWTH IN OUR THREE MARKETS

Altarea started out as a shopping center developer and has evolved into France's third largest commercial real estate investment trust. In 2010, the Group acquired Cap 3000, one of the largest shopping center in France. In 2007, after acquiring Cogedim, Altarea became active in residential and office property development. Since then, Cogedim has become the fourth largest developer in France (it is No. 1 in Paris and Lyon) and its housing sales have grown twice as fast as the market. The Laennec project in the heart of Paris is emblematic of Cogedim's position as a leading brand in the residential sector. Today, Altarea Cogedim is active in the office property market as a service provider and developer, with recognized environmental expertise, as evidenced by the First office tower in La Défense—the largest HQE®—certified office building project in France.



Designing bold projects, going
where others will not venture.

Carré de Soie, Vaulx-en-Velin.

STEERING OUR OWN COURSE IN A SPIRIT OF ENTREPRENEURSHIP

Altarea Cogedim has become what it is today by steering its own course, using a model that goes against the grain, disregarding preconceived notions and fleeting trends. All Altarea Cogedim employees are stockholders in the company and share its strong culture of entrepreneurship on a daily basis. Being an entrepreneur every day means taking bold plunges and making decisions based on an assessment of all the associated opportunities and risks. This is how Altarea Cogedim does business.

LONG-TERM GROWTH MOMENTUM



We plan to stay ahead of the ongoing changes in real estate markets by tapping our main strength: our staff's ability to design and build products of the future, offering attractive, competitive and sustainable solutions."

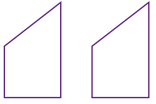
— **IN 2010**, Altarea Cogedim's unique model based on its dual status as a real estate investment trust and a developer served it well, as did its presence in the three main property market segments.

— **IN THE RETAIL SEGMENT**, we took significant steps in repositioning our portfolio toward regional centers and large retail parks because we fundamentally believe in the viability of these formats over the long term. To achieve this, we embarked upon a far-reaching program to redevelop centers with regional potential, build new complexes on prime sites and dispose of mature assets, while acquiring emblematic assets such as Cap 3000 in Nice. We plan to keep ahead of the ongoing changes in the world of retailing by tapping our main strength: our staff's ability to design and build products of the future, offering attractive, competitive and sustainable solutions. We believe this transformation of our portfolio to set long-term growth momentum in motion and expect the initial results to start flowing through within the next three to four years.

— **IN RESIDENTIAL PROPERTY**, our performance looks even more impressive now that we have sufficient hindsight to see that the strategic move we made when we acquired Cogedim is paying off. Over the past three years, we have acquired new stature and are emerging from the crisis stronger than when we went into it. We have doubled our market share, which now stands at 5% to 6% in value. Cogedim's reputation is built on a long track record of dependability in the areas of quality and environmental

performance. The key to our success lies first in the attention we pay to our customers' expectations. We dedicate the same care to the construction of emblematic projects such as Laennec in the 7th district of Paris as to every other project in our range. We believe that Cogedim, its staff and its brand have not yet attained full potential and that retaining the positions built up during the crisis is a minimum target. Over the past year, we have also adjusted our business volume to our market while ensuring stringent risk management. And the cumulative backlog in the residential segment gives us clear visibility on earnings growth over the next two to three years.

— **IN OFFICE PROPERTY**, we believe the market is on the verge of unprecedented technological transformations needed to meet environmental requirements. With its active sustainable development strategy, our Group is particularly well-placed to benefit from this revolution. We remain on the leading edge, as evidenced as the many buildings that we are just now delivering in La Défense (First tower) and elsewhere. These buildings, which are nearing completion, are still ahead of environmental standards that did not even exist when they were designed. Today, the market is still in the wait-and-see phase but we expect demand to pick up in the future. With our accumulated experience and expertise, our Group will be a major participant in the next cycle. At that time, we will position ourselves not just as a developer or service provider, as we have done in the past, but also as an investor. To prepare for this, we are now raising capital from investment



We believe in our model's sustainability and in its continued success over the years ahead."



partners and will manage these funds on their behalf. This will leverage our functional expertise to create even more value. The results will start to flow through to earnings within the next three to four years and thereafter.

We believe in our model's sustainability and in its continued success in the years ahead. I am especially confident in our staff's ability to initiate new developments and to address the following key issues, as evidenced by our spectacular successes over the past year.

Alain Taravella

SEIZING OPPORTUNITIES DURING EACH CYCLE

Our Group's model is underpinned by three markets with differing cycles. It has proven highly resilient during periods of crisis and is also demonstrating its viability during times of recovery.

Today, Altea Cogedim's earnings are being driven up by robust growth in residential property. Likewise, resilience in the retail segment will see us through until the office segment picks up the running in the future. In this race of endurance, each new source of growth is essential if we are to seize all the opportunities that each cycle offers.

While our strategy is ambitious, it relies on stringent risk management, first and foremost.

Our target is to keep sufficient funds on hand at all times to enable us to leverage the right market at the right time in the cycle. This is the strength that underlies our model.

Over the next few years, we will probably sell and buy more assets to sustain the pace of our commitments while allocating more of our cash flow to debt reduction.

Staying ahead of trends and anticipating realities in our markets has always been one of the Group's main strengths. Our growth prospects are excellent as they are underpinned by our staff's adaptability and capacity for innovation.

Jacques Nicolet





750
EMPLOYEES

RETAIL

- City-center shopping centers,
- « Retail Parks » / « Family Villages »,
- « Lifestyle centers »,
- Shops in transportation venues,
- Shopping and recreation

RESIDENTIAL

- Upscale housing,
- Midscale housing,
- First-time home buyers,
- Serviced residences,
- « Nouveaux Quartiers » (new districts),
- « Domaines Privés » (private communities)

OFFICES

- Corporate headquarters,
- High-rise buildings,
- Business and mixed-use districts,
- Redevelopments,
- Hotels

ORGANIZATION

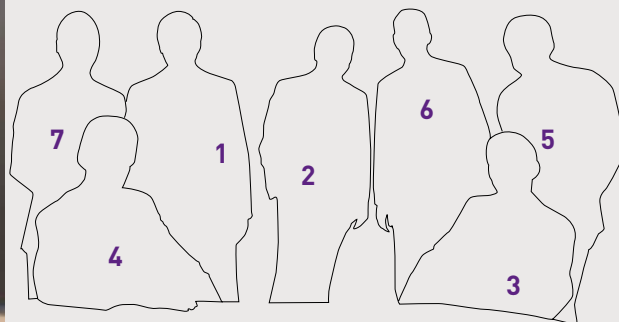
Our workforce is our biggest strength. Altarea Cogedim has a total of 750 employees. Of these, 300 work in shopping center development and management and 450 specialize in residential development and office property development for third parties.

Sixty percent of our staff works in the greater Paris area and forty percent is based in other French regions, in Italy and in Spain. Nearly 70% of our employees are management level, sharing their expertise and an entrepreneurial culture in all three business lines. To meet expansion targets in each segment, the company has added 300 staff members over the last few years.

SUPERVISORY BOARD

The Supervisory Board is chaired by Jacques Nicolet. It comprises representatives of the major shareholders (the ABP Fund, Crédit Agricole Assurances, Foncière des Régions) and independent members. The Supervisory Board is responsible for ongoing control over the company's management. Its duties and responsibilities are clearly defined. It decides the proposed appropriation of earnings and distribution of reserves to be submitted to shareholders at the annual general meeting convened to approve the company's accounts. It draws up a report and issues recommendations on any proposed capital increase or decrease submitted to the shareholders for approval. It reviews the appointment of statutory auditors and appraisers for the property portfolio. In carrying out its duties and responsibilities, the Board is assisted by special committees, including the Audit Committee and the Investment Committee.

EXECUTIVE COMMITTEE ROUND TABLE



1. Alain Taravella

Chairman & CEO, Founder

2. Jacques Nicolet

Chairman of the Supervisory Board

3. Gilles Boissonnet

Joint CEO in charge of Retail Property in France

4. Christian de Gournay

Joint CEO in charge of Residential Property, Regions and Institutional Relations

5. Stéphane Theuriau

Joint CEO in charge of Office Property and Private Equity

6. Éric Dumas

Chief Financial Officer

7. Ludovic Castillo

Deputy Chief Executive officer of Altarea Italia

CREATE VALUE AND MANAGE RISK

MARKET TRENDS IN 2010

Alain Taravella

— We are coming out of the recession. 2010 was a year of mixed results, partly because of the economy and partly because of changes in the company. We clearly saw the effects in each of our markets.

Gilles Boissonnet

— In a climate of overall consolidation, we see that leading retailers still seek efficient new locations where they can grow and that they prefer locations in existing commercial zones with proven sales track records. We also see that although Internet sales remain marginal at 4% of household expenditures, online purchases should double by 2013. We are always attentive to new consumer trends, experimenting alongside our tenants with online, telephone and store interactions. We consider these trends in our plans, rethinking the size and content of our retail shopping centers, the ratio between stockroom and sales-floor space and their connectivity, using new technologies in our base services.

Stéphane Theuriau

— The office vacancy rate rose (to nearly 7% in Paris) giving tenants negotiating power. Their main motivation is to save money, by consolidating offices or seeking lower rents. In a market where new construction starts are a growth engine, long-term investors initiated few transactions for new construction (1/10th compared to 2006-07) and the small—compared to past—investments they made targeted prime, well situated and easily accessible buildings secured by long-term leases – properties that are safe-haven invest-



ments. At the end of the year, a slightly higher interest in more risky developments indicated business may pick up.

Christian de Gournay

— In the residential property business, we benefited from four positive factors: a shortage of new residences, historically low interest rates, subsidies for first-time buyers that were particularly attractive, such as low interest loans and, of course, the Loi Scellier tax incentive scheme that provided a powerful stimulus for rental property investments. We successfully took advantage of market conditions to double our market share and sales volume, even though the French market remains below 2007 levels. We achieved this by putting prudential safeguards in place early, so we went into the recession without

commitments or inventories, and were able to keep most of our options open on our properties. At the same time, the book value of our assets was preserved, which allowed Cogedim to take advantage of the market rebound as soon as it happened, without having to wait to put together a sales offer. To move forward, we capitalized on the Cogedim brand, diversifying our product lines to reach a wider range of clients while remaining ourselves. Above all, our sales and promotion teams supported us, seizing every opportunity to grow the brand through their dynamism and strict application of our methods.

G. B. — In this climate, our retail business showed good results for the most part thanks to high returns from our Family Villages. Their format is especially in line with consumers'



Stéphane Theuriau



Éric Dumas



Gilles Boissonnet

Christian de Gournay



growing price sensitivity, as propelled by increased Internet use. Large shopping centers also withstood the recession because of a cost structure that was very favorable for our tenants, and we provided a better response to demand in terms of choice and price, as illustrated by Cap 3000's results – it achieved the second best revenue yield in France at €11,000 per square meter. We also profited from the delivery of three new properties in France and Italy, and reaped the benefits of our arbitrage strategy.

S. T. ____ We maintained our business in a flat market with an increase in investment volume compared to 2009, mainly for turnkey new construction and joint-control operations, by capitalizing on our acknowledged expertise in large and complex redevelopments, and

through our sustainable development branding, since all units delivered in 2011 will be certified HQE®. To compensate for the halt in new office construction, we shifted our business activity and turned toward tenants, firmly positioning the company as a services provider.

Ludovic Castillo

____ In Italy, the recession did not lead to fundamental upheavals because the market is as slow to react to depressed markets as to rebounding ones. In this context, Altarea Italia was able to consolidate all of its assets. Our shopping centers' vacancy rates went down and receivables recoveries clearly improved due to our internalizing revenue management and re-leasing activities. We also had success launching the Le Due Torri shopping centre in Stezzano near Bergamo, leasing nearly 100% of its spaces at opening. Ten months later, we have very encouraging results in an ultra-competitive environment. We withstood the recession very well with an 8% increase in income even as Italy's GDP growth was negative.

FORECASTS

A. T. ____ With our significant presence in the three main real estate markets, we have reasons to forecast positive results for the future. Of course, there is always a risk of another recession, or of slow growth. We must therefore manage our business in a cooler market by anticipating risks tied to fiscal policy and interest rate increases. But, on balance, positive points outweigh negative ones. We are coming out of the recession: there is great demand for new residential properties and state-of-the-art offices. And the return of inflation rates that rise less quickly than interest rates will encourage investments in real estate as a safe haven.

Based on these assumptions, our business plan is ambitious and has three watchwords: accelerate our growth, manage risks, and stay on course to be the first where we want to be. We will achieve our plan by maintaining the primacy of product in all of our businesses and by making sustainable development a growth driver. We should not just put up with the Grenelle 2 measures nor see them as constraints, but rather embrace them as marketing requirements and opportunities to create value.

C. DEG. ____ The demand for residential properties will remain high because of some structural factors: a known shortfall of 900,000 residential units, the highest population growth in Europe, and sociological factors related to single-person households, a desire to ensure one's retirement, etc. French people also express a strong desire to own their own home, even more so as they have little debt and the homeownership rate is only 57% at present, compared with a European average of 66%. Cogedim has the teams, products and property options that will



Our business plan is ambitious and has three watchwords: accelerate our growth, manage risks, and stay on course to be the first where we want to be. We will achieve our plan by maintaining the primacy of product in all of our businesses and by making sustainable development a growth driver.”

allow it to sustain positions acquired through the recession. Today, Cogedim has the staff, product range and property assets it needs to maintain a market share of 5% to 6% in value over the long term.

G. B. — We will pursue a selective development strategy in the generally mature and well-supplied French market. It will be oriented toward the acquisition or development of meaningfully sized properties, with priority given to regions in and around Paris, Provence, the Alps and the Côte d’Azur, since they have growing populations. Other growth directions include refocusing our retail formats in suburbs and urban fringe areas on the Family Village model, and transforming our current properties in regional shopping centers through new expansions. We will also do redevelopments on legacy sites that are very well implanted in their market areas and where leading retailers show a strong demand for space. To finance this expansion, we will continue disposing of properties if their category no longer meets our criteria. To do this, we will strengthen our asset management capabilities, taking a new direction and developing the business of operating properties for third parties, which will allow us to maintain recurring revenues at the same level.

S. T. — There is a growing need for new offices or for retrofitted green offices in areas accessible by public transportation – a need unfazed by the recession. We are mostly optimistic, and betting there will be a shortage of new, high quality office space by 2012 due to the small number of new projects that were delivered in the last two years, and to the growing demand that existing office parks

conform to new environmental standards. At the beginning of 2011, we created a new investment vehicle dedicated to office property in the Ile-de-France region. The funds were raised from top-tier French and International Institutional partners. Altarea Cogedim owns a 20% interest in the valide and is also its managing partner. That should allow us to construct new, well-situated office buildings and buy existing properties to retrofit.

L. C. — We are not worried about 2011. Despite low consumer spending, there are niches in Italy—especially in the North—where we can develop retail shopping centers to meet a real need, like Pinerolo, which took off very quickly and increased income 25% annually. In summary, we do not want to force the market, but rather refocus our growth on retail centers that make sense and stand out for their quality and concept. We also look for shopping centers to redevelop while thinking about increasing the value of our portfolio with expansions. We have the capacity to seize these opportunities. By creating six retail shopping centers in eight years, we have achieved critical mass and recognition that lends us credibility in the eyes of leading retailers and our institutional and private partners.



THE GROUP'S STRENGTHS

Éric Dumas

— We see that we have been able to profit from favorable market conditions and better withstand hard times, following the cycle of each of our three segments. Our diversified business model—retail, residential and office property — allows us to generate strong cash flow at the height of the cycle while showing strong resilience at the bottom of the cycle. We benefit from a solid financial position with sufficient cash flow for our commitments.

Jacques Nicolet

— Altarea Cogedim' strength lies in its ability to create "pieces of the city" by itself because the Group integrates all business lines to provide concrete solutions throughout 80% of our life cycle. Of course, these business lines can operate independently, as in most cases, but can also come together occasionally for so-called complex projects and in configurations tailored to each situation. There is never just one solution, but rather a combination of solutions with many different components to address a given situation. Our other strength lies in our dedication to our product, our culture of excellence and innovation that unifies employees and pushes everyone to work on increasingly ambitious projects in



Ludovic Castillo

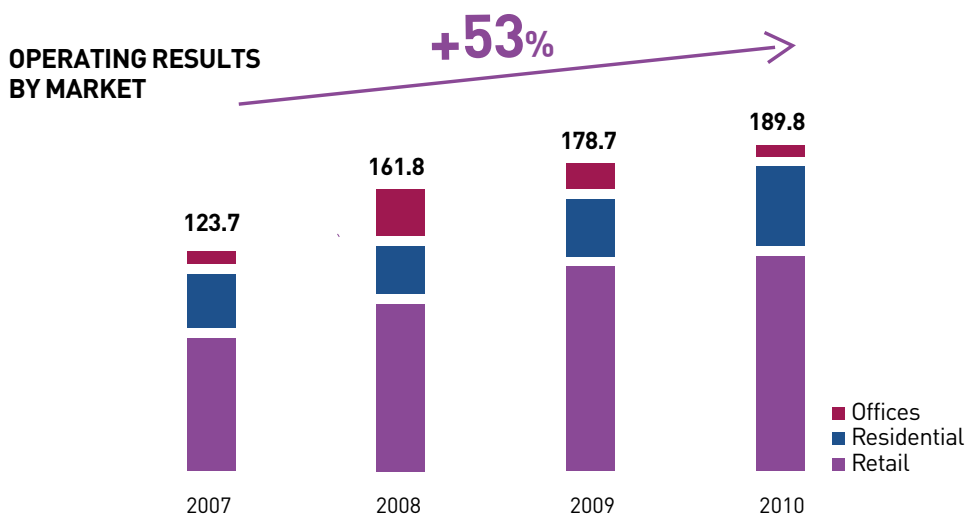
terms of size, exposure or market level. This was seen in the past year with the completion of the First tower, the Laennec complex and in the Cap 3000 and Villeneuve-la-Garenne acquisitions.

A. T. — We strengthened our position by becoming a developer in several business lines with the Cogedim acquisition. We regained the ability financially to finance new developments. In sum, our 2015 business plan

is based on good growth in residential properties, moderate growth in the retail business and strong growth in the office segment.

A MODEL THAT COMBINES RECURRING REVENUES WITH VALUE ADDED

Altarea Cogedim combines the recurring revenues of a commercial real estate investment trust with the value added by a developer in the three main property markets. The Group's financial foundation rests on its portfolio of commercial properties and the value it adds to them through its development expertise, boosting performance. These complementary activities allow the Group to seize opportunities in each real estate cycle.



RETAIL

Very long development cycle.

Mature market with niches in the Paris area and the Greater Southeast.

Resilient, with robust cash flows.



RESIDENTIAL

Short, sharp cycle.

Deep market dominated by structural shortage in France.



OFFICES

Regular, sharp cycle.

Deep market that is highly sensitive to economic conditions.



INVENTOR

Third-largest commercial real estate investment trust in France, specialized in shopping centers and formats in line with consumer trends.

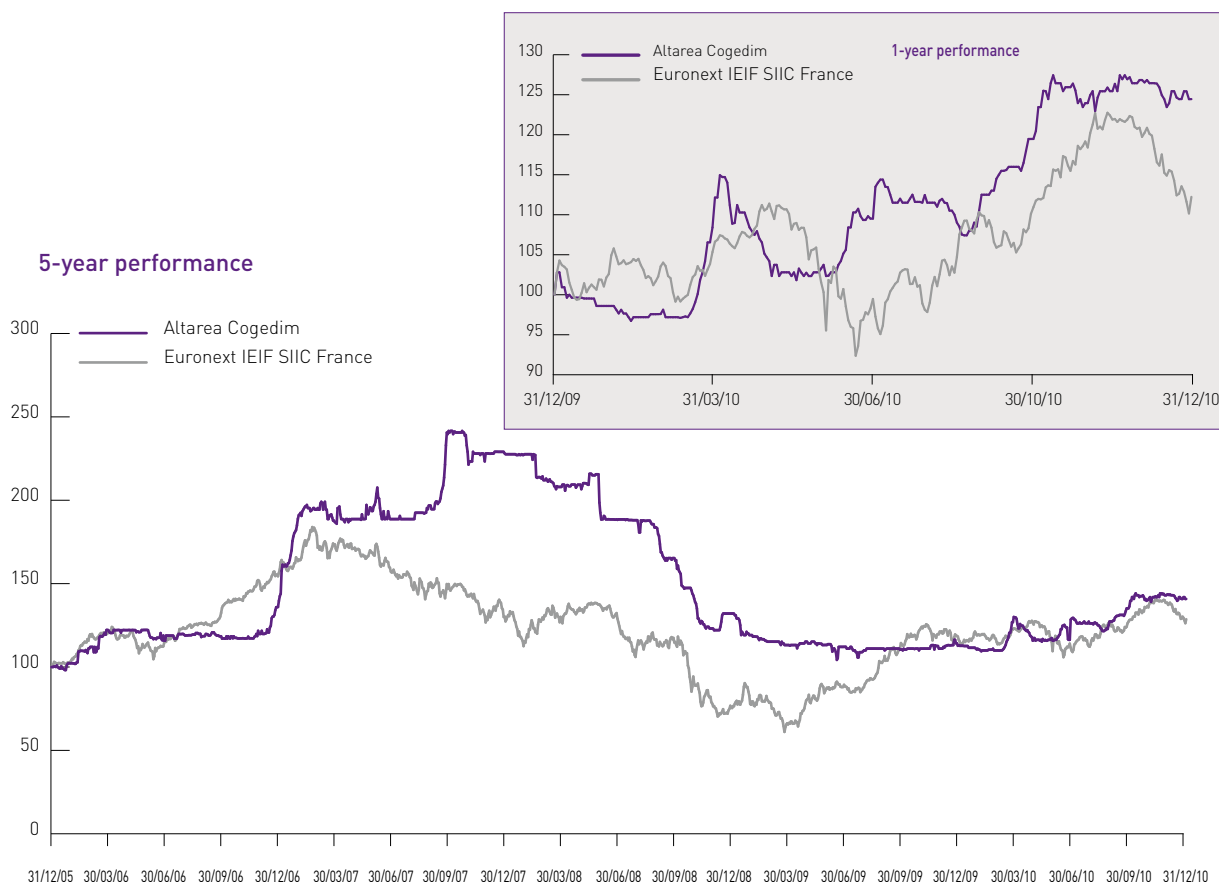
CREATOR

Benchmark developer and market leader in upmarket residential property in France.

INNOVATOR

Benchmark for high performance green office buildings.

A PROVEN TRACK RECORD SUBSTANTIAL POTENTIAL



Since its initial public offering in late 2004, Altarea Cogedim has delivered a remarkable financial performance, with NAV per share rising by 79% over five years. In 2008 and 2009, the Altarea shares, like those of all other property companies, were adversely affected by the financial crisis. Nonetheless, Altarea Cogedim's share price performance is among the best in its market and has exceeded the IEIF SIIC France index over 2005-2010.

Owing to its major shareholders' confidence in its business model, which combines high yield with growth, the shares' low liquidity has not proved a hindrance to sizeable transactions. The placement of Morgan Stanley's investment with numerous other investors in 2010 attests to the Group's attractiveness. Today, providing greater liquidity for trading in the shares is a priority for Altarea Cogedim, which is examining various solutions to achieve this.

Based on the clear visibility over growth in cash flows generated by all business lines over the next two years, the Group expects recurring net income to expand by over 10% per year on average, with an equivalent rise in the dividend, in keeping with its payout policy.

NET ASSET VALUE:

€139.3 PER SHARE
+79% OVER 5 YEARS

RECURRING NET INCOME:

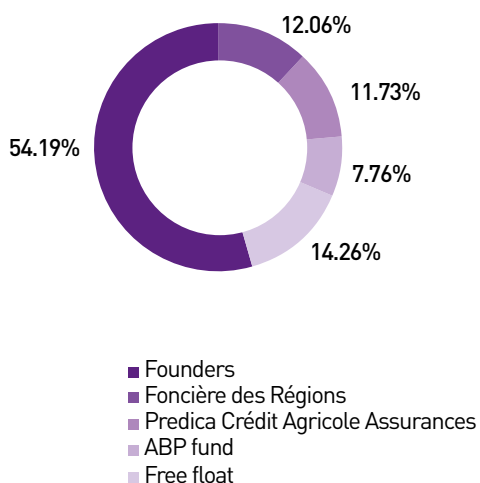
€11.7 PER SHARE
+193% OVER 5 YEARS

DIVIDENDE:

€8.0 PER SHARE
PAID IN JULY 2011
+233% OVER 5 YEARS

Financial indicators per share

In euros per share	2005	2006	2007	2008	2009	2010
Recurring operating profit	6.6	7.7	15.7	17.7	17.4	18.5
Recurring net income (RNI)	4.1	5.4	9.4	10.3	10.6	11.7
Dividend per share (€)	2.4	4.0	6.0	7.0	7.2	8.0
Net asset value (NAV)	77.8	117.7	165.0	124.2	113.3	139.3
RNI/price	3.8%	3.7%	4.0%	7.8%	9.9%	9.4%
Dividend yield	2.2%	2.7%	2.5%	5.3%	6.7%	6.4%
Premium or discount to NAV	38.8%	25.7%	43.5%	6.3%	-5.6%	-10.3%
Price at 31 December	108.0	148.0	236.8	132.0	107.0	125.0

Main shareholders at 31 December 2010**Factsheet**

Legal form: Société en commandite par actions
Registered office: 8 avenue Delcassé - 75008 Paris
R.C.S.: Paris B 335.480.877 (1986 B 13377)
SIRET: 335.480.877.00414 APE: 6820B
Intra-community VAT no.: FR 34 3.354.808.77
Financial year-end: 31 December
Business: Listed real estate investment trust

Stock market information:

Market: Compartment A
Securities exchange: NYSE Euronext Paris (France)
Code or symbol: ALTA
ISIN: FR0000033219

Number of shares: 10,178,817
Main index: CAC AllShares



ALTAGREEN: A PROGRESS-BASED APPROACH



Project of a photovoltaic power plant for a shopping center

Following the first year of its implementation, the progress-based Altagreen approach helped each of the Group's business lines make improvements, as confirmed by Novethic's 2010 rating of reporting on buildings' environmental performances: it recognized Altagreen as the company making the most progress throughout its two classifications.

In 2010, Altagreen anticipated the requirements of the French Grenelle 2 for the Environment and the 2012 Thermal Regulation Law by committing all of its new retail, office, and residential developments to meeting high-energy efficiency standards known as BBC Effinergie®.

The Group believes that environmentally-friendly buildings and housing should be accessible to all. It is committed to helping all its clients and partners understand its buildings' environmental features. In 2011, the Group will participate in a HQE® Performance project in partnership with Certivéa and the HQE® Association to design a performances label that everyone can read.

ISSUE 1: IMPROVE ENVIRONMENTAL PERFORMANCE

A shared ambition

Altagreen decided to spread its ambition to be green to all of its new developments regardless of their size, location or complexity. Its 2010 commitment to "BBC" levels of high-energy efficiency for all new developments stands as the first proof of its ambition.

Integrate renewables

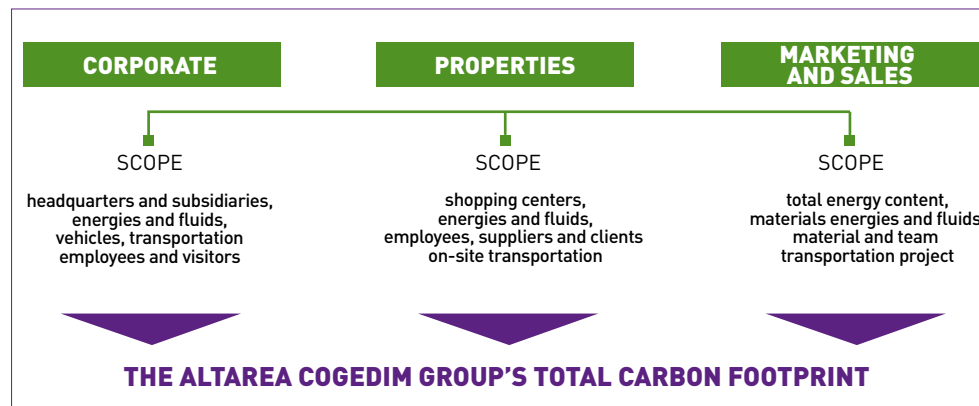
Structured to respond to the challenge of sustainable cities, Altagreen believes it is relevant to combine renewables production with energy-efficient developments. To achieve this, the Group made a strategic investment in 8 Minutes 33, a company specializing in the development, installation and operation of solar power generators. These new competencies will help the Group incorporate renewable energy production systems in the design phase, improving a project's energy efficiency by capitalizing on its exterior surface area, orientation and geographic location.

Assessing our carbon footprint

Altagreen is determined to make new regulations a driver of change and has decided to use the Bilan Carbone® assessment of its activities as a tool of progress. In 2010, the Group initiated an evaluation of its environmental footprint by conducting the Corporate Bilan Carbone®. In 2011, four employees will receive training in the Bilan Carbone® methodology from the French Environment and Energy Management Agency. They will become responsible for conducting the Group's various Bilan Carbone®.

2010 HIGHLIGHTS

- Altagreen completed its Corporate Bilan Carbone®
- The Green One Building in Paris has the first completely neutral Construction Bilan Carbone®





88.7%

OF PORTFOLIO ANALYZED

240,000

SQM OF HIGHLY ENERGY EFFICIENT COMMERCIAL SPACE UNDER CONSTRUCTION

600,000

SQM OF COMMERCIAL SPACE CERTIFIED OR IN THE PROCESS OF ENVIRONMENTAL CERTIFICATION

ISSUE 2: DEVELOP LASTING, INNOVATIVE PLACES

A culture of tailored solutions

Shared experience across the business lines and a common environmental ambition enhances expertise within each segment. The Group's technical and architectural diversity and the fact that its projects span different generations prove there is no standardized solution. Instead, Altarea Cogedim builds tailored solutions with a strong environmental component for projects that are necessarily unique.

Choosing a sustainable lifestyle

Performance, comfort, health and durability – these must be common denominators in the Group's development projects. Environmental performance must not impinge on livability. All real estate projects are designed with their final use in mind. Altarea Cogedim's projects always consider tenants' operating constraints. The Group pioneered HQE® Operations certification with the Philips France headquarters in Suresnes, and partnered with Certivéa to design HQE® Retail standards. The Okabé shopping centre in Kremlin-Bicêtre opened in March

2010 was the first operating shopping centre in France to receive NF Bâtiment Tertiaire-Démarche HQE® Operations certification.

2010 HIGHLIGHTS

- The first two HQE®-certified hotel retrofits in France.
- Two pilot projects following HQE® Performance standards.
- Opening the first HQE®-certified shopping centre in France.

Okabé, first green shopping centre



<p>NEW SHOPPING CENTERS</p> <p>Okabé, Kremlin-Bicêtre 1st HQE® shopping centre in France</p>	<p>NEW OFFICE BUILDING</p> <p>More than 420,000 m² certified</p>	<p>NEW RESIDENCES</p> <p>4,245 residences certified</p>
<p>OFFICE SERVICES</p> <p>Philips France Headquarters, Suresnes, Pilot Project HQE® Operations</p>	<p>MULTI-PRODUCT ENVIRONMENTAL EXPERTISE</p>	<p>REDEVELOPED OFFICES</p> <p>Laennec, Paris 7, Historic monument HQE® Renovation</p>
<p>HIGH-RISE BUILDINGS</p> <p>First, Paris la Défense, FIRST, Paris La Défense, 1st retrofitted HQE tower Largest HQE® project in France</p>	<p>NEW HOTELS</p> <p>Suite Hôtel Accor, Issy les Moulineaux, 1st HQE® hotel in France</p>	<p>REDEVELOPED HOTELS</p> <p>General Hospital, Marseille Former Courthouse, Nantes 1st HQE® hotel retrofits in France</p>

2010 HIGHLIGHTS

- Launch the “Marketplace” website for companies.
- Complete a training course on sustainable development.
- Renew NF Logement-Démarche HQE® certification for a residential best practices guide.

KEY ISSUE 3: ENCOURAGE SUSTAINABLE PRACTICES

Accelerate partnerships

As it believes that engaging in dialogue with all stakeholders is worthwhile and productive, the Group wanted to strengthen the implementation and distribution of “green leases”, starting from the first square meter and before they were required by law. Leading the way with the Okabé shopping centre and actively helping in the design of the CNCC-Procos charter, Altarea Cogedim signed 167 green leases to consolidate its engagements with all of its retailers.

Communicate about sustainable development

Altarea’s collaborative approach originally brought together nearly 90 employees. The Group set up a way to communicate, through a network of sustainable development experts recognized for their involvement and know-how in this area. Regular features on sustainable development have also been added to in-house communication tools.

The green lease – an environmental partnership with retailers

Altarea Cogedim has implemented green leases, which are formal contracts between tenants and property owners that provide for exchanging environmental and energy use information and for creating environmental committees composed of the property owner, tenants and other site stakeholders.



167

GREEN LEASES SIGNED

250 VOLUNTEER EMPLOYEES TRAINED ABOUT SUSTAINABLE DEVELOPMENT



Raising awareness about sustainable development

The Group held voluntary training courses to raise employee awareness about sustainable development issues. Dominique Bidou, a sustainable development specialist, and the internal training department led the classes. To supplement the training, supporting documentation is available on the company’s intranet.

**KEY ISSUE 4:
FOCUSING ON SKILLS AND TALENTS**

The Group's unique positioning is underpinned by a human resources policy that adjusts constantly to the company's growth needs. In 2010, priorities in this area again focused on three areas: skills optimization, individual guidance and career path development.

Skills optimization

Employee recruitment was strong in 2010 due to the high growth in residential activity and in preparation for job profile in the retail segment. The Group hired 124 full-time employees, including 85 for the residential segment. Two-thirds were new jobs and one-third replacement hires for a current total of nearly 750 employees. Managers of all experience levels accounted for 68% of new hires.

Employee training: a long-term view

The employee training policy has entered a mature phase with recurring group training sessions in office skills, management and personal development, along with more specific assistance for individuals. The training plan's priority focuses on technical mastery in each business line, the foundation of employees' skills. The management coursework still makes up a large share of managers' education. In 2010, a specific effort to improve English-language skills was undertaken, especially for personnel responsible for managing and promoting shopping centers.

Over the last three recessionary years, employee-training investments remained rather stable, at 2% of gross salaries. However, the number of employees taking advantage of one or more training courses increased from 432 in 2009 to 641 in 2010.



2010 HIGHLIGHTS

- "Human Resources Rendez-vous" meetings for all of the Group's managers.
- "Sustainable development column" added to company magazine.



Individual guidance

Starting in 2011, the high level of new hires was supported by a renewed induction process for new employees. The process includes a welcome seminar, common training session and dedicated documentation. At the same time, a network of six volunteer tutors with recognized expertise was put in place to help young managers in their first job or for important job transfers. Awareness campaigns were also strengthened, notably through a training course on sustainable development. The Group's Intranet, "Alterego.net", was updated and given a new look to complement the company magazine and the "Alterego Thursdays" internal conference series.

Career path development

Annual reviews provide a key moment for discussions between employees and their managers. In 2010, 80% of employees had an interview with their boss, compared with 73% in 2009. The human resources department used and summarized all of the reviews; their objective is further to reinforce this new management practice. Two interview guides are now available for managers to use.

Some 100 employees took advantage of one or more forms of job mobility in 2010: geographic or professional, changing companies or departments, or being promoted. Internal job transfers have been high since 2008, and increased 33% over 2009. In 2010, a job transfer process was

97%
OF EMPLOYEES UNDER FULL-TIME CONTRACT

641
RECEIVED PROFESSIONAL SKILLS TRAINING

6 YEAR
AVERAGE EMPLOYMENT LENGTH

40 YEARS AVERAGE AGE

formulated and generalized. Over the last three years, 253 employees changed jobs within the Group, a trend that shows the Group's internal dynamics and its will to offer real growth opportunities within its various businesses.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



€1.55

DEDICATED TO NONPROFIT ORGANIZATION FOR THE NEXT THREE YEARS

2010 HIGHLIGHTS

- Renewal of a three-year partnership agreement with Habitat and Humanism.
- Implementation of the “My Key to a Home” operation.

KEY ISSUE 5: ENGAGE WITH CITY RESIDENTS

Housing-led integration into society

Since 2007, Altarea Cogedim is a proud partner of Habitat and Humanism, a nonprofit housing organization.

An initial three-year agreement that ended in mid-2010 resulted in achieving defined objectives. A joint-monitoring committee coordinated efforts:

- Two jobs were financed for three years: a property locator and a rental manager for the Paris region
 - Capital was provided to fund three family hotels for vulnerable people in need of housing and economic independence. In 2010, the funding was used to build the first family hotel in Lyon, and construction began on a second one in Clamart. A third will be developed by converting an existing building in Versailles.
 - 11 awareness campaigns about Habitat and Humanism’s activities occurred in the Group’s shopping centers, targeting the public.
- Altarea Cogedim contributed €1.1 million to support these activities.

Pour ces différentes actions, Altarea Cogedim a apporté une aide financière globale de 1,1 million d’euros.

A second three-year agreement was signed in 2010 with a charitable contribution of €1.4 million over three years to expand on actions already underway.

Promoting real estate careers

Altarea Cogedim is a member of the Palladio Foundation. Its mission is to increase knowledge about real estate-related businesses, encourage learning about them, and to update real estate practices, opening up career opportunities for motivated youths as well as experienced managers. Altarea Cogedim fully shares this dynamic vision: in addition to contributing €50,000 annually, several of the Group’s directors participate directly in the Foundation’s affairs and its most important activities.



HABITAT AND HUMANISM: HOUSING TO BUILD THE FUTURE

— Habitat and Humanism, a nonprofit organization supported by Altarea Cogedim, helps vulnerable people by helping them gain housing and economic independence. Bernard Devert created the organization in Lyon with a mission to help single people and families in need access decent, low-cost housing in “balanced”, city centre neighborhoods. It also helps people regain self-esteem, autonomy and find their place in society. In 2010, Altarea Cogedim financed and launched the Casa Jaurès in Lyon, a convivial foster care home and residence.

51

 LOCAL CHAPTERS

12,000

 FAMILIES HOUSED
SINCE 1985

4,800

 RESIDENCES
PURCHASED OUTRIGHT OR MANAGED
FOR OWNERS

Bernard Devert, a former real estate professional who became a priest, founded the Habitat and Humanism nonprofit.

He puts his business skills to work every day, finding housing for people in need.



How do your efforts fit with today's circumstances?

Bernard Devert: Today, the housing crisis is not due to inadequate supply, even if there are not enough homes to meet all needs. The real problem is finding affordable housing because of the explosion in real estate prices. That is particularly true in the Paris region, where prices shoot up even as government subsidies decline. The economic situation is very tight and our margin of maneuver very slim for helping our public – people in great need who are looking for very low rental prices. While we are not trying to make money, of course, we must not lose any either or we risk compromising our projects' future. We have a duty to act very professionally to breakeven financially.

That's where Altarea Cogedim's "skills sponsorship" comes in?

Bernard Devert: Yes. The new partnership component that links us with Altarea Cogedim is a first. We appreciate being able to solicit hardened real estate financing professionals – the experts – to help us with our transactions. Of course, such support isn't quantifiable, unlike the financial support that Altarea contributes elsewhere by financing two full-time salaried positions in the Paris region and by providing major construction funding for our residences, such as the Casa Juarès in Lyon this past year. But this intangible support is decisive for carrying out projects effectively. The other good thing about this skills transfer is that it involves many Altarea Cogedim employees and opens up new opportunities, such as our employees participating in company-organized awareness-raising sessions on sustainable development.

How would you describe this social sponsorship?

Bernard Devert: It is an exemplary sponsorship, exceptional in the way it is long-term, the way it involves the company, in the size of the financial contribution and in the range of its activities.

Among these activities, what do you remember from the past year?

Bernard Devert: The communications activities and campaigns to increase awareness of Habitat and Humanism that took place in the shopping centers were essential. Today, the level of need has increased, reaching people that remained unaffected just two or three years ago. Telling yourself there are solutions, going beyond indignation or defeatism is a first step, and the activities initiated by Altarea Cogedim contributed to this dynamic. Reaching people directly in everyday places helps fight against the indifference of some and the solitude of others.





Cap 3000: an emblematic regional shopping center

In May 2010, Altarea Cogedim acquired France's eighth-largest shopping center. This move reflects the Group's ability to invest in major assets. Cap 3000 hosts the second-largest Apple Store out of the five operating in France.

RETAIL

Altarea Cogedim is a three-dimensional company active in real estate investment, development and asset management. Since its inception, the Group has expanded by inventing new retail formats that have reshaped the commercial landscape. Through its constant efforts to innovate, Altarea Cogedim envisions the retailing universe of tomorrow to meet consumer expectations, retailer requirements and local community needs.

In 2010, Altarea Cogedim launched an ambitious investment plan while concentrating its commitments on large-scale projects and enhancing the valuation of its portfolio. To finance these new projects, the company has sold some of its mature shopping centers.



A DIFFERENT APPROACH TO RETAIL

OUR DIFFERENCE



Ensuring a good fit between downtown and suburban retail venues. As a partner of the local authorities, Altarea Cogedim designs custom-made shopping centers, in formats adapted to the objectives of local communities such as revitalizing downtown areas with projects

developed in partnership with Caisse des Dépôts, renovating city gateways with innovative qualitative, architectural and landscaping concepts, or building up urban nuclei in outlying areas.

Bold new retail concepts leading to new lifestyles and ways of consuming, such as the format combining retail and entertainment facilities exemplified by Bercy Village in Paris, Thiais Village, or Carré de Soie, developed in synergy with the Lyon racecourse or the first rail station retailing project developed in partnership with the French rail operator SNCF.



ASSETS WORTH
€2.6 billion

€159 million
 RENTS IN GROSS ANNUAL RENTAL
 INCOME

338 000 sqm
 IN PROJECTS UNDER DEVELOPMENT

671,000 sqm
 GLA OPERATED

45
 SHOPPING CENTERS
 IN FRANCE, IN ITALY
 AND IN SPAIN



Our tried and tested know-how in complex redevelopment operations on an occupied site, which is a major advantage in enhancing asset value.

Our proven track record in asset management, as an operator of shopping centers for third parties.



100% of our new projects are undergoing both HQE® and BREEAM certification. Okabé in Kremlin-Bicêtre is the first shopping center to have received High Environmental Quality certification from Certivéa.



Mixed retail projects that draw on our integrated expertise in three asset classes: retail, residential and office property.

Long-standing partnerships with retail chains and institutional players.

“Altarea France’s staff has all the expertise and know-how needed to meet the challenges raised by changing consumption patterns, the new technologies, and, more generally the sea change that is sweeping the retailing industry.



Gilles Boissonnet

Joint CEO in charge of Retail Property in France - Chairman of the Management Board of Altarea France.

RETAIL PROPERTY

Boasting a 100% take-up rate at its opening, the Limoges Family Village the resounding success enjoyed by this concept, aimed at families who go shopping for pleasure and entertainment. Its 27 stores (Boulangier, But, Casa, Cultura, etc.) look like wooden townhouses and fit in well with the overall atmosphere as shoppers stroll by.



NET RENTAL INCOME

UP **8%**

RETAIL CHAINS' REVENUES

UP **4.6%**

PERFORMANCE

In 2010, Altarea Cogedim pressed ahead with its investment plan, with 112,000 sqm GLA of retail space delivered in France and in Italy, totaling €25 million in full-year rental income.

4.6% growth in retail chain revenues

Retail chain revenues increased 4.6%, posting robust growth compared with 2009. All retail formats benefited from an upswing in their revenues, particularly Family Villages that are confirming their vigorous growth year after year and jumped 6.7% in 2010. Thanks to their price competitiveness, Family Villages are in line with the final consumer's expectations against a backdrop of stagnating purchasing power and the slow build-up of online sales.

Net rental income up 8%

Altarea Cogedim's net rental income grew 8% to €152.1 million, primarily owing to the opening of three new sites: Okabé in Kremlin-Bicêtre near Paris, the Family Village in Limoges in southern-central France, and Le Due Torri in Lombardy in Italy. Close to 112,000 sqm GLA were delivered in 2010, totaling €25 million in gross full-year rental income, with a 96% take-up rate at opening.

Improvement in tenants' occupancy cost ratio

As revenues grew and rents at a constant floor area remained stable, tenants' occupancy cost ratio improved to 9.3% in 2010.

STRATEGY

In 2010, Altarea Cogedim reinforced its positions in large shopping centers and in Family Villages. Furthermore, enhancing the valuation of high-potential sites is a major development guideline. Most of these investments were financed by selling mature shopping centers.

Change in scale

Hailed by the industry as the highlight of 2010, the acquisition of Cap 3000 in Saint-Laurent du Var in June 2010, carried out as a joint investment with ABP and Predica, was a turning point in Altarea Cogedim's development strategy pursued. Another milestone was the start-up of the regional shopping center in Villeneuve-la-Garenne, a project carried out on a 50/50 basis with the Orion Capital Managers Group. These two operations illustrate the Group's determination to switch assets in its retail property investment portfolio into the development of regional assets.

Success of Family Village format confirmed

In 2010, the opening of the Limoges Family Village with a 100% take-up rate confirmed the viability of this city gateway concept developed by Altarea Cogedim since 2006. This success is now encouraging the Group to refocus its projects in outlying areas on this



The Okabé shopping center and business center is the flagship operation of a new area undergoing urban renewal, some 500 meters from Porte d'Italie in Paris. This mixed-use property program embodies the wide range covered by Altarea Cogedim's know-how. It is also the first green shopping center in France.

fruitful format. Family Villages offer a high-quality and affordable product range in a carefully thought-out architectural and landscaped setting, in tune with current changes in consumption patterns and household purchasing power. They are highly popular with retail chains and clients.

Continuation of urban redevelopment projects

In partnership with Caisse des Dépôts, Altarea Cogedim has been participating in city redevelopment projects for several years. Okabé, a mixed-use project combining a 35,000 sqm GLA shopping center with offices covering 23 500 sqm floor area and 20 houses, is part of a program to renovate the Kremlin-Bicêtre suburb. With the change in status of part of the RN7 from a trunk road into an avenue and the forthcoming opening of a media center, a new district is developing within five minutes walking from the Porte d'Italie metro station. In 2011, two new downtown operations will open their doors: Espace Saint-Christophe in Tourcoing and Cour des Capucins in Thionville.

Launch of extensions and renovations covering 120,000 sqm

To give its portfolio a regional dimension while avoiding risks related to shopping centers becoming obsolete, Altarea Cogedim launched more than 120,000 sqm in extensions or redevelopment projects in 2010 in order to enhance its portfolio. The good performances recorded by the southern extension of Espace Gramont in Toulouse have provided arguments in favor of the projected second extension for its eastern part. Other extension and renovation projects are under

CAP 3000, A CROWN JEWEL OF RIVIERA RETAIL

— Cap 3000 is the crown jewel of commercial real estate in France and Europe. It has been open for 40 years, the take-up rate was 100% from the very start and it hosts 7 to 8 million visitors per year. Its seaside location near Nice airport is exceptional, with a customer service area encompassing nearly one million inhabitants. In addition to its financial performance, Cap 3000 boasts significant upside potential in terms of rental income and possible extensions. A project aimed at extending the shopping center and organizing its retail areas around themes, like an open-air department store, is under review.

14 HECTARES
LAND AREA

126
STORES INCLUDING GALERIES
LAFAYETTE, LAFAYETTE GOURMET
AND APPLE STORE

€11,000 PER SQM
IN A STORE

65,000 SQM GLA



Villeneuve-la Garenne, exceptional visibility and situation

The Villeneuve-la-Garenne regional shopping center, scheduled to open in late 2013, benefits from its strategic location in the Hauts-de-Seine department, where the A86 highway and the banks of the Seine meet. Located at the intersection of three departments enjoying robust growth and boasting 1 million inhabitants, this center will total 89,000 sqm in retail areas. It is set to become a reference in the Paris region.



consideration: L'Aubette in Strasbourg, Cap 3000 in Saint-Laurent-du-Var and Jas de Bouffan in Aix-en-Provence
A first section of redevelopment work on Cap 3000 began in 2010.

Four asset disposals

Altarea Cogedim sold property for a total of €247 million in 2010. Two transactions account for the larger part of these disposals: they are the real estate complex located at 39-41 avenue de Wagram in Paris and the two shopping centers in rue Jean Jaurès in Brest that Altarea Cogedim will continue to manage, reflecting investors' trust in the Group.

ALTAREA COGEDIM, A PARTICIPANT IN TOMORROW'S RETAIL WORLD

As a real estate investment and development company, Altarea Cogedim is also an expert in the fields of retail and new consumption patterns. Because the world is in perpetual motion, the Group is seeking to adapt to this situation and be a key player in this world of constant change. Altarea Cogedim transcends the strong points of its shopping centers and of e-trade, in order to make them into complementary distribution channels. The objective is to optimize the qualities of shopping centers, in other words information, signposting, improvements in car parks and rest areas, to combine them with technological breakthroughs. The innovations the Group is working on relate to the content, as well as form, of the offering of shopping centers along with their services and accessibility.

Significant involvement in marketing and merchandising

As a retail expert, Altarea Cogedim follows a multi-channel marketing strategy, which combines last-generation communication tools with conventional tools. The Group has rolled out interactive terminals in some ten shopping centers in order to provide visitors with a range of services: loyalty cards, bargains offered by stores and various kinds of practical information. Altarea Cogedim organizes original events for every key stage in the life of its shopping centers: opening, anniversary, sales and bank holidays. Already present on Facebook, the

Group set up an e-newsletter aimed at its brands in 2010. The idea of developing applications for smart phones is also under consideration. The Group selects the appropriate communication channels for each shopping center.



The Jas de Bouffan shopping center, located in the outskirts of Aix-en-Provence, currently covers 11, 592 sqm GLA. An extension project aimed at extending it over a further 5,000 sqm and host 25 more stores is under consideration.

ALTAREA ITALIA: A NATIONAL PLAYER

“Altarea Italia’s teams have demonstrated they can be innovative in setting up complex transactions and in coming up with proposals and initiatives for the Italian market.”



Ludovic Castillo
Deputy Chief Executive officer
of Altarea Italia

Founded in 2002, Altarea Italia has opened six shopping centers in eight years: Casetta Mattei in Rome (2005), La Corte Lombarda in Bellinzago (2006), La Cittadella in Casale Monferrato and Ibleo in Raguse in Sicily (2007), Le Due Valli in Pinerolo south-west of Turin (2008), and Le Due Torri in Stezzano in 2010. This subsidiary is now acknowledged as a long-standing player in the Italian market with the image of an independent operator.

First directly managed project

The highlight of 2010 was the opening of Le Due Torri, located between Milan and Bergamo, as it was the first shopping center built by Altarea Italia as a direct project manager, and its take-up rate was nearly 100% when it opened. Our subsidiary is also taking advantage from the integration of rental management and lease renewals to act in a proactive manner and increase the upside potential of its shopping centers.

Reasonable development pace

After an initial fast growth phase aimed at reaching critical size on its market, Altarea

Cogedim’s Italian subsidiary has been following a more targeted expansion strategy in an economy that was harder-hit by the crisis than France from the crisis. In 2011, it will refocus its development on high-quality projects geared to optimizing returns when the shopping centers are opened. Drawing on its knowledge of the Italian market and its experience, Altarea Italia will use a selective approach to study growth opportunities in co-investment projects in downtown renovation as well as suburban redevelopment projects, more particularly in the North of the country.

40 EMPLOYEES

6 SHOPPING CENTERS
OPENED IN 8 YEARS

13 MILLION
VISITORS PER YEAR

400 LEASES MANAGED

Le Due Torri, a benchmark model.

Opened in April 2010, Altarea Italia’s sixth shopping center is also the first project it has directly managed. Le Due Torri has cumulated outstanding performances: it opened with a near-100% take-up rate for its stores despite difficult economic conditions and an extremely competitive retail environment; as it ensures quality in its offering and architectural design, it has attracted demanding retail chains such as Esselunga that decided to implement its first superstore within a shopping center. With its focus on renewable energy sources (geothermal) and local materials, it foreshadows a new generation of shopping centers with environmental value added.



RETAIL PROPERTY

Toulon-la-Valette, an urban and retail renewal project

The challenge faced in refurbishing the Toulon-la-Valette shopping center is to restore the site's aura to make it into a benchmark in the region. Reflecting the refocusing of Toulon's city planning on its downtown area, this wide-scale mixed-use project embodies the ambition to reshape Toulon's East Side. As an example, this contemporary-style project is pedestrian-friendly.



2011 OUTLOOK

In 2011, Altarea Cogedim is pressing ahead with the strategy it initiated in 2010 with a proactive policy of enhancing the value of its existing portfolio and launching long-term investment projects. These new commitments will be financed mainly by asset disposals. The pace and the scale of these disposals will depend on our development plan.

Selective development

The determination of municipalities to renovate their city gateways and the increased value given to leisure in consumer behavior are leading Altarea Cogedim to place the priority on developing urban renewal projects, in particular via its Family Village concept. Altarea Cogedim will likely above all develop in the Paris region and in France's Greater South-eastern region because most needs for new shopping centers are concentrated there owing to high population growth.

Likewise, in Italy, the major focus for expansion will be the construction of large shopping centers in Northern Italy.

Enhancing the value of high-potential assets

The main challenge faced in enhancing the value of our existing assets will be to convert high-potential retail operations into shopping centers with a regional dimension. In addition to Toulouse Gramont, the remodeling and expansion projects already under way at Cap 3000, Bercy Village, Jas de Bouffan in Aix-en-Provence, Ollioules and Massy will be continued.

Further asset disposals

Altarea Cogedim will implement its divestment strategy gradually, as it enters into new undertakings.

Stepping up the asset management business

Retaining the management contracts for the large assets it sells is one way for Altarea France to leverage its growth. The objective set for 2011 is to double the percentage of cash flow generated by assets managed for third parties.

Studies, prospects and partnerships

The growing role of the internet and new technologies in consumer behavior patterns is a secular trend. It means rethinking conven-

tional retail formats and adapting business practices. Consumer sensitivity to prices has risen hand in hand with the increased use of the internet, which shoppers rely on more and more in preparing to buy something in a store. Numerous retail chains have drawn all the relevant conclusions by developing business models in which their virtual site is used as a sophisticated information medium that supports their physical location. This is why the competitively priced Family Villages are clearly in phase with these new consumption patterns.

PONTE PARODI IN GENOA

— This retail and leisure center, for which Altarea Italia has been awarded an international prize, forms part of the ongoing renovation of the Old Port of Genoa. This majestic complex will have pride of place in the very heart of the city, with a direct view on the Ligurian Sea. Ponte Parodi will marry the universes of retail, leisure and entertainment, and will open in 2015.





Jean-Michel Wilmotte
Architect, city planner and designer

SHOPPING CENTERS REFLECT THE CULTURE OF OUR TIME

An architect, city planner and designer, Jean-Michel Wilmotte is working on more than a hundred projects in France and abroad, alongside a 180-member team. He developed the “interior architecture of cities” concept, in order to treat public spaces with the same consideration as private areas. Jean-Michel Wilmotte designed, for Altarea Cogedim, the Toulon-la-Valette shopping center and is drawing up the plans of the future “Cœur d’Orly” district.

What are the architectural innovations in retailing?

Customers are growing more and more demanding because they are courted by so many suitors; they need to be surprised and to feel appreciated. The quality of architecture then becomes essential. In the past, shopping centers were designed by anonymous architects and were shaped like shoeboxes. Now, big names are being asked to make them into charismatic structures to attract consumers. The space is transformed into a place to stroll where the architecture encourages exploration. The place becomes almost more important than what it holds; it must be enticing even before one enters the mall. Shopping centers are interesting projects because they create quality public space.

How do you see the new trends in retailing?

Shopping centers reflect the culture of our time. Today’s malls are a place to find well-being, entertainment and functionality, with a vast array of offerings in a single location. I see a trend in the art of laying out the space, like in Westfield in London, which offers a vast reception area, inverted merchandising with the major chain stores on the first level, spacious rooms outfitted by new designers, natural light, a food court, etc. In Tokyo, there are surprising projects with innovative retail concepts where goods coexist with services, where a bookstore is also a café, where food shops are arranged in a vintage setting. The surprise, lies as much in the architecture as in the retail offering.

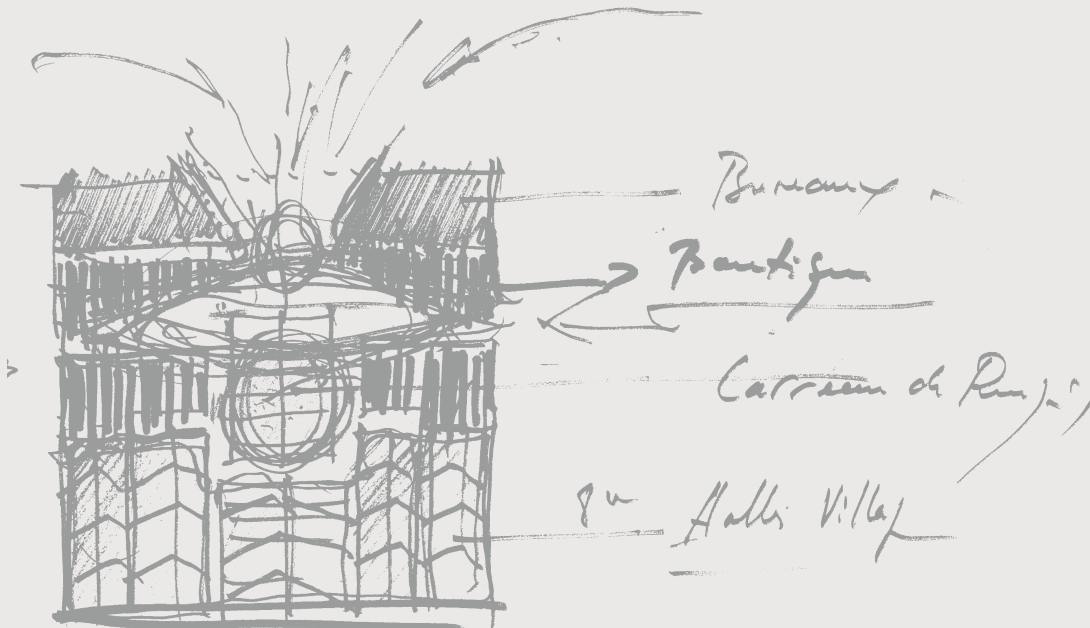
What is your view of e-commerce?

Buying online has practical aspects, particularly in terms of shipping and warehousing, but bricks-and-mortar stores are essential. To make individual selections and compare products, it is important to see, feel and touch the goods –something that can only be done in a store.

What would be your ideal shopping center?

The ideal shopping center is the street. We always strive to recreate shopping streets or markets, like those in Kiev, Saint Petersburg or the Italian markets, with their mix of people fresh produce, scents, and noises. Some of this can be found at Bercy Village, an original project that opens onto a

street on each side of the old redeveloped wine warehouses. In addition to the streets and their markets, I love plant nurseries. We could envision a spectacular shopping center, with huge, air-conditioned conservatories where vegetation proliferates, accented by water, scents, and perhaps even sound to awaken all the senses. It would be a vast promenade in a park-like setting lined with market-like stalls. It would be easy to reach by car or public transportation, with delivery areas. It would reproduce a shopping street in a microclimate. I like the idea that shopping malls need to coexist with city centers. It is important to strike a balance between the two types of retail venues because we need both of them.



CREATING SUSTAINABLE AND RESPONSIBLE SHOPPING CENTERS

NEW RETAIL PROJECTS

76%

HAVE REQUESTED ENVIRONMENTAL CERTIFICATION

76%

POST A BBC (LOW ENERGY CONSUMPTION BUILDING) OR THPE (VERY HIGH ENERGY PERFORMANCE) LEVEL OF ENERGY PERFORMANCE

Creative and innovative, Altarea Cogedim maintains this approach in all its projects to ensure it offers sites that are evermore close to its clients' expectations. In partnership with leading retail chains, Altarea Cogedim has initiated a two-fold environmental certification approach (HQE® and BREEAM) for all its new projects. With these certifications, the Group is setting as a priority an improvement in its performance with respect to comfort, accessibility and health.

Okabe, a model shopping center with a high level of environmental value added

In 2010, Okabé in Kremlin-Bicêtre was the first French shopping center to open its doors to the public to be certified NF Bâtiment Tertiaire – Démarche HQE® (this label certifies the eco-construction, eco-management, comfort and health performances of a construction project). Retail tenants have signed green leases, thus becoming stakeholders in the site's environmental performance. Committed to providing responsible operation of its centers, Altarea Cogedim is now aiming for HQE®

Operation certification. Our ambition is to adapt this model for all the shopping centers currently under development.

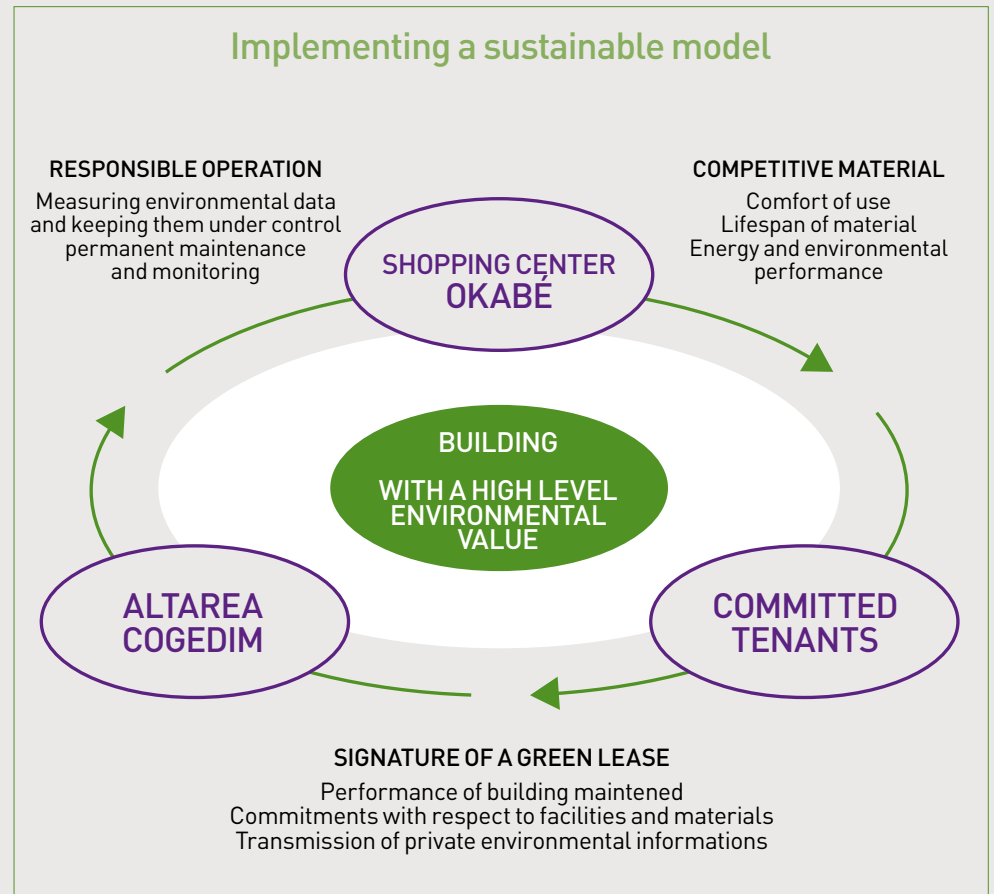
Portfolio's carbon scorecard

At the same time as it carrying out the above initiatives, Altarea Cogedim is continuing to reduce its carbon footprint for its entire portfolio. Thus, the Group acquired in 2010 a tool to assess all our directly and indirectly produced CO₂ emissions for all our shopping centers. This scorecard will factor in energy and fluid used, the depreciation of property



Le Due Torri

The outdoor lighting of the front wall of the Le Due Torri center uses LED technology, thereby leading to significant energy savings.





Vegetation bubble

Bercy Village hosted the “My bubble, my plant and I” operation. Its objective was to offer visitors a unique experience within a bubble filled up with houseplants, set out in a “psychedelic” pattern.

and furniture, all traveling by tenants’ employees, service providers and visitors. This evaluation will be carried out entirely in-house, thanks to the transfer of dedicated employees trained in how to use the Carbon Footprint method developed by the ADEME (French Environment and Energy Management Agency). This scorecard fits in with the Group’s overall approach that consists in evaluating its entire carbon footprint.

Le Due Torri, 100% geothermal

In Stezzano, between Milan and Bergamo, the Le Due Torri shopping center opened in the spring of 2010 is innovative both with respect to its construction processes and technical facilities as in the utilization of renewable energies. The center benefits from excellent thermal inertia thanks to its shell made up of ventilated double front walls that result in natural cooling. Its bioclimatic architecture favors cast shadow effects on the southern and western glass-walled front walls. This sun-breaking effect means the building can have large glass panels that guarantee an excellent level of comfort and of natural light. The outdoor lighting of the front wall, using LED technology, leads to significant energy savings. In a virtually unprecedented manner, the

center uses geothermal energy to a significant extent. The water table covers all heating, cooling and watering needs.

Bonding with our clients

Altea Cogedim maintains its relationship with its shopping center clients by proposing educational initiatives in the field of sustainable development. Bercy Village hosted in November 2010 a “green bubble” containing 60m³ of plants laid out by a vegetation designer. Visitors enjoyed an unprecedented experience by immersing themselves for a few moments in a natural universe impregnated with serenity, and discovering or rediscovering the virtues of plants, which are a fundamental component of our environment. On the occasion of the Garden Day in Thiais Village, the Group organized several workshops that offered an initiation to cultivating garden vegetables, repotting, and selective waste collection.

Expo graph

The “Urban Inside” exhibition in Cap 3000 gave pride of place to street artists working with graffiti and tags.



RESIDENTIAL

Founded in 1963, Cogedim is the leading high-quality residential property developer in France. Capitalizing on its brand, Cogedim changed in scale in 2010 by doubling its reservations and its market share. It has become the largest residential property developer in the Greater Paris and Lyon Areas. Its experience and its professionalism have been forged in major city planning projects in the Paris region and in the eight metropolitan areas where Cogedim operates. In 2010, Cogedim continued to diversify in all market segments, and is determined to provide an original proposal for any forthcoming residential property opportunity, while remaining true to its dedication to quality.



Paris 7 Left Bank, the exception

This new area development project is the largest property operation launched in fifty years in the 7th district. Altarea Cogedim is reviving the four hectares of this historical site while safeguarding the district's unique atmosphere.

PRODUCT QUALITY IS OUR BRAND'S CAPITAL

OUR DIFFERENCE



Quality is derived first from the strategic choice of the site. Cogedim is demanding with

respect to the choice of its sites and pays great attention to everything that makes everyday life easier: quality of public transport services, proximity of shops, schools and leisure facilities.

Space is a component of quality, and that is why Cogedim designs houses that are pleasant to live in, which take into account buyers' comfort, needs and lifestyle.



€1,290 million

IN NEW HOMES PLACED
IN 2010

45%

MORE RESERVATIONS
THAN IN 2009

93%

MORE RESERVATIONS
THAN IN 2007

54%

MORE HOMES PUT UP FOR SALE
WITH 67 PROGRAMS



Considering its architecture is a building's real signature, Cogedim is demanding with respect to choices of materials. To fit in as well as possible in each site, Cogedim's creations can have a classical or resolutely contemporary style.

Cogedim has chosen to use interior designers alongside architects to give a strong personality to every building, in particular in the decoration of shared areas.

Its quality premium is at the heart of Cogedim's approach: it systematically proposes the best in every market segment, whether bottom-of-the-range, midscale or upscale.

Satisfying its clients is Cogedim's priority. It helps buyers with all the legal and financial aspects of a purchase and even after delivery with its after-sale service, put at the disposal of all buyers, regardless of their market segment.

“ Our success is due not only to the quality of our products, the attractiveness of our brand, and the location of sites, but also to the firm's dynamic approach: on each project, the good fit between our teams and the stringent application of our methods result in the best product possible.



Christian de Gournay

Joint CEO in charge of Residential Property, Regions and Institutional Relations - Chairman of the Management Board of Cogedim





PARIS 7 LEFT BANK, A NEW AREA IN THE CAPITAL

The objective of this project aimed at renovating the former Laennec hospital, called Paris 7 Left Bank, is to revitalize this prestigious site by introducing new activities, in this sought after Parisian district where new property supply is scarce. The program covers close to four acres and includes, within 14,000 sqm of green spaces, prestigious residential buildings, upscale offices, shops, a student residence, subsidized housing and an old people's home.

1ST

LEADING DEVELOPER
IN THE GREATER LYON AREA

x 2

MARKET SHARE DOUBLED
SINCE 2007

PERFORMANCES

In 2010, COGEDIM recorded a significant increase in reservations as well as in land procurement and homes listed sale.

Reservations up 45%

Reservations of new homes soared in 2010, climbing to €1,290 million, i.e. 45% more than in 2009 and twice as many as in 2007, the benchmark pre-crisis year. The breakdown of reservations by types of clients is balanced: home buyers renewed with the top ranking with 44% of sales, individual investors totaled 41% and institutional investors 15%. The volume of notarized sales resulted in a substantial backlog of €1,395 million at 31 December 2010, providing the Group with excellent visibility on its future earnings.

Land procurement up 300%

€2,095 million purchase contracts sell were signed in 2010, i.e. three times more than in 2009, up by €1.4 billion. This growth was recorded above all in the Paris region (up €840 million), but also in other regions (up €569 million).

54% increase in the number of homes put up for sale

The number of homes put up for sale grew 54% to more than €1,300 million. No fewer than 67 programs were launched.

STRATEGY

In 2010, Cogedim also changed its scale by diversifying its product lines. The brand displayed flexibility in a bullish environment.

Change in scale

The pronounced increase in reservations and in notarized sales heralded a real turning point in Cogedim's history. Thanks to the positive business environment, Cogedim won market shares and now holds, with its nine regional offices covering nearly half of France, 5% of the French market in value.

Broadening of the Group's offering

The unchallenged leader in the upscale market, Cogedim diversified its offering in 2010. By meeting the expectations of all customer categories, the company won further market shares. This modularity enables Cogedim to propose price ranges compatible with the expectations of all kinds of buyers, whether first-time home owners, other home buyers or investors, while remaining faithful to its values. Regardless of the quality range, each development implements Cogedim's quality principle with its distinctive features: attention paid to architectural details, to the decoration of shared areas, to landscaping, to comfort of use and to front walls that stand the test of time.

Cogedim's approach is resolutely focused on the quality of houses and the comfort of use of their occupants. This is why every project is designed by taking into account users' needs and their lifestyle. Offering homes that are agreeable to live in means providing



12 RUE SAINTE ANNE IN TOULOUSE

Located in the historical heart of Toulouse, the “12 rue Sainte-Anne” development faced the challenge of successfully blending a contemporary architectural style in an area saturated with history. The Gallo-Roman remnants of the old enclosure wall of Toulouse have been rehabilitated and showcased in the hall. They can be seen from a glass passageway and create natural lighting, enhanced by a second interior courtyard in which there are a glass wall and a vegetal wall, as well as the transparency of a lift with two glass sides. Because every building is unique, Cogedim considers that shared areas also have to fit in within a customized project, in a manner that is consistent with the building’s architectural personality.

a satisfactory size, making sure that every potential buyer can bring in their furniture by carefully defining their layout, and by giving preference to occupiers’ comfort: an entrance to safeguard their intimacy, independent rest-rooms, a bathtub in every bathroom in homes with at least two rooms, cupboards in all rooms, and a minimum size for every room.

Robust growth outside the Greater Paris Area

While becoming the market leader in the Paris region in 2010, and maintaining its long-standing position of number one in the Greater Lyon Area as well as one of the three largest real estate developers in certain regions such as the Coastline Alps, Cogedim further increased its market shares in other regions. To do so, it relied on its eight subsidiaries - Greater Lyon, Savoy-Lehman, Grenoble, Mediterranean, Provence, South-Pyrenean Mountains, Aquitaine and Atlantic.

Structuring and building up teams

Cogedim significantly built up its teams, diversified its sales force and structured its development-focused departments in 2010. Eighty-five people were recruited in all its functions. Cogedim will maintain this growth to underpin its development in other regions than Paris.

Diversification of activities

With the completion of the first “Domaine Privé” development in Prévessin (near Geneva, Switzerland), the signature of the first contracts to buy land that Cogedim will use to build Cogedim Club senior residences, and the preparation of large-scale “Nouveaux Quartiers”, Cogedim



Nice Méridia, the first green district on the Riviera

Cogedim is taking part in the revival of Vallée du Var by creating a new large-scale mixed-use district that includes houses, offices, the Institute for Sustainable Development, a student residence and shops. This development is part of a distinctly environmental approach aimed at making Nice Méridia into the first green district on the Riviera.

RESIDENTIAL PROPERTY

Côté Cambronne is located in the very heart of Nantes, in a district that has been “re-enchanted” by the fascinating monumental mechanical animals made by mixed-media artist François Delarozière.



Prévessin Moëns is a private residence characterized by its focus on nature and upscale services located at the gates of Geneva, ideally equipped in terms of infrastructure.

has diversified to a considerable extent.

Consolidation of methods to better control growth

Cogedim has improved its working methods in order to further improve its efficiency and profitability. To do so, it has in particular worked on defining its ranges of services and of new products.

2011 PROSPECTS IN RESIDENTIAL PROPERTY

Cogedim as a benchmark developer

After its significant change in scale in 2010 and the broadening of its product range, Cogedim’s prospects for 2011 are promising in an economic environment that should remain buoyant. Capitalizing on the strong points of its brand, Cogedim entertains the ambition of winning further market shares at a national level and consolidating its position as a benchmark developer in all quality ranges. To cover all markets, including first-time home buyers, the Group has crafted an appropriate offer for clients eligible to the PTZ+ (or “extended zero rate loan”), which remains true to the habitability and quality criteria that characterize the Cogedim brand. In 2011, Cogedim plans to launch around 120 projects, i.e. close to 8,000 homes. Its revenues will soar in all likelihood in 2011 thanks to the guaranteed backlog recorded at December 31, 2010.



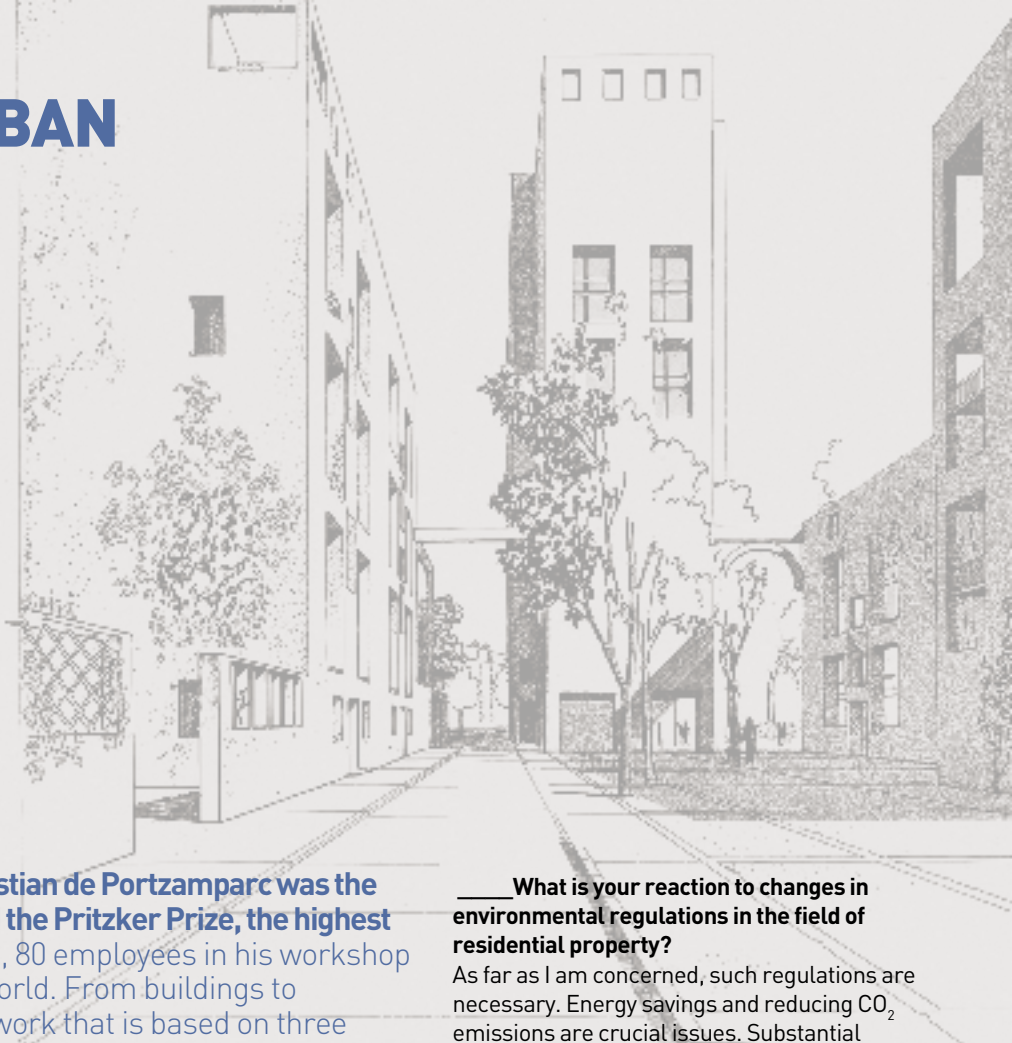
46 JEMMAPES, ÉDITION LIMITÉE

Located in the 10th district of Paris, this cozy and contemporary residence stands out because of its decoration and interior design signed by Olivier Lempereur. Great attention has been paid to every detail: superb height of ceiling, adornment of baseboards and bathroom equipment. Furniture has also been especially designed for the twenty apartments of this “Limited Edition.”

THE QUEST FOR URBAN QUALITY



Christian de Portzamparc
Architect-cum-city planner



An architect-cum-city planner, in 1994 Christian de Portzamparc was the first French architect to have been awarded the Pritzker Prize, the highest distinction in world architecture. Nowadays, 80 employees in his workshop work on projects located throughout the world. From buildings to districts, the city is the crucial issue of his work that is based on three themes: symbolic buildings, sculptural towers, small areas and fragments of cities. Christian de Portzamparc developed, for Altea Cogedim, the complex located at 39-41 avenue de Wagram that includes the five-star Renaissance Arc de Triomphe hotel as well as a large porch, which opens onto a court garden and leads to the renovated Salle Wagram (a prestigious concert hall). He also participates in the Group's projects in the field of residential property.

What architectural innovations can you see in residential property?

More than real innovations, I would talk about a sea change that is resulting in the expression of the individual dimension prevailing over the collective dimension in residential architecture property. The huge aligned blocks and towers that have marked our era for about twenty years are now replaced by loggias that jut out, and buildings in which windows are not aligned. Everything serial is little by little giving way to asymmetry. After the glorification of masses, of the collective dimension, we now have glorification of the individual. This evolution reflects above all a paradigm shift, another perception of family and our relationship to groups, to everything collective.

In your opinion, what new patterns are emerging with respect to living in a city?

Housing still provides one of the foundations of a district, which also include shops, gardens, day nurseries and sometimes offices. District and housing are two inseparable concepts. Before building houses, one has to ensure

previously that the infrastructure facilities required by quality of life exist. For example, a suburb of Paris called Massy is really organized as a centralized town. It has a railway station, a high-speed metro station and shops. In other outer-ring suburbs, this is not always the case. However, we have to offer inhabitants a quality of life where housing and services are combined.

And is the very way in which apartments are designed changing?

Residential property is a field that is hampered to a quite large extent by standards. The extension of some spaces is carried out to the detriment of other habitable areas such as the lounge or the living room. This modifies the balance in homes and encroaches on living space. We have to find new ways to improve the habitability of apartments. I have seen that Cogedim pays great attention and sensitivity to the concept of personalized apartments. Some developers have a more rigid approach that is not as favorable for innovation.

What is your reaction to changes in environmental regulations in the field of residential property?

As far as I am concerned, such regulations are necessary. Energy savings and reducing CO₂ emissions are crucial issues. Substantial improvements have been achieved in terms of external insulation, noise pollution and heating. In this respect, every architect has his or her own preferences. When we are working in the South of France, we use over-roofs that provide obvious thermal comfort. When dealing with the higher floors of buildings, we put terraces and attic apartments to ensure greater comfort.

With respect to urban densification and your opinion about the so-called "Grand Paris" project, what do you think of housing towers?

You can't put high-rise buildings anywhere. The efficiency in square meters they create must be offset by green spaces, day nurseries, schools and shops. Combining them with low-rise buildings can help locally reduce urban sprawl, as is necessary, by offering superb views and large terraces. One has to reshape the "Grand Paris" project to curb urban sprawl while respecting the urban qualities of each district.

Do you like bidding for residential projects?

I enjoy working on residential property projects, but always around a response adapted to the district that fits in within the environment. I look for urban quality. We cannot merely replicate earlier developments; each new project requires studies and an appropriate response.

RESIDENTIAL PROPERTY

The Prado-Borely complex consists of 33 apartments in the heart of the 8th district of Marseille, with high-quality services - stoneware slabs, wooden floors, fenced gardens, electric shutters - and in some cases with a view on the sea.



L'Entr'Acte, in a district undergoing a radical makeover close to the center of Bordeaux, hosts two buildings that are highly suitable for investors and BBC Effinergie® labeled.

120

DEVELOPMENTS TO BE LAUNCHED
IN 2011

Development of Cogedim Club residences

The development of the Service Residence range is based on the takeoff of the new concept of Club Residences: Service Residences for seniors, which combine a sought-after location with high quality services (CCTV, extended concierge services, etc.).

The crucial idea here is to carry out a complete break from the conventional model of an old-age home, often designed as a place of confinement, far away from the main centers of activity. Our

residences located in downtown areas and open to the outside world are entirely focused on the wellbeing of active able seniors. With a number of homes ranging between 50 and 100, our Club Residences propose homes going from studios to 3-room apartments. Proposed for rental, they are managed by the Cogedim Group itself, thereby guaranteeing quality of service and ensuring it will be maintained over time.

Creation of an internal sales force exclusively focused on investors: Cogedim Invest

2011 was a year marked by the setting up of "Cogedim Invest", an in-house sales force dedicated to an investor client base. The objective is to keep control of marketing in particular for Cogedim Club developments and provide a customized response to investors interested in our assets. In the spring, we will launch a dedicated web site, called www.cogedim-investment.com.



L'Écrin de Jade, a 37 apartments residence in Villeurbanne close to Lyon with 1,700 sqm of gardens.



New regions

Cogedim is setting itself the challenge in all France's regions to become one of the leaders everywhere it operates. In 2011, Cogedim will pursue the ambitious objectives of its land

procurement policy in the regions where the Group operates and will look for all opportunities that could help it develop its operations in new areas. An additional subsidiary is also being set up in Montpellier.

COGEDIM, AS CLOSE AS POSSIBLE TO ITS CLIENTS

To help its clients on an everyday basis, Cogedim has totally embraced the digital era by developing applications for the iPad and iPhone as well as creating a mobile site accessible from all smart phones. Clients can accordingly look for apartments as close as possible to where they are, automatically call a counselor from their iPhone or smart phone during their connection to site, simulate the calculation of the amount of their loans and repayments from their contributions, or carry out a virtual visit of developments already delivered to check Cogedim's level of quality.

HOUSING: WORKING TO IMPROVE QUALITY OF LIFE



Paying great attention to architecture, services and an exclusive location, Cogedim has naturally included environmental performance as a component of its approach with respect to quality. Our ambition is to ensure that every development is an ambitious program with respect to its architecture, its design and its completion, as well as its environmental performance.

100% BBC labeled homes

In 2010, all the new housing developments achieved BBC labeling, in advance of the timetable set by regulations. Implementing a proactive environmental strategy, Cogedim had previously launched a drive to improve its thermal performance with the HPE and THPE energy labels.

To disseminate its environmental expertise as much as possible, Cogedim has included this ambition for two years, in the Guide of Residential Property Best Practices, accessible via its intranet.

The Guide allows every program head to monitor, stage by stage, the quality approach by integrating environmental demands into it.

A quality approach for all buyers

Our mission as a developer does not end with the delivery of high-quality homes. It extends to guaranteeing that apartments comply with the commitments we have made. In 2010, the standards that already prevailed for upscale product lines were generalized to the midscale and bottom-of-the-range product lines. The Quality of

Delivery approach ensured by our after-sales department steps in upstream as early as the scheduling meeting, carries out the quality audit when building permits are granted, monitors quality as the development is built and subsequently checks compliance at delivery, deals with possible last-minute complaints and provides after-sale service insofar as required.

NEW HOUSING DEVELOPMENTS

4,245
HOMES HAVE BEEN GRANTED ENVIRONMENTAL CERTIFICATION

4,377
ARE AT A BBC (LOW ENERGY CONSUMPTION BUILDING), THPE (VERY HIGH ENERGY PERFORMANCE) OR HPE (HIGH ENERGY PERFORMANCE) LEVEL OF ENERGY PERFORMANCE

92%
ARE LOCATED WITHIN 500 METERS OF A PUBLIC TRANSPORT NETWORK EN COMMUN



Decontamination of the site, low level of nuisances, traceability of demolition materials, rooftops covered with vegetation: such are the remarkable characteristics of the Le Factory development, carried out in the 18th district of Paris.



This new district that is NF HQE® and BBC Effinergie certified has a heating and domestic hot water system mostly drawing on renewable energies. The front walls benefit from optimized sunlight thanks to an openwork double metallic skin.



COGEDIM ACCOUNTED FOR 50% OF CERTIFICATIONS OF FRENCH HOUSES

« Environmental quality has to be assessed through a multi-criterion approach: it should not be merely assessed in terms of energy performance but one also has to take into account the impact on the environment as well as health, quality of use and comfort criteria. Cogedim is ahead of its time and has anticipated these changes. The Group furthermore accounted for half of French homes awarded NF Logement Démarche HQE® (sustainable growth certification for residential property) certification in 2010, with more than 4,000 homes certified out of 8,000 at a national level. »

Antoine Desbarrières, President of Cerqual and Head of the Qualitel Association.



OFFICES

Altarea Cogedim, the developer of First tower, has been a reference in the commercial property market for more than 40 years with milestone developments, including: the first head office of Canal+, the Cartier Foundation, the Saint Honoré market, the Crystal Tower in Paris or the Opus 12, Quai 33, and CBX Towers in La Défense, etc.

A global operator, Altarea Cogedim operates in all commercial property formats: high-rise buildings, business districts, corporate headquarters, renovation projects, green districts and luxury hotels. In 2010, Altarea Cogedim asserted its position as a major player in complex renovation projects with a high level of environmental quality.



First tower: 2009 French National Engineering Prize

First tower, in the Paris La Défense business district, embodies the Group's know-how in complex renovation projects. It is currently France's largest HQE® development and was awarded the 2009 French National Engineering Prize for "the overall vision of a developer in a high-tech project."

TECHNOLOGICAL INNOVATION AND COMFORT OF USE

OUR DIFFERENCE



Finding the most innovative technical solutions: because companies seek to steal a march in the commercial real estate field, Altarea Cogedim identifies the most innovative technical solutions with research departments from the entire world. For instance, the 2009

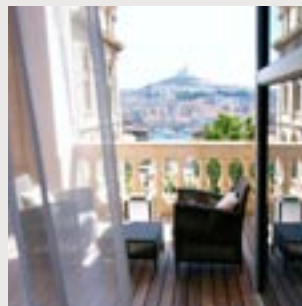
French National Engineering Prize was awarded to First tower.

Anticipating environmental demands:

Altarea Cogedim systematically includes an environmental certification approach in its buildings with the quest for optimized

thermal performance. Thus, Green One will be the first new building to be granted the BBC (Low energy consumption building) label in Paris.

Combining quality and comfort of use: Altarea Cogedim designs work places where quality of life is crucial, with flexible and modular office areas to provide real freedom of organization.



71,000 sqm

OF OFFICE SPACE DELIVERED IN 2010

140,000 sqm

WITH MAJOR POTENTIAL IN THE
STAGE OF PRELIMINARY STUDIES

€332 MILLION

RESERVATIONS IN 2010



Optimizing the valuation of every asset: with its multi-disciplinary expertise, Altarea Cogedim always includes in

its recommendations its dual expertise in property and finance. Every building is designed both as an architectural object

to be built, a site to be operated and an asset of which the valuation is to be enhanced.

Proposing adapted solutions: because each request from a client is unique, Altarea Cogedim proposes a plethora of services, ranging from project management assistance to turnkey developments for users, including off-plan sales, proprietary or joint investment projects.

“Few new projects have been delivered in the last two years because of the sluggish business environment, and this could lead to a shortfall in quality offerings. On the other hand, the forthcoming cycle will be significantly marked by major technological breakthroughs related to environmental demands. Altarea Cogedim intends to take advantage from this situation by building up its investment capacity in commercial property.”



Stéphane Theuriau

Joint CEO in charge of Office Property and Private Equity - Chairman of Altarea Cogedim Entreprise

Converting Nantes' courthouse into the city's first international four-star hotel, under the Radisson BLU brand, combined with a contemporary art exhibition area is an unprecedented project in Europe. It is also one of the first hotel conversion developments carried out within an "NF Service Buildings, HQE® approach" hotel certification, with Hôtel-Dieu in Marseille.



82,000 sqm
IN IMAGE-ENHANCING DEVELOPMENTS

PERFORMANCES

In an anemic market, business was maintained with an increase in the volume of reservations in comparison with 2009, primarily for off-plan or turnkey developments, by capitalizing on the Group's know-how. Focused on its users' needs, Altarea Cogedim has a substantial portfolio of developments, both in services and property development.

€332 million rise in reservations in 2010

The level of reservations improved significantly as its total climbed to €332 million in 2010. That was in fact a remarkable performance in a market characterized by a pronounced slowdown in demand for large spaces and the very low volume of on-spec developments.

82,000 sqm in image-enhancing developments sold such as the prestigious redevelopment of the site of the former Laennec hospital on behalf of the Allianz Vie Group or the rehabilitation and development of Hôtel Dieu in Marseille.

140,000 sqm in high-potential developments in the stage of preliminary studies, likely to result in the rehabilitation and development of assets. These studies primarily concern the renovation of three towers in La Défense and two substantial redevelopment projects in central Paris.

STRATEGY

In 2010, Altarea Cogedim Entreprise took advantage of its expertise in complex renovations to be the lead manager of several major construction sites while continuing to build head offices and new offices. The Group determinedly positioned itself in the service providing market by developing a comprehensive "user" approach. Capitalizing on its lead and its know-how in designing and building property complexes with a high level of environmental added value, the Group affirmed its commitment to the development of green districts.

Complex renovation projects with a high level of environmental added value

2010 was a year marked by several major renovation sites:

- the ongoing renovation of First tower, the highest tower in La Défense and the largest HQE® site in France. Entirely rebuilt on the structure of the Axa tower designed in the early 1970s, its completion represented a technical feat. Its transformation into a high-rise building blending environmental performance, aesthetic quality and comfort of use, demonstrated Altarea Cogedim's know-how in a high-tech project.
- the launch on behalf of Axa of two substantial projects aimed at redeveloping buildings protected as historic monuments into hotels:
 - the conversion of Nantes' courthouse into a four-star Radisson BLU hotel,

HIGH-RISE BUILDINGS NEED TO BE RECYCLABLE

The former President of Kohn Pedersen Fox Associates, Lee Polisano designed the First tower, in association with SRA Architectes. Many of his projects have won awards, such as the Heron Tower in London, the Rothermere American Institute at the University of Oxford, the head office of Endesa in Madrid, the Danube House in Prague, or the new international airport in Abu Dhabi.



Lee Polisano, FAIA, RIBA,
PLP Architecture President

_____ In your opinion, what will the new generation of high-rise buildings look like?

We have to continue to bank on high-rise buildings, but not only for the possibilities they offer in terms of height and volume. The new generation will have to be more “adapted to its context”, and specifically designed for the location where it is built. It is now no longer acceptable to design a building of this type that could be located anywhere in the world: most current high-rise buildings might indifferently stand in Paris, London, New York or Shanghai. The next generation will also have to draw on technological advances in order to meet environmental challenges. These buildings will have to cope with energy consumption issues, in particular with respect to gray energy.

Architects have to design buildings in a far longer-term approach. Because of issues related to their reutilization and to rehabilitation, we can no longer accept buildings with a life expectancy of thirty years. Skyscrapers must be recyclable, both with respect to the components that make them up as well as their utilization. A building’s function will change as time goes by and this aspect must already be taken into account when it is designed. First tower embodies the perfect example of the potential in terms of renovation of huge buildings.

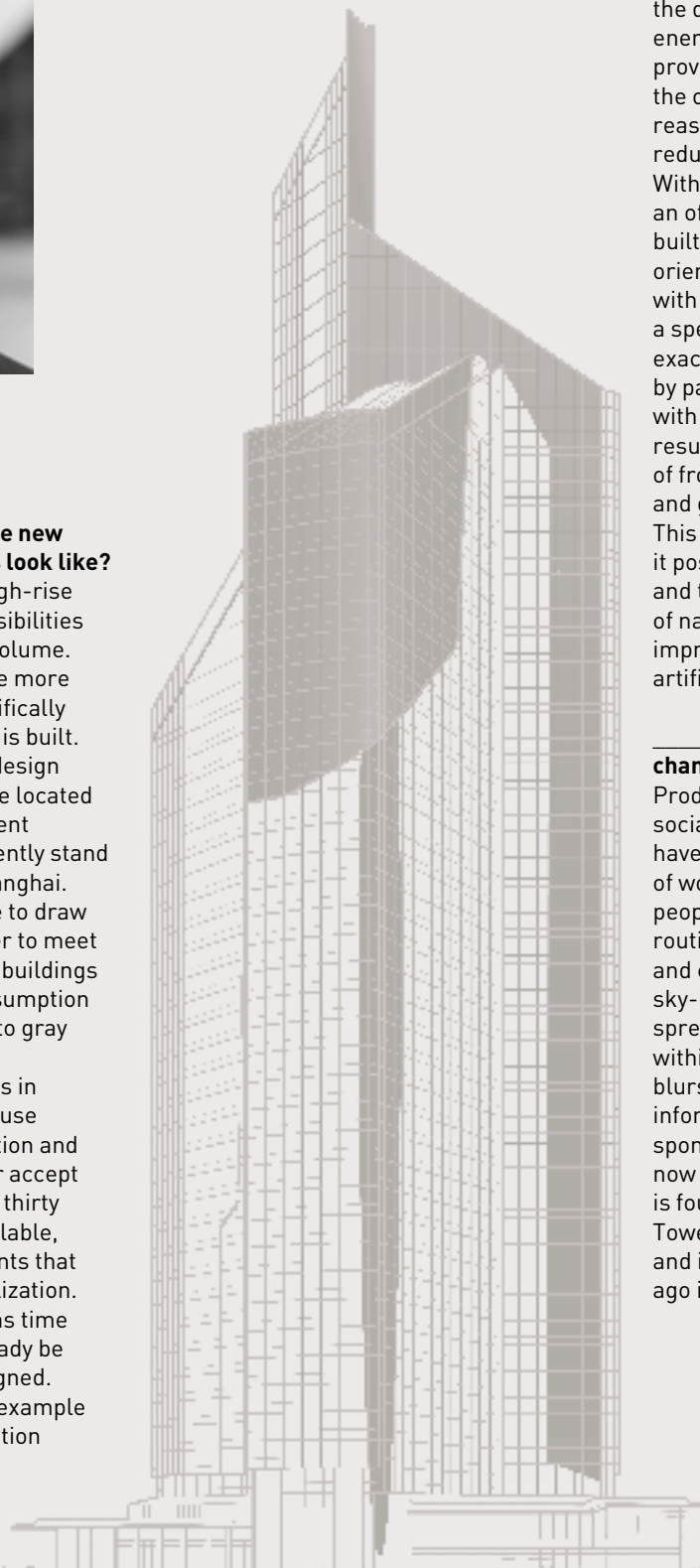
_____ Are high-rise buildings compatible with environmental demands?

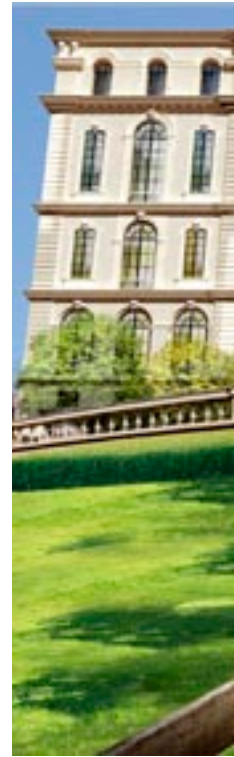
Yes. A high-rise building uses floor area in a reasonable manner and makes a contribution, when it is well designed, to a high quality of urban life. It can also be a positive source of energy generation. The energy produced by offices during the day can cover the building’s nighttime energy needs. New technologies can provide solutions. A tower gives the opportunity to build in a more reasonable manner, and this will help reduce energy loss.

With First tower, for the first time in an office tower, the front walls have been built differently according to their orientation. Given the tower’s shape, with a typical floor made up of three wings, a specific study was conducted to determine exactly, hour by hour, front wall panel by panel, the zones that need to be equipped with a thermal shield. The architectural result, with the interplay between two types of front wall panels, all in glass or in metal and glass, embodies this approach. This work on the front wall has made it possible to keep large bay windows and therefore maximize the penetration of natural light into the tower, thereby improving users’ comfort while lowering artificial lighting needs.

_____ How do you see forthcoming changes in architecture in office buildings?

Productive work is now inseparable from socializing and interacting. Buildings have to be designed to support this way of working by offering new areas where people can break away from their work routine and which increase socializing and conversations. First tower has several sky-lobbies, i.e. a sort of vertical atrium spread over several floors and integrated within open space office areas. This layout blurs boundaries between formal and informal workplace, and offer spaces where spontaneous conversations, as companies now encourage, can occur. This new feature is found in high-rise buildings like the Heron Tower, soon to be completed in London, and in the Danube House, built a little while ago in Prague.





THE ONGOING MANAGEMENT OF
250,000 sqm
 IN PROJECTS UNDER DEVELOPMENT

- the rehabilitation and conversion of Hôtel-Dieu in Marseille, an emblematic building of eighteenth century hospital architecture, into a five-star Intercontinental hotel. These two developments were among the first to be granted "HQE®" hotel certification.
- The year was also marked by the start-up of the renovation project on behalf of Allianz Vie of the site of the former Laennec hospital in the highly sought after 7th arrondissement of Paris. This program will include, in addition to building homes of an exceptional quality, 21,000 sqm in upscale offices and facilities that will have HQE® Renovation certification.

The Group continued to benefit from its expertise in building head offices for corporations

Every company looks for a head office that symbolizes its values and conveys its image. Often associated with a corporate project, the choice of a new head office is a strategic decision. Attentive to users' requirements, Altarea Cogedim in particular built head offices in 2010 for the Servier pharmaceutical company, Crédit Agricole Alpes Provence and the Pomona Group.

– Altarea Cogedim designed the head office of a large pharmaceutical company in a downtown area of Suresnes in the suburbs of Paris. The 37,000 sqm in buildings, sold off-plan, have been entirely adapted to the user's requirements, to ensure a customized development.

– Altarea Cogedim regrouped on 21,840 sqm in the Campus des 3 Cyprès various regional subsidiaries of Crédit Agricole Alpes Provence previously spread between Arles, Avignon and Aix-en-Provence. With 600 employees, the regional bank of Crédit Agricole became the largest company in Aix-en-Provence.



Within a mixed-use green district covering nearly 53,000 sqm built by Altarea Cogedim and Life, Altarea Cogedim built the head office of the Pomona group, a 13,500 sqm building in Antony, close to Paris, designed in line with an HQE® and BBC approach.



The redevelopment of Hôtel-Dieu in Marseille, an emblematic building of eighteenth century hospital architecture, will make into Marseille's leading palace. Altarea Cogedim's mission consists in safeguarding the volumes and the architecture of this prestigious site while combining functionality and glamour.



It built up its service provider business

In 2010, in a market in which there were few on-spec developments, Altarea Cogedim focused its efforts on developing its business as a service provider as a new driving force of business. Drawing on the entire range of property skills of its teams, it proposes to investor or user clients a customized offering, adapted to their needs and to their constraints, starting from feasibility studies, through obtaining administrative authorizations and carrying out studies, to the concrete organization of their move.

In 2010, Altarea Cogedim carried out studies that might result in asset renovation projects totaling close to 160,000 sqm on behalf of international investors such as UBS, Morgan Stanley, Perella Weinberg and General Electric.

Development of green districts

Thanks to the Group's multi-product know-how, to the development synergies that exist between its various business lines and the lead it has built in sustainable development, Altarea Cogedim boasts real advantages that will help it position itself in these business districts of the future. In 2010, work on several projects was continued while others have been completed:

– Cœur d'Orly, a new international green district built in a partnership with Foncière des Régions and Aéroports de Paris. Designed as a town district, it combines offices, shops (brands' gallery, catering, etc.) and a four-star hotel. This urban hub, as it draws on geothermal energy, HQE® certification and the Low energy consumption building (BBC) label, will post exemplary performances in terms of



Korus (phase 2) in Suresnes symbolizes Altarea Cogedim's ability to build a customized head office. The buildings were fitted out and adapted according to the user's requests: decorated spaces, access control, etc. This 37,000 sqm lot follows the completion of a first lot of 45,000 sqm of offices built in Suresnes.

Cœur d'Orly illustrates the Group's ability to complete long-term mixed-use projects aimed at creating a district in a town in a partnership. Cœur d'Orly is the first eco-business district combined with a living space in the southeastern Greater Paris Area, in connection with the Orly airport. This new district proposes a diversified range of offerings (offices, hotel, shops, services, leisure facilities).

Altarea Cogedim is erecting a building with a distinctive architectural style in Saint-Denis, the business district located in the North of Paris. This office building will offer high-quality services at competitive rental prices.



170,000 sqm

TO BE DELIVERED IN 2011

7 PROJECTS TO BE DELIVERED IN 2011, INCLUDING THE TOUR FIRST

environmental quality. The program includes 110,000 sqm of offices that will be built in three phases. The building permits have been obtained for the first phase that is to be delivered from the fourth quarter of 2013 onward.

– “Cœur de quartier” (formerly called “Nœud papillon”) in Nanterre, at the foot of La Défense is being built in co-development with Eiffage. This mixed-use project combines houses, shops, service residences (25,000 sqm) and offices (23,000 sqm).

– Other mixed-use projects are being built outside the Greater Paris Area, such as Nice Méridia that combine offices and the Institute for Sustainable Development, houses and shops; or Euromed Center, which is part of the reshaping of Marseille’s zone port area.

2011 PROSPECTS

In 2011, Altarea Cogedim will deliver close to 170,000 sqm in developments. The drive to increase market share gains will be stepped up. It will be aimed at large users, institutional investors notably in projects consisting in renovating their assets and, lastly, as an investor via an investment unit with a substantial equity endowment.

– 7 projects will be delivered: First tower in February 2011 (87,000 sqm), the head office of Servier in Suresnes (37,000 sqm), the Green One building in the 18th arrondissement of Paris (5,175 sqm), Club House in Saint-Cloud (5,200 sqm) Suite Novotel in Issy-les-Moulineaux (6,320 sqm), the head office of the regional bank of Crédit Agricole in Aix en Provence (21,840 sqm) and a hotel as well as a logistics platform in Saint Priest (6,500 sqm)

– Launch outside the Greater Paris Area of a new “Premium Office” product range, designed to meet the specific features of regional markets and to satisfy users’ needs.

– An investment vehicle that will be allocated €350 million in equity at its first closing that should subsequently increase and exceed €500 million. Set up by Altarea Cogedim with French and international investors, this vehicle in which Altarea Cogedim will hold a 20% stake will be entirely dedicated to investing in commercial property. Its objective will consist when the time comes in acquiring land or existing offices in order to apply to them the Group’s know-how in creating core assets with a high level of environmental added value and subsequently selling them to institutional investors.



Le Galilée is one of the first buildings in the Andromède area, a new district covering 100,000 sqm close to the Blagnac aerospace hub.

NEW OFFICE AND HOTEL DEVELOPMENTS

73%

POST A THPE OR BBC LEVEL OF ENERGY PERFORMANCE

91%

ARE LOCATED LESS THAN 300 METERS AWAY FROM A PUBLIC TRANSPORT NETWORK

80%

HOLD ENVIRONMENTAL CERTIFICATION



Altarea Cogedim has anticipated the changeover from the image-conveying building to the building with a high level of environmental added value, and is keen to offer investors and users a customized approach ranging from the most balanced solution to the most ambitious and tailor-made solution. Transparent about the performance of all its developments, Altarea Cogedim remains very demanding in terms of choosing sites, their urban integration and their connections with transport networks.

“Unique” environmental rehabilitation sites

Benefiting from its unrivalled experience, Altarea Cogedim has become an expert in environmental rehabilitation. These complex projects require a customized approach, starting from the quest for the best performance/utilization/savings ratio all the way to the highest environmental energy ambitions. Such a unique response to the constraints of a unique building is illustrated by the completion of flagship projects like Hôtel-Dieu in Marseille, the former courthouse in Nantes, First tower in La Défense, or the rehabilitation of the site of the former Laennec hospital.



The new Cœur d'Orly district, which is 100% certified, is a model of environmental design and of utilization of renewable energies.



At the heart of the Pajol urban renewal zone, Green One is the first building with a BBC level of energy performance in Paris.

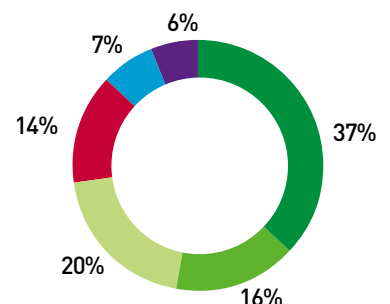
GREEN ONE, FIRST ZERO CARBON DEVELOPMENT

— NF Bâtiment tertiaire Démarche HQE® certified and aiming for HQE® Operation certification, the Green One building, in the Pajol urban renewal zone in the 18th arrondissement of Paris is also a pilot project following the signature of a green lease that enables the Group to guarantee that the level of expenses will be kept under control. The building has been awarded the BBC Effinergie® label, as its energy consumption is 52% lower than the 2005 thermal regulation, i.e. 65 kWh_{ep} per sqm per year. Green One is also applying for a BREEAM assessment of a “Very Good” level.

In order to better keep the environmental footprint of the development under control, Altarea Cogedim has conducted, with Green One, the first construction Carbon Scorecard. This study identified all the sources of greenhouse gas emissions in the site during the design and construction phases. After the implementation of a plan aimed at reducing emissions, Altarea Cogedim was awarded the “Zero Carbon Objective” label. The equivalent of CO₂ will be “offset” by a reforestation program, conducted by the Pur Project association, and its certification is currently under consideration by the UNO.

BREAKDOWN OF THE CONSTRUCTION CARBON SCORECARD FOR THE GREEN ONE PROJECT

- Concrete
- Steel
- Other materials
- Internal energy and staff travelling
- Design
- Freight



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