

Prospectus dated 3 July 2017



Altarea

(partnership limited by shares)

**Prospectus for the admission to trading on the Euronext Paris regulated market
of Notes in an amount of € 500,000,000 bearing interest at a rate of 2.250% per annum
due 5 July 2024**

This document is a prospectus (the "**Prospectus**") within the meaning of article 5.3 of directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as amended.

The notes to be issued hereunder by Altarea (the "**Issuer**") in an aggregate nominal amount of € 500,000,000 bearing interest at a rate of 2.250% per annum maturing on 5 July 2024 (the "**Notes**"), shall be issued on 5 July 2017 (the "**Issue Date**").

The Notes bear interest from the Issue Date (inclusive) at a rate of 2.250% per annum, payable annually in arrear on 5 July in each year and for the first time on 5 July 2018 for the period commencing on and including the Issue Date up to but excluding 5 July 2018.

Unless previously redeemed or repurchased and cancelled in accordance with the terms and conditions of the Notes, the Notes shall be redeemed at their nominal value on 5 July 2024 (the "**Maturity Date**"). The Notes may, and in certain cases shall, be redeemed before the Maturity Date, in whole or in part, at their nominal value, plus interest, if any, accrued up to the date of redemption (excluded), as provided in Conditions 4, 6, 8 and 9 of the terms and conditions of the Notes.

If a Change of Control occurs, each Noteholder will have the option to require the early redemption of all or any of the Notes held by such Noteholder on the Early Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption all as defined and more fully described in "Terms and Conditions of the Notes – Redemption and Purchase – Early redemption at the option of Noteholders in the event of a Change of Control".

The Issuer may, at its option (i) redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase – Make-whole Redemption by the Issuer", (ii) redeem all but not some only of the outstanding Notes in the event that eighty (80) per cent. or more of the initial aggregate principal amount of the Notes has been redeemed or purchased, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase – Clean-Up Call", and (iii) from and including 3 months before to but excluding the Maturity Date, redeem the Notes outstanding, in whole or in part, at par plus accrued interest, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase - Residual Maturity Call Option by the Issuer".

The Notes are issued in dematerialised bearer form with a nominal value of €100,000 each. Title to the Notes shall be evidenced by book entry, in accordance with articles L.211-3 et seq. of the French *Code monétaire et financier*. No physical document of title to the Notes (including certificates of title (*certificats représentatifs*) as provided in article R.211-7 of the French *Code monétaire et financier*) shall be delivered in respect of the Notes.

Upon issue, the Notes shall be entered in an account in the books of Euroclear France which shall credit the relevant accounts of the Account Holders. "**Account Holder**" means any intermediary authorised to hold securities accounts,

directly or indirectly, on behalf of its clients with Euroclear France, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V.

A request has been made for the Notes to be admitted to trading on the Euronext Paris regulated market as from the Issue Date. Euronext Paris is a regulated market within the meaning of directive 2004/39/EC of the European Council and Parliament dated 21 April 2004, as amended.

Neither the Notes nor the long-term debt of the Issuer are rated.

Copies of this Prospectus, of the 2015 Registration Document and 2016 Registration Document (as defined in the section "*Documents incorporated by reference*" below) are available for inspection and may be obtained, without charge, (i) at the registered office of the Issuer (8, avenue Delcassé – 75008 Paris – France) and at the specified office of the Fiscal Agent (CACEIS Corporate Trust – 1-3, place Valhubert – 75013 Paris – France) during normal office opening hours and (ii) on the websites of the Issuer (www.altareacogedim.com) and the *Autorité des marchés financiers* (www.amf-france.org).

Refer to the "Risk Factors" section for a description of various factors to be taken into consideration by prospective investors prior to investing in the Notes.



Pursuant to articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its general regulations, in particular articles 211-1 to 216-1, the *Autorité des marchés financiers* (the "AMF") has granted to this Prospectus the visa number n° 17-316 on 3 July 2017. This Prospectus was prepared by the Issuer and its signatories assume responsibility for its contents.

The visa, in accordance with the provisions of article L.621-8-1-I of the French *Code monétaire et financier*, has been granted after verification by the AMF that the document is complete and comprehensible and that the information contained therein is coherent. It neither implies approval of the appropriateness of the transaction nor validation by the AMF of any of the accounting and financial information presented therein.

Global Coordinators

NATIXIS

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

Joint Lead Managers

BNP PARIBAS

CREDIT AGRICOLE CIB

Natixis and Société Générale (the "**Global Coordinators**") and BNP Paribas and Crédit Agricole Corporate and Investment Bank (the "**Joint Lead Managers**" and together with the Global Coordinators, the "**Managers**") have not verified the information contained, or incorporated by reference, in this Prospectus. The Managers give no express or implied representation and accepts no liability concerning the accuracy or completeness of any information contained, or incorporated by reference, in this Prospectus.

This Prospectus and any other information provided in connection with the issue of the Notes shall not constitute an offer or invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase any of the Notes.

No person is, or has been, authorised by the Issuer or the Managers to provide information or make representations concerning the sale or issue of the Notes other than those contained, or incorporated by reference, in this Prospectus and if any such information or representations have been provided or made, they shall not be considered as having been authorised by the Issuer or the Managers. Under no circumstances shall delivery of this Prospectus or any sale of the Notes imply (i) that there has not been any change in the situation of the Issuer or the group formed by the Issuer and its consolidated subsidiaries (together, the "**Group**") since the date of this Prospectus or (ii) that the representations and information that it contains or incorporates by reference are true and accurate on any date subsequent to the date on which they were made or provided.

Each prospective investor shall make its own judgement as to the relevance of the information contained, or incorporated by reference, in this Prospectus and shall base its decision to subscribe for or purchase the Notes on such enquiries as it deems necessary. The Managers give no undertaking to monitor the financial position or general situation of the Issuer and/or the Group whilst the Notes remain in issue, or to provide any investor or prospective investor with any information that may come into their possession in connection therewith. Investors must in particular perform their own analysis and make their own assessment of all factors relevant to an investment in the Notes and the risks relating to the Issuer, its business, its financial position, the Group and the Notes and must consult their own legal and financial advisers on the risks involved in an investment in the Notes and the suitability of such an investment having regard to their individual situation. Prospective investors are invited to carefully read the section entitled "Risk factors" of this Prospectus before making any decision to invest in the Notes.

In certain countries, the distribution of this Prospectus and any offer or sale of the Notes may be subject to legal or regulatory restrictions. Neither the Issuer nor the Managers give any warranty that this Prospectus shall be distributed in accordance with the law or that the Notes shall be offered in accordance with the law, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any applicable exemption, and they shall not be liable for having facilitated any such distribution or offer. In particular, neither the Issuer nor the Managers have taken any action with a view to offering the Notes to the public or distributing this Prospectus in any jurisdiction where any such action is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offer document may be distributed or published in any jurisdiction except in compliance with all applicable laws and regulations. Persons into whose possession this Prospectus may fall are invited to familiarise themselves and comply with such restrictions. A description of various restrictions on the offer and sale of Notes and distribution of this Prospectus and any other marketing document relating to the Notes is set forth in the "Subscription and Sale" section of this Prospectus.

The Notes have not been and will not be registered pursuant to the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold, directly or indirectly, in the United States of America.

This Prospectus is intended solely for persons (1) with professional investment experience satisfying the requirements of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order 2005, as amended (the "**Financial Promotion Order**")), (2) which are persons satisfying the provisions of article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (3) which are not present in the United Kingdom or (4) which are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale

*of securities may lawfully be communicated or have the effect of being communicated (all such persons being referred to together as "**relevant persons**"). This Prospectus is intended solely for relevant persons and may not be utilised or relied on by non-relevant persons. Any investment or any investment activity relating to this Prospectus is reserved for authorised persons and may not be carried out other than by relevant persons.*

*In this Prospectus, any reference to "€", "**EURO**", "**EUR**" or "**euro**" means the currency that is legal tender in the member States of the European Union that have adopted the single currency introduced pursuant to the Treaty establishing the European Economic Community, as amended.*

Clause	Page
Risk Factors	6
Documents incorporated by reference	13
Terms and Conditions of the Notes	16
Use of Proceeds	28
Recent developments.....	29
Taxation.....	34
Subscription and Sale	36
General information.....	38
Person responsible for the information contained in the Prospectus	40

RISK FACTORS

The Issuer considers that the risk factors described below are important in taking any investment decision concerning the Notes and/or may affect its ability to fulfil its obligations to the investors under the Notes. The likelihood of such risks arising is difficult to predict and the Issuer is not in a position to make any statement as to whether such risks may or may not arise.

The following paragraphs set forth the main risk factors relating to the Issuer and the Notes which the Issuer considers, on the date of this Prospectus, as being material to the Notes. These risk factors are however not exhaustive. Other risk factors, unknown to the Issuer or not material on such date, may have a significant impact on an investment in the Notes. Furthermore, several combined or related risk factors as described below may arise concurrently.

Before making any decision to invest in the Notes, prospective investors are invited to carefully consider all of the information contained or incorporated by reference in this Prospectus, and in particular the risk factors set forth below. Specifically, prospective investors, subscribers and Noteholders must perform their own analysis and make their own assessment of all factors relevant to an investment in the Notes and the risks relating to the Issuer, its business, its financial position, the Group and the Notes. They are also invited to consult their own legal and financial advisers on the risks involved in an investment in the Notes and the suitability of such an investment having regard to their individual situation.

The Issuer considers that the Notes should only be acquired by investors that are financial institutions or other professional investors who are in a position to assess the specific risks relating to an investment in the Notes, or who are acting on the advice of a financial institution.

The order in which the following risk factors appear is not an indication of the likelihood of their occurrence.

Terms and expressions defined in the section "Terms and Conditions of the Notes" of this Prospectus shall have the same meanings when used below.

1. RISKS RELATING TO THE ISSUER

The risk factors relating to the Issuer and its business are described in sections 6.11 (pages 255 to 262) of the 2016 Registration Document incorporated by reference in this Prospectus, and concern:

1.1 Risks inherent in the operations of the Group

- Risks related to trends in the property market and the business climate
- Risks related to acquisitions
- Property development risks
- Risks relating to the REIT assets and business
- Risk of tenant and buyer insolvency
- Risks related to the appraisal of property assets
- Risks related to the Group's information systems

1.2 Legal, regulatory, tax and insurance risks

- Legal and regulatory risks

- Litigation risk
- Tax risks related to listed real estate investment company (SIIC) status
- Other tax risks
- Risks related to the cost and availability of insurance coverage

1.3 Social and environmental risks

- Social risks
- Environmental risks
- Risks linked to climate change
- Health and public-safety risks (asbestos, legionella, lead, classified facilities, etc.)

1.4 Risks related to the Issuer's financing policy and financial capacity

- Liquidity risk – borrowing capacity – compliance with bank covenants
- Interest rate and hedging risk
- Counterparty risk
- Equity risk
- Currency risk

1.5 Risks of conflict of interest

2. RISKS RELATING TO THE NOTES

2.1 An investment in the Notes may not be suitable for all investors

Each prospective investor must, based on his own analysis and with the assistance of any adviser he deems appropriate in the circumstances, determine the suitability of an investment in the Notes in light of his individual situation. In particular, each prospective investor should:

- (i) have knowledge and experience of transactions on the capital and bonds markets as well as a knowledge of the risks relating to an investment in the Notes ;
- (ii) take its decision after an in-depth study of the information contained or incorporated by reference in the Prospectus and the general information given in relation to the Notes ;
- (iii) have access to, and understand how to operate, appropriate systems for analysing, having regard to his individual situation and appetite for risk, an investment in the Notes and the effect that these may have on his investment portfolio as a whole;
- (iv) have sufficient financial resources and liquidity at its disposal to support the inherent risks of an investment in the Notes; and
- (v) be able to assess (alone or with the help of a financial adviser) potential changes in the economy, interest rates or any other factor that may affect its investment and ability to bear the risks involved.

Furthermore, certain prospective investors are subject to strict regulations with regard to investment. Such prospective investors should consult their legal advisers to determine whether they are permitted by law to invest in the Notes, whether an investment in the Notes is compatible with their other borrowings and whether other restrictions on purchasing the Notes are applicable to them.

2.2 General risks relating to the Notes

The Notes may be repurchased or redeemed early by the Issuer

The Issuer reserves the right to repurchase Notes at any price whatsoever, on the stock exchange or over the counter, in accordance with applicable laws and regulations. Although such operations do not impact on the scheduled timetable for redemption of the Notes remaining outstanding, they do however reduce the return on Notes that may be redeemed early, such return being lower than that of Notes redeemed at maturity.

Furthermore, in the event that the Issuer is obliged to pay additional amounts under the Notes by reason of a deduction or withholding tax, as provided in Condition 6 of the terms and conditions of the Notes, the Issuer may, and in certain circumstances shall, redeem all of the Notes in issue, in accordance with the terms of such Condition.

In addition, the Issuer may, at its option (i) redeem, in whole or in part, the outstanding Notes at any time prior to the Maturity Date, at the relevant make-whole redemption amount, as provided in Condition 4.3, (ii) redeem all, but not some only, of the outstanding Notes in the event that 80 per cent. or more of the initial aggregate principal amount of the Notes has been redeemed or purchased (and subsequently cancelled) by the Issuer, as provided in Condition 4.4 and (iii) from and including three (3) months prior to the Maturity Date to but excluding the Maturity Date, redeem all, but not some only, of the Notes outstanding at par plus accrued interest, as provided in Condition 4.5.

During a period when the Issuer may elect to redeem Notes, such Notes may feature a market value not above the price at which they can be redeemed. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received upon such early redemption may be lower than the purchase price paid for such Notes by the Noteholder where the purchase price was above par. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. However, the redeemed face amount of the Notes may not be below par. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than such redeemed Notes.

In particular, with respect to the redemption at the option of the Issuer when 80 per cent. or more of the principal amount of the Notes has been redeemed (as provided in Condition 4.4), there is no obligation on the Issuer to inform investors if and when the 80 per cent. threshold referred to therein has been reached or is about to be reached. The Issuer's right to redeem will exist notwithstanding that immediately prior to the publication of a notice in respect of the redemption at the option of the Issuer of the Notes under Condition 4.4, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

In addition, a partial redemption of the Notes may also adversely affect the liquidity of the remaining outstanding Notes.

The Notes may be redeemed early at the option of the Noteholders

Any Noteholder may, in the circumstances described in Conditions 4.2 and 9 of the terms and conditions of the Notes, at its option, request the early redemption of all or some of the Notes that it holds, at their nominal value plus, if relevant, accrued interest. The market in the Notes in respect of which such right of redemption has not been exercised, may become illiquid. Furthermore, investors requesting redemption of their Notes may

be unable to reinvest the funds received upon such early redemption at a level of return similar to that of the redeemed Notes.

Absence of negative pledge provision

The terms and conditions of the Notes do not include negative pledge provision. As a consequence, the Issuer is free to transfer the property of its assets or to grant any security interest on such assets in any circumstances. The Issuer may in particular incur any significant additional secured indebtedness, such indebtedness will rank senior to the other indebtedness of the Issuer to the extent of the security interest granted including to the Notes issued pursuant to this Prospectus.

The Notes may not be protected by restrictive covenants

The terms and conditions of the Notes contain certain financial covenants, limiting in particular the ability of the Issuer to incur additional secured debt or imposing it to comply with financial ratios. However, these restrictions are not applicable to the Issuer or are less restrictive if an Investment Grade Rating (as such terms are defined in the terms and conditions), as the case may be, is assigned to the Issuer. In such case, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to the Noteholders.

The limitation on secured debt of the Issuer could be less restrictive

The terms and conditions of the Notes contain a limitation on the secured debt of the Issuer. However, this restriction will be less restrictive if an Investment Grade Rating (as such terms are defined in the terms and conditions) is assigned to the Issuer. In such case, it is possible that the Issuer could enter into or be the subject of transactions that are potentially disadvantageous to the Noteholders.

Credit risk

Noteholders are exposed to Issuer credit risk. Credit risk means the risk of the Issuer being unable to fulfil its financial obligations under the Notes, resulting in a partial or total loss for the investor.

Change to the terms and conditions of the Notes

The Noteholders are automatically grouped together in a *Masse* to defend their common interests and may hold general meetings. The terms and conditions of the Notes provide that a defined majority of Noteholders may, in certain cases, bind the Noteholders collectively, including those who were not present or represented at the general meeting or those who voted contrary to the will of the majority.

The Noteholders' general meeting may also vote on any proposal involving a modification to the terms and conditions of the Notes, and in particular any proposal for a compromise or settlement concerning rights that have been in dispute or the subject of a court decision.

Change of applicable law

The terms and conditions of the Notes are governed by French law in force on the date of this Prospectus. No assurance can be given as to the consequences of any administrative or court decision or any change in French laws or regulations (or the general interpretation thereof) subsequent to the date of this Prospectus.

Taxation

Prospective buyers and sellers of Notes should be aware that they may have to pay taxes or duties and charges in accordance with the law and practices in force in jurisdictions in which the Notes are transferred or in other jurisdictions. In certain jurisdictions, there may be no official position of the tax authorities or any court

decisions concerning financial securities such as the Notes. Prospective investors are invited not to rely on the tax information contained in this Prospectus but to seek advice from their own tax adviser in light of their individual situation concerning the purchase, holding, transfer or redemption of the Notes. Such advisers alone are properly able to assess the individual situation of a prospective investor. These investment considerations must be read in conjunction with the information contained in the "Taxation" section of this Prospectus.

French insolvency law

The Noteholders are automatically grouped together in a *Masse* to defend their common interests. However, in accordance with French law on businesses in financial difficulty, creditor bondholders are automatically grouped in a single bondholder general meeting (the "**General Meeting**") to defend their common interests in connection with any safeguard procedure, accelerated safeguard procedure, accelerated financial safeguard procedure or judicial rehabilitation procedure commenced in France concerning the Issuer.

The General Meeting brings together all creditors holding bonds issued by the Issuer (including the Notes) whether or not such bonds were issued under a programme and irrespective of the governing law of the contract of issue.

The General Meeting considers the draft safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or rehabilitation plan being proposed for the Issuer and may agree to:

- increasing the burden on creditor bondholders (including the Noteholders) by granting of a payment grace period and/or a total or partial waiver of bond debt;
- the establishment of unequal treatment between creditor bondholders (including the Noteholders) as required under the circumstances; and/or
- conversion of the debt (including the Notes) into securities conferring or potentially conferring entitlement to share capital.

Decisions of the General Meeting are taken by two-thirds (2/3) majority vote (calculated proportionately to the amount of bond debt held by the bondholders having voted at such General Meeting). No quorum is required for the General Meeting to be held.

In such circumstances, the provisions relating to Noteholder representation described in the terms and conditions of the Notes of this Prospectus shall not apply to the extent that they conflict with the applicable mandatory provisions of the law on businesses in financial difficulty.

Potential Conflicts of Interest

Certain of the Managers (as defined under "Subscription and Sale" below) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Group and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer or other entities of the Group routinely hedge their credit exposure to the Issuer or, as the case may be, such other entities of the Group consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of

such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European financial transaction tax proposal

On 14 February 2013, the European Commission passed a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") to be implemented under the enhanced cooperation procedure in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). In March 2016, Estonia stated that it will not participate to the enhanced cooperation.

The proposed FTT has very broad scope and, if introduced, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. However, the issue and subscription of the Notes are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes provided that at least one party is a financial institution and one party to the transaction is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the Commission's Proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT

2.3 General market-related risks

Market value of the Notes

The market value of the Notes may be affected by the Issuer's creditworthiness and other additional factors, including prevailing interest rates.

The value of the Notes depends on inter-dependent factors, including economic, financial and political factors, in France or elsewhere, or indeed factors affecting the capital markets in general and the market on which the Notes are admitted to trading. The price at which a Noteholder may sell the Notes may be substantially less than the issue price or the purchase price paid by the Noteholder, as the case may be. If the Issuer's credit quality deteriorates, the value of the Notes may also fall and Noteholders selling their Notes prior to the Maturity Date may lose all or part of their investment.

Risks relating to lack of liquidity for the Notes on the secondary market

Once the Notes have been issued, a secondary market for the Notes may not become established and such a market may indeed never develop. If such a market develops, it may not be liquid. Accordingly, Noteholders may not be able to sell their Notes easily or at a price that would produce a return comparable to similar investments benefiting from a developed secondary market. Lack of liquidity may have an adverse effect on the market value of the Notes.

Foreign exchange risk

Payments of interest and repayments of principal will be made in Euros which may involve risk if the financial activities of a Noteholder are conducted principally in another currency. There is a risk that exchange rates may fluctuate significantly (in particular in the event of a devaluation of the euro or revaluation of the Noteholder's currency) or that the authorities of the investor's home state may modify their exchange controls. The relevant Noteholder may consequently receive a lesser amount of interest or repayment of principal than he had anticipated. A rise in the value of the Noteholder's currency relative to the Euro may also have the effect of decreasing the equivalent market value of the Notes in the currency of the Noteholder.

Interest rate

As the Notes bear interest at a fixed rate, any investment in the Notes involves a risk that significant future fluctuations in interest rate markets may have adverse consequences on the value of the Notes, in particular in the event of sale prior to maturity.

Market rates fluctuate daily, which would affect the value of the Notes of any Noteholder selling its Notes during a period when market rates are higher than the interest rate on the Notes.

Absence of rating

Due to the absence of a rating for the Notes or the long-term debt of the Issuer, it is not possible to assess the Issuer's capacity to meet its obligations with respect to the payment of interest and repayment of principal under the Notes. Investors should therefore rely on their own advisers' expertise to perform this analysis.

The upcoming exit of the United Kingdom from the European Union could adversely affect the value of the Notes

The United Kingdom held a referendum in 23 June 2016 the outcome of which was a majority of votes in favour of the exit from the European Union ("**Brexit**") and the United Kingdom Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. Negotiations will be initiated in order to determine the terms and conditions of the future relationship between the United Kingdom and the European Union, including the terms and conditions of the commercial trade arrangements between the United Kingdom and the European Union. The impact of the Brexit will depend on the agreement reached by the United Kingdom to maintain access to the market of the European Union, either during a transitional period or permanently. Brexit could adversely affect market and economic conditions at the European and the global level and may contribute to the instability of financial markets and international exchange markets, including volatility of the British pound or the Euro. Furthermore, Brexit may lead to legal uncertainty and to laws and regulations which may differ as it will be for the United Kingdom to determine those rules of the European Union which are to be abrogated or replaced. Each of these events as well as others which are not anticipated at this stage may adversely affect the value of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and interpreted in conjunction with the following documents, which are incorporated by reference into this Prospectus and deemed to form an integral part thereof:

- the sections referred to in the table below included in the 2015 registration document of the Issuer in the French language filed on 24 March 2016 with the *Autorité des marchés financiers* under number D.16-0201 (the "**2015 Registration Document**" or "**RD 2015**")¹; and
- the sections referred to in the table below included in the 2016 registration document of the Issuer in the French language filed on 10 March 2017 with the *Autorité des marchés financiers* under number D.17-0144 (the "**2016 Registration Document**" or "**RD 2016**")².

For as long as any Notes remain in issue, copies of documents incorporated by reference are available (i) on the websites of the Issuer (www.altareacogedim.com) and the *Autorité des marchés financiers* (www.amf-france.org) and (ii) for inspection and may be obtained, free of charge, at the registered office of the Issuer (8, avenue Delcassé – 75008 Paris – France) or at the specified office of the Fiscal Agent (CACEIS Corporate Trust – 1-3, place Valhubert – 75013 Paris – France) during normal office opening hours, as specified in the "*General Information*" section below.

Information incorporated by reference in this Prospectus should be read in conjunction with the correlation table below. Any information not referred to in such correlation table but included in the documents incorporated by reference in this Prospectus is given for information purposes only but is not incorporated by reference in this Prospectus. Accordingly, the certificates of the person responsible for the registration document set forth in the 2015 Registration Document and the 2016 Registration Document are not incorporated by reference in this Prospectus.

Information incorporated by reference Schedule IX of European regulation 809/2004/EC	Reference
1. Persons responsible	RD 2016, p. 236, 6.1.1. Person responsible for the registration document
2. Risk factors	RD 2016, p. 255 to 262, 6.11. Risk factors
3. Information relating to the Issuer	
<u>3.1 History and development</u>	
3.1.1 Company name, trading name	RD 2016, p. 237, 6.2.1.1. Company name
3.1.2 Place and number of registration	RD 2016, p. 238, 6.2.1.7. Trade and companies registry
3.1.3 Date of incorporation, term	RD 2016, p. 238, 6.2.1.5. Date of incorporation and term
3.1.4 Registered office, legal form, governing law and country of origin	RD 2016, p. 237 and 238, 6.2.1.2. Legal form-governing law; 6.2.1.3. Specific applicable legislation; 6.2.1.4. Registered office

¹ An English translation of the RD 2015 and RD 2016 is available for information on the Issuer's website (www.altareacogedim.com).

² An English translation of the RD 2015 and RD 2016 is available for information on the Issuer's website (www.altareacogedim.com).

Information incorporated by reference Schedule IX of European regulation 809/2004/EC	Reference
3.1.5 Recent events	RD 2016, p. 253, 6.8. Recent events and litigation; p.130, 10.2. Contingent liabilities; p.130, 11. Post-closing events
4. Business overview <u>4.1 Principal activities</u> 4.1.1 Principal activities 4.1.2 Competitive environment	 RD 2016, p. 53 to 61, 2.2.1 Business review RD 2016, p. 254, 6.10. Competitive environment
5. Structure chart	RD 2016, p. 105 to 107, 4.2 Principal Subsidiaries; p.263, 6.12. Simplified flowchart at 31 December 2016
6. Information on trends	RD 2016, p. 51 to 52, 2.1.1.2. Market trends and Group's strategy RD 2016, p. 254, 6.9. Information that could affect Altarea's business or profitability
7. Profit forecasts or estimates	N/A
8. Management, administration and supervisory bodies <u>8.1 Information concerning administrative and management bodies</u> <u>8.2 Conflicts of interest</u>	RD 2016, p. 268 to 274, 7.1. Composition and practices of the administrative, management and supervisory bodies RD 2016, p. 281, 7.3 Absence of conflicts of interest
9. Main shareholders <u>9.1 Share ownership and control</u> <u>9.2 Agreements whose implementation may bring about a change of control</u>	RD 2016, p. 247 and 248, 6.2.2.8. Current ownership of share capital and voting rights Not applicable
10. Financial information relating to the assets, financial position and results of the Issuer <u>Verified consolidated financial information for the financial year ending on 31 December 2015</u> <ul style="list-style-type: none"> • Balance sheet • Income statement 	 RD 2015, p. 73 RD 2015, p. 78

Information incorporated by reference Schedule IX of European regulation 809/2004/EC	Reference
<ul style="list-style-type: none"> • Notes • Statutory auditor's report <p><u>Verified consolidated financial information for the financial year ending on 31 December 2016</u></p> <ul style="list-style-type: none"> • Balance sheet • Income statement • Notes • Statutory auditor's report 	<p>RD 2015, p. 79 to 140, 3.6. Notes to the consolidated financial statements</p> <p>RD 2015, p. 142 and 143, 3.8. Statutory auditor's report on the consolidated financial statements</p> <p>RD 2016, p. 80 and 81</p> <p>RD 2016, p. 82 and 83</p> <p>RD 2016, p. 88 to 130, 3. Notes to the consolidated financial statements</p> <p>RD 2016, p. 132 and 133, 3.8 Statutory auditor's report on the consolidated financial statements</p>
11. Material contracts	RD 2016, p. 125
12. Information from third parties, experts' statements and disclosures of interest	Not applicable
13. Legal and arbitration proceedings	RD 2016, p.130, 10.2 Contingent liabilities and p. 282, 7.6 Legal and arbitration proceedings

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the "**Conditions**") are as follows:

The Notes are issued in an aggregate nominal amount of € 500,000,000 bearing interest at a rate of 2.250% per annum and maturing on 5 July 2024 (the "**Notes**") by Altarea (the "**Issuer**") pursuant to a decision of Altafi 2, co-manager of the Issuer, dated 28 June 2017. The Supervisory Board of the Issuer dated 21 February 2017 issued a favourable opinion on a financing amount to be agreed by the management board in which this issue is included.

A fiscal agency agreement in respect of the Notes (the "**Fiscal Agency Agreement**") will be entered into on 3 July 2017 between the Issuer and CACEIS Corporate Trust, acting as fiscal agent, paying agent, early redemption agent, determination agent and calculation agent (the "**Fiscal Agent**", "**Paying Agent**", "**Early Redemption Agent**", "**Determination Agent**" and "**Calculation Agent**", such expressions including, where the context so permits, any other fiscal agent, paying agent, early redemption agent, determination agent or calculation agent as may subsequently be appointed).

Any reference in these Conditions to "**Noteholders**" is a reference to the holders of the Notes.

Any reference in these Conditions to a "**Condition**" is a reference to the Conditions as numbered below.

1. FORM, NOMINAL VALUE AND TITLE

The Notes are issued in dematerialised bearer form with a nominal value of €100,000 each. Title to the Notes shall be evidenced by book entry, in accordance with articles L.211-3 et seq. of the French *Code monétaire et financier*. No physical document of title to the Notes (including certificates of title (*certificats représentatifs*) as provided in article R.211-7 of the French *Code monétaire et financier*) shall be delivered in respect of the Notes.

Upon issue, the Notes shall be inscribed in book entry form in the books of Euroclear France ("**Euroclear France**") which shall credit the relevant accounts of the Account Holders. For the purposes hereof, "Account Holder" means any intermediary authorised to hold securities accounts, directly or indirectly, on behalf of its clients with Euroclear France, Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Title to the Notes shall be evidenced by entry in an account in the books of the Account Holders and transfers of Notes may only be made by book entry.

2. STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking equally and rateably among themselves and (subject to mandatory provisions of French law) equally and rateably with all other unsubordinated and unsecured (*chirographaires*) obligations, present or future, of the Issuer.

3. INTEREST

The Notes shall bear interest from 5 July 2017 (inclusive) (the "**Issue Date**") to 5 July 2024 (exclusive) (the "**Maturity Date**") at a rate of 2.250% *per annum*, payable annually in arrear on 5 July of each year (each an "**Interest Payment Date**"). The first interest payment shall be made on 5 July 2018 for the period commencing on the Issue Date (inclusive) up to 5 July 2018 (exclusive).

Each Note shall cease to bear interest as from the date of its redemption, unless payment of the principal is unduly refused or withheld, in which case the relevant Note shall continue to bear interest at a rate of 2.250%

per annum (both before and after judgment) until the date (exclusive) on which all amounts due in respect of the relevant Note have been received by or on behalf of the relevant Noteholder.

The amount of interest due on each Note shall be calculated by reference to the aggregate nominal value of Notes held by each Noteholder, the amount of such payment being rounded up or down to the second (2nd) nearest decimal place (halves being rounded to the nearest higher decimal place).

Interest shall, where the relevant calculation relates to a period of less than one year, be calculated on an actual/actual basis for each period, namely based on the actual number of days falling in the relevant interest period divided by 365 (or 366 in the case of a leap year), the result being rounded up or down to the second (2nd) nearest decimal place (halves being rounded to the nearest higher decimal place).

4. REDEMPTION AND REPURCHASE

The Notes may not be redeemed other than in accordance with the terms of this Condition 4 or Conditions 6, 8 or 9 below.

4.1 Final redemption

Unless previously redeemed in full or repurchased and cancelled in accordance with this Condition 4 or Conditions 6, 8 or 9 below, the Notes shall be redeemed in full at their nominal value on the Maturity Date.

4.2 Early redemption at the option of the Noteholders in the event of a Change of Control

In the event of a Change of Control (as defined below), any Noteholder may, at its option, request the early redemption of all or any of the Notes that it holds, at their nominal value plus, if relevant, interest accrued since the last Interest Payment Date (inclusive) (or, if relevant, since the Issue Date (inclusive)) up to the specified early redemption date (excluded) (the "**Early Redemption Date**").

If a Change of Control occurs, the Issuer shall notify the Noteholders accordingly by publishing a notice (the "**Change of Control Notice**") in accordance with Condition 11 below, at the latest within thirty (30) calendar days following the effective date of the Change of Control. The Change of Control Notice shall remind the Noteholders of their option to request early redemption of all or any of their Notes and shall specify (i) the Early Redemption Date, which must fall between the twenty fifth (25th) and the thirtieth (30th) Business Day following the date of publication of the Change of Control Notice, (ii) the redemption amount and (iii) the period, being of at least fifteen (15) Business Days as from the date of publication of the Change of Control Notice, during which requests for early redemption of the Notes and the related Notes must reach the Early Redemption Agent.

In order to obtain early redemption of their Notes, Noteholders must apply in writing to the Early Redemption Agent by means of a duly signed early redemption request, the form of which may be obtained from the Early Redemption Agent (an "**Early Redemption Request**"). All Early Redemption Requests shall be irrevocable as from the date of their receipt by the Early Redemption Agent.

Early Redemption Requests must reach the Early Redemption Agent and the related Notes must be transferred to the Early Redemption Agent through the intermediary of its Account Holder by the fifth (5th) Business Day prior to the Early Redemption Date at the latest.

The date of the Early Redemption Request shall be the Business Day upon which the last of the conditions (a) and (b) below is satisfied, by 17.00 (Paris time) at the latest or, if satisfied after 17.00 (Paris time), on the following Business Day:

- (a) the Early Redemption Agent has received the Early Redemption Request transmitted by the financial intermediary in whose books the Notes are credited;

(b) the Notes have been transferred to the Early Redemption Agent by the Account Holder.

For the purposes of this Condition:

"**ABP**" means the Dutch pension fund Stichting Pensioenfond ABP, c/o APG Algemene Pensioen Groep N.V., P.O. Box 75753, 1118 ZX, Schiphol, Pays-Bas and any subsidiary of such pension fund.

"**Altafi 2**" means the simplified limited liability company with a single shareholder ("*société par actions simplifiée à associé unique*"), whose registered office is at 8, avenue Delcassé – 75008 Paris – France, registered at the Trade and Companies registry of Paris under number 501 290 506.

"**AltaGroupe**" means the simplified limited liability company ("*société par actions simplifiée*"), whose registered office is at 8, avenue Delcassé – 75008 Paris – France, registered at the Trade and Companies registry of Paris under number 501 031 751.

"**Authorised Investor**" means any third party with a credit rating of at least A- by S&P or any equivalent rating attributed by any other leading credit rating agency.

"**Change of Control**" means any of the following events:

- (i) a third party, other than the Reference Shareholders, comes to hold at any time, directly or indirectly, either acting alone or in concert, Control of the Issuer or (whilst the Issuer continues to exist in the form of a limited liability partnership with shares ("*société en commandite par actions*") of the general partner ("*l'associé commandité*") of the Issuer, unless such third party is an Authorised Investor; or;
- (ii) the Issuer ceases, directly or indirectly, to hold at least 95 % of the share capital and voting rights in Foncière Altaarea.

"**Control**" (or any term derived from "**Control**") has the meaning ascribed to it within article L.233-3 I. of the French Code de commerce.

"**Foncière Altaarea**" means the simplified limited company (*société par actions simplifiée*), whose registered office is at 8, avenue Delcassé – 75008 Paris – France, registered at the Trade and Companies registry of Paris under number 353 900 699.

"**Reference Shareholder(s)**" means, together or individually, AltaGroupe, Predica and ABP.

"**Predica**" means the limited liability company (*société anonyme*) whose registered office is at 50-56, rue de la Procession – 75015 Paris – France, registered at the Trade and Companies registry of Paris under number 334 028 123.

"**S&P**" means Standard & Poors Ratings Services or any of its successors thereto of subsidiaries thereof.

In these Conditions, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open in Paris and which is a day on which the TARGET System (as defined below) is operating.

4.3 Make-whole Redemption by the Issuer

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than thirty (30) nor less than fifteen (15) calendar days' notice to the Noteholders and the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11 (*Notices*), redeem, in whole or in part, the Notes at any time prior to their Maturity Date (the "**Make-whole Redemption Date**") at an amount per Note calculated by the Calculation Agent (as defined

below) and equal to an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) and being the greater of:

(a) 100 per cent. of the principal amount of the Notes so redeemed; or

(b) the sum of the then current values on the Make-whole Redemption Date of (i) the principal amount of the Notes and (ii) the remaining scheduled payments of interest of the Notes for the remaining term of the Notes (determined on the basis of the interest rate applicable to such Notes from but excluding, the Make-whole Redemption Date), discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of calendar days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.35 per cent. *per annum*,

plus, in each case (a) or (b) above, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 9.

Where:

Reference Rate means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth (4th) Business Day (as defined in Condition 5(b)) preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time (“**CET**”)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer, at 11.00 a.m. (CET) on the third (3rd) Business Day (as defined in Condition 5(b)) preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

In the case of a partial redemption of Notes pursuant to this Condition 4(c), the redemption will be effected by reducing the nominal amount of the Notes in proportion to the aggregate nominal amount redeemed subject to compliance with any applicable laws and regulated market or stock exchange requirements.

“Reference Benchmark Security” means the OAT (*obligation assimilable du Trésor*) bearing interest at a rate of 2.25 per cent. *per annum* due May 2024, with ISIN FR0011619436.

“Reference Dealers” means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

“Similar Security” means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to establish the amount due in relation to this Condition 4.3, the Issuer shall appoint some other leading bank engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4.3 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

4.4 Clean-Up Call

In the event that 80 per cent. or more of the initial aggregate principal amount of the Notes (including any assimilated Notes issued pursuant to Condition 13) has been redeemed or purchased (and subsequently cancelled) by the Issuer, the Issuer may, at its option but subject to having given not more than sixty (60) nor less than thirty (30) calendar days' notice to the Noteholders and the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11, redeem all, but not some only, of the outstanding Notes at their principal amount together with any interest accrued to, but excluding, the date fixed for redemption.

4.5 Residual Maturity Call Option by the Issuer

The Issuer may, at its option, from and including 5 April 2024 to but excluding the Maturity Date, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders and the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11, redeem all, but not some only, of the outstanding Notes, at their principal amount plus accrued interest up to, but excluding, the date fixed for redemption.

4.6 Repurchase of Notes

The Issuer may at any time purchase Notes, at any price whatsoever, on or off the stock market (including via a public offer), in accordance with applicable laws and regulations.

All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be held or cancelled in accordance with applicable laws and regulations.

Notes purchased by the Issuer may be held in accordance with article L.213-1-A of the French *Code monétaire et financier* to provide liquidity for the Notes, provided however that the Issuer may not hold the Notes for a period exceeding one (1) year from the date of their purchase in accordance with article D.213-1-A of the French *Code monétaire et financier*.

4.7 Early redemption for tax reasons

The Notes may and, in certain cases, shall be redeemed prior to the Maturity Date in the event of a change in tax regime, as provided in Condition 6 below.

4.8 Cancellation

Notes redeemed or purchased and cancelled in accordance with Condition 4.6 above shall be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France. Cancelled Notes may not be re-issued or re-sold and the Issuer shall be released from all of its obligations in respect of such Notes.

5. PAYMENTS

5.1 Payment method

Payment of principal and interest due on the Notes shall be made in Euros by credit or transfer to an account denominated in Euros (or any other account that may be credited or accept transfers in Euros) as specified by the beneficiary in a city where banks have access to the trans-European automated real-time gross settlement express transfer system using a single and shared platform (TARGET2) (the "**TARGET System**") or any other system by which it is replaced.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream, Luxembourg).

Payments shall be made subject to all tax or other applicable laws and regulations, without prejudice to the provisions of Condition 6 below. No fees or expenses shall be borne by the Noteholders in respect of such payments.

5.2 Payments on Business Days

If the date for payment of any amount of principal or interest in respect of a Note is not a Business Day, the Noteholder shall not be entitled to payment of such amount until the first (1st) following Business Day and shall not be entitled to interest or any other additional amount by reason of such delay.

5.3 Fiscal Agent, Paying Agent, Early Redemption Agent, Determination Agent and Calculation Agent

The initial Fiscal Agent, Paying Agent, Early Redemption Agent, Determination Agent and Calculation Agent and their specified office, are as follows:

CACEIS Corporate Trust

1-3, place Valhubert

75013 Paris

France

The Issuer reserves the right at any time to amend or terminate the mandate of the Fiscal Agent, Paying Agent and/or the Early Redemption Agent and/or the Determination Agent and/or the Calculation Agent and/or to appoint any other Fiscal Agent, Paying Agent, Early Redemption Agent, Determination Agent or Calculation Agent or additional Paying Agents, subject to giving the Noteholders no more than forty five (45) calendar days and no less than thirty (30) calendar days prior notice, in accordance with Condition 11 below, and provided that there shall at all times be (i) a Fiscal Agent, an Early Redemption Agent, a Determination Agent and a Calculation Agent with an office in a city in a member State of the European Union and (ii) for so long as the Notes are admitted to trading on the Euronext Paris regulated market, a Paying Agent with an office in a city in a member State of the European Union and providing the fiscal agency service in France.

Notice of any change of Fiscal Agent, Paying Agent, Early Redemption Agent, Determination Agent or Calculation Agent shall be given to the Noteholders in accordance with the provisions of Condition 11 below.

6. TAXATION

- (a) All payments of principal and interest in respect of the Notes made by or on behalf of the Issuer shall be made without any withholding or deduction in respect of duties or taxes of any kind, imposed, levied or collected by or on behalf of any governmental authority, unless such withholding or deduction is required by law.
- (b) If under French law, the payments of principal or interest relating to the Notes are subject to any deduction or withholding in respect of any assessments or tax of whatever nature, present or future, the Issuer undertakes to pay, to the fullest extent permitted by law, such additional amounts as will ensure that the Noteholders receive, the full amount paid to them under the Notes in the absence of such deduction or withholding, unless where the payments of interest and/or principal to be paid to the Noteholder in respect of the Notes are subject to tax by reason of his having some connection with France other than the mere holding of the Notes.

It is however specified that if the obligation to make such additional payments is the result of a change in French law, or of a change in the application or interpretation of French law occurring after the Issue Date, and if such obligation cannot be avoided by the Issuer taking reasonable measures, the Issuer may at any time redeem early, but no earlier than thirty (30) calendar days prior to the date the change is due to take effect, all of the Notes then outstanding, at their nominal value together with, if relevant, interest accrued up to the specified redemption date.

- (c) If the Issuer is obliged to make additional payments in accordance with the provisions of paragraph (b) above and the payment of such amounts is or becomes prohibited under French law, and if the obligation to make such additional payments cannot be avoided by the Issuer taking reasonable measures, then the Issuer shall be obliged to redeem all Notes remaining outstanding in full, at their nominal value together with, if applicable, interest accrued up to the specified redemption date, no earlier than thirty (30) calendar days prior to the date the change referred to in paragraph (b) above is due to take effect and no later than the date on which such additional payments are required to have been made.
- (d) If the Notes are to be redeemed in accordance with the provisions of paragraph (b) above, the Issuer shall publish or cause to be published a notice of redemption, in accordance with the provisions of Condition 11 below, no earlier than sixty (60) calendar days and no later than thirty (30) calendar days prior to the date specified for redemption. If the Notes are to be redeemed in accordance with the provisions of paragraph (c) above, the Issuer shall publish or cause to be published a notice of redemption, in the same manner, no earlier than sixty (60) calendar days and no later than seven (7) calendar days prior to the date specified for redemption.

7. PRESCRIPTION OF CLAIMS

All claims against the Issuer concerning the payment of principal or interest due under the Notes shall be prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) after their respective due dates.

8. EVENTS OF DEFAULT

Any Noteholder may, upon written notice addressed to the Issuer (with a copy to the Fiscal Agent) before the relevant breach has been remedied, declare immediately due and payable all, but not some only, of the Notes held by such Noteholder at their nominal value together with, if applicable, interest accrued since the last Interest Payment Date (inclusive) (or, as the case may be, since 5 July 2017 (inclusive)) until the actual date of redemption (exclusive):

- (a) in the event of a failure to pay any amount, whether of principal or interest, payable by the Issuer under any Note within fifteen (15) Business Days of the due date for such payment; or
- (b) in the event of a breach by the Issuer of any other obligation under the Conditions (other than the financial covenants referred to in (i) and (ii) of Condition 9.1 below), unless such breach is remedied within a period of thirty (30) Business Days of receipt by the Issuer of written notice of such breach; or
- (c) in the event of a winding up, liquidation, merger, spin-off or absorption of the Issuer before the Notes are redeemed in full, except in the case of a merger where the Issuer is the surviving entity or in the case of a winding up, liquidation, merger, spin-off or absorption following which all of the obligations of the Issuer under the Notes are transferred to its successor legal entity; or
- (d) a judgment is entered ordering the judicial rehabilitation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) or total disposal (*cession totale*) of the business of the Issuer or any of its Principal Subsidiaries or in the event that, to the extent permitted by law, any similar proceedings are commenced with respect to the Issuer or any of its Principal Subsidiaries; or
- (e) (i) in the event that any indebtedness for borrowed money, existing or future, of the Issuer or any of its Principal Subsidiaries in an amount exceeding twenty million euros (€20,000,000) (or its equivalent in any other currency), whether individually or in aggregate, is declared due and payable early by reason of a default by the Issuer or any of its Principal Subsidiaries under the terms of such borrowing, or (ii) in the event that any such borrowing is not paid on its due date or, if relevant, on

expiry of any applicable grace period, unless in each case the Issuer contests such payment (or the due date or early maturity thereof) in good faith and by appropriate proceedings.

For the purposes of this Condition, the term "**Principal Subsidiaries**" means any subsidiary of the Issuer within the meaning of article L.233-1 of the French *Code du commerce* or any entity controlled, directly or indirectly, by the Issuer within the meaning of article L.233-3 of the French *Code du commerce* the value of whose assets (on a consolidated or non-consolidated basis) represents at least five per cent (5%) of the Current Asset Value (as defined in Condition 9 below).

9. FINANCIAL COVENANTS

- 9.1. If the Issuer fails to comply with any of the financial covenants referred to in (i) and (ii) below, any Noteholder may, at its option, request the early redemption of all or any of the Notes that it holds, at their nominal value together with, if relevant, interest accrued since the last Interest Payment Date (inclusive) (or, as the case may be, since 5 July 2017 (inclusive)) up to the date of early redemption (exclusive).

The Issuer undertakes, until all of the Notes have been redeemed in full, to comply with the following financial covenants on a half-yearly basis and to deliver a certificate ("**Certificate of Compliance**") to the Early Redemption Agent (with a copy to the Fiscal Agent and the Representative), duly signed by a legal representative of the Issuer, within one hundred and fifty (150) calendar days at the latest of the end of the relevant financial year or within ninety (90) calendar days at the latest of the end of the relevant half-year, as the case may be, certifying compliance with such financial covenants:

- (i) maintain a Consolidated LTV (as defined below) ratio of less than or equal to sixty per cent (60%) ; and
- (ii) maintain a Consolidated ICR³ (as defined below) ratio of greater than or equal to two (2).

Until all of the Notes have been redeemed in full, if (x) for any reason whatsoever, the Early Redemption Agent has not received the Certificate of Compliance from the Issuer or (y) if such Certificate of Compliance shows that at least one of the above-mentioned financial covenants has not been complied with by the Issuer based on the Issuer's latest consolidated annual or consolidated half-yearly accounts, as the case may be, then the Early Redemption Agent shall send a notice to such effect as soon as possible to the Noteholders in accordance with Condition 11.

In order to obtain early redemption of their Notes, the Noteholders shall apply in writing to the Early Redemption Agent by means of a duly signed early redemption request, the form of which may be obtained from the Early Redemption Agent. Any such request shall be irrevocable as from the date of its receipt by the Early Redemption Agent.

The relevant Notes must be transferred to the Early Redemption Agent through its Account Holder by the fifth (5th) Business Day at the latest after the date of such early redemption request. Early redemption of the relevant Noteholder's Notes shall take place by the tenth (10th) Business Day at the latest after the date of receipt by the Early Redemption Agent of such early redemption request.

For the purposes of these Conditions:

"**Consolidated ICR**" means, on any date, the ratio between (a) Consolidated EBITDA and (b) Net Finance Costs, as specified in the registration document (*document de référence*) of the Issuer filed with the *Autorité des marchés financiers*, in the case of the annual consolidated accounts, and in the management report reviewed by the Issuer's statutory auditors, in the case of the half-yearly consolidated accounts, where:

³ As at 31 December 2016, the Consolidated ICR of the Issuer is equal to 7.4 and the Consolidated LTV of the Issuer is 37.2%

- (a) "**Consolidated EBITDA**" means, for a given period, the amount specified under the heading "*Operating results*" ("*Résultat opérationnel*") (in the column "*FFO*") appearing in the Group's annual or half-yearly consolidated accounts; and
- (b) "**Net Finance Costs**" means, for a given period, the amount specified under the heading "*Net cost of debt*" ("*Coût de l'endettement net*") (in the column "*FFO*") appearing in the Group's annual or half-yearly consolidated accounts.

"**Group**" means the Issuer and its consolidated subsidiaries.

"**Consolidated LTV**" means, on any date:

- (a) the ratio appearing as such in the Issuer's latest management report, or
- (b) failing which, the ratio between (i) the Net Financial Debt and (ii) the Current Asset Value (provided however that for any subsidiaries in which the Issuer does not hold, directly or indirectly, 100% of the share capital, the value of the assets belonging to such company shall only be taken into account for the purposes of calculating the Consolidated LTV ratio to the extent that and in the same proportion as such subsidiary is consolidated for accounting purposes as shown in the Group's annual and half-yearly consolidated accounts); with regard to the Group, this ratio is specified in the registration document of the Issuer filed with the *Autorité des marchés financiers*, in the case of the annual consolidated accounts, and in the management report reviewed by the Issuer's statutory auditors, in the case of the half-yearly consolidated accounts, where:
 - (x) "**Gross Financial Debt**" means, on any date, the sum of the amounts specified under the headings "*Bond issuances*" ("*Emprunt Obligataires*") and "*Borrowings and financial debt with credit institutions*" ("*Emprunts et dettes financières auprès d'établissement de crédit*") under the heading "*Non-current borrowings and financial liabilities*" ("*Emprunts et dettes financières à plus d'un an*") and the amount specified under the headings "*Bond issuances*" ("*Emprunt Obligataires*"), "*Borrowings and financial debt with credit institutions (excluding overdrafts)*" ("*Emprunt et dettes financières auprès des établissements de crédit (hors trésorerie passive)*") and "*Bank facilities (overdrafts)*" ("*concours bancaires (trésorerie passive)*") under the heading "*Non-current borrowings and financial debt (less than one year)*" ("*Emprunts et dettes financières à moins d'un an*") in the Group's annual or half-yearly consolidated accounts;
 - (y) "**Net Financial Debt**" means, on any date, the amount of the Issuer's Gross Financial Debt, less amounts specified under the heading "*Cash and cash equivalents*" ("*Trésorerie et équivalent de trésorerie*") in the Group's annual or half-yearly consolidated accounts; and
 - (z) "**Current Asset Value**" means the sum (i) for completed real estate assets held with full legal title, of the market value of such real estate assets as determined, in the latest appraisal reports dated no more than six (6) months, by independent experts (market value being determined inclusive of duties and exclusive of all other transaction expenses), (ii) for real estate assets in the process of development and/or completion, held with full legal title, of the book value of such real estate assets entered on the balance sheet of the owner entity, as appearing in the latest available half-yearly or annual accounts, and (iii) for non-real estate assets of which the relevant entity is the owner, of the market value of such assets, as determined by any external expert authorised to issue fairness opinions under the *Autorité des Marchés Financiers*' regulations (such value to fall within the valuation range determined by such expert).

- 9.2. If an Investment Grade Rating is, and continues to be, assigned to the Issuer, Condition 9.1 will no longer apply from the date of assignment of such Investment Grade Rating to the Issuer. For the avoidance of doubt, if, following the assignment of an Investment Grade Rating to the Issuer, an Investment Grade Rating is no longer assigned to the Issuer, Condition 9.1 will apply again from the date on which the Investment Grade Rating is no longer assigned to the Issuer.

"Fitch" means Fitch Ratings (or any of its successors or affiliates).

"Investment Grade Rating" means (i) a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch, and provided that (ii) no rating assigned is below BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch, and provided further that (iii) only ratings published by the rating agencies referred to in (i) and (ii) above shall be taken into account.

"Moody's" means Moody's Investors Service Ltd (or any of its successors or affiliates).

"Standard & Poor's" means Standard & Poor's Rating Services (or any of its successors or affiliates).

The Issuer shall notify promptly to the Representative and the Fiscal Agent any assignment or withdrawal, as the case may be, of an Investment Grade Rating to the Issuer.

10. LIMITATION ON SECURED DEBT

- 10.1. For as long as any Notes remain outstanding and no Investment Grade Rating has been assigned to the Issuer, the Issuer shall at all times ensure that the Unsecured Net Asset Value (as defined below) is at no time less than one hundred and twenty per cent (120%) of Relevant Debt, unless the prior consent of the Noteholders in general meeting is obtained (the **"Initial Limitation on Secured Debt"**).
- 10.2. If an Investment Grade Rating is, and continues to be, assigned to the Issuer, the Initial Limitation on Secured Debt will no longer apply from the date of assignment of such Investment Grade Rating to the Issuer, and from such date, the Amended Limitation on Secured Debt (as defined below) will apply. For the avoidance of doubt, if, following the assignment of an Investment Grade Rating to the Issuer, an Investment Grade Rating is no longer assigned to the Issuer, the Initial Limitation on Secured Debt will apply again from the date on which the Investment Grade Rating is no longer assigned to the Issuer.

If the **"Amended Limitation on Secured Debt"** applies, the Issuer shall at all times ensure that the Unsecured Net Asset Value (as defined below) is at no time less than one hundred per cent. (100%) of the Relevant Debt, unless the prior consent of the Noteholders in general meeting is obtained.

The Issuer shall notify promptly to the Representative and the Fiscal Agent any assignment or withdrawal, as the case may be, of an Investment Grade Rating to the Issuer.

- 10.3 The Issuer undertakes, until all of the Notes have been redeemed in full, to deliver a certificate to the Determination Agent (the **"Certificate"**) within one hundred and fifty (150) calendar days at the latest following the end of the relevant financial year or within ninety (90) calendar days at the latest of the end of the relevant half-year, as the case may be, certifying compliance with such undertaking and specifying the Unsecured Net Asset Value.

Until all of the Notes have been redeemed in full, if (i) for any reason whatsoever, the Determination Agent has not received the Certificate from the Issuer or (ii) if such Certificate shows that the above-mentioned undertaking has not been complied with by the Issuer based on the Issuer's latest consolidated annual or consolidated half-yearly accounts, as the case may be, then the Determination Agent shall send a notice to such effect as soon as possible to the Noteholders in accordance with Condition 11.

For the purposes of this Condition:

"**Unsecured Net Asset Value**" means the Current Asset Value, less debt with credit institutions secured by the following :

- mortgages (*hypothèques*);
- mortgage options (*promesses d'hypothèques*);
- lender's liens (*privilège du prêteur de denier*);
- pledges without asset security (*nantissements sans sûretés réelles*),

as shown in the breakdown in the notes to the Group's consolidated accounts.

"**Relevant Debt**" means Net Financial Debt, less debt with credit institutions secured by the following:

- mortgages (*hypothèques*);
- mortgage options (*promesses d'hypothèques*);
- lender's liens (*privilège du prêteur de denier*);
- pledges without asset security (*nantissements sans sûretés réelles*);

as shown in the breakdown in the notes to the Group's consolidated accounts.

11. NOTICES

All notices or opinions intended for the Issuer shall be delivered for the attention of Mr Eric Dumas, Chief Financial Officer of the Issuer, at the following address: 8, avenue Delcassé – 75008 Paris – France.

All notices to the Noteholders shall be valid if delivered to Euroclear France and published on the Issuer's website (www.altareacogedim.com).

All notices to Noteholders shall be deemed to have been given on the date of delivery to Euroclear France or, if earlier, the date of publication on the Issuer's website.

12. REPRESENTATION OF NOTEHOLDERS

Pursuant to articles L.228-46 et seq. of the French *Code du commerce*, Noteholders are automatically grouped together in a *masse* (the "**Masse**") to defend their common interests. The Masse shall be governed by the above-mentioned provisions of the French *Code du commerce*.

The Masse shall have separate legal personality and act in part through the intermediary of a representative (the "**Representative**") and in part through the intermediary of the Noteholders in general meeting.

Pursuant to article R.228-71 of the French *Code du commerce*, each Noteholder's right to participate at Noteholders' general meetings shall be evidenced by entry in an account, in its name, of its Notes in the books of the relevant Account Holder by midnight (Paris time) on the second (2nd) Business Day before the date set for the general meeting.

The initial Representative of the Masse is:

MASSQUOTE S.A.S.U.
Represented by its Chairman
33, rue Anna Jacquin

92100 Boulogne Billancourt
France

The alternate Representative of the Masse (the "**Alternate Representative**") is:

Gilbert Labachotte
8 Boulevard Jourdan
75014 Paris
France

The Alternate Representative shall replace the initial Representative if it has resigned or is prevented from performing its functions. In the event of death, resignation or dismissal of the Alternate Representative, his replacement(s) shall be elected by the Noteholders in general meeting.

The Representative shall be paid, in relation to the Notes, a fee of five hundred euros (500 €) (excluding taxes) *per annum*, payable on each Interest Payment Date up to 5 July 2023 (inclusive) and for the first time on 5 July 2017. The Representative shall perform his functions until he resigns, is dismissed by the Noteholders in general meeting or his position becomes incompatible. His appointment shall automatically cease on the Maturity Date or on the date of early redemption of all of the Notes.

All interested Noteholders may at any time obtain details of the names and addresses of the initial Representative and the Alternate Representative, at the Issuer's registered office or front office of any Paying Agent.

13. FUNGIBLE ISSUES

The Issuer may, without the consent of the Noteholders, issue other notes that are fungible with the Notes, provided that such notes confer rights that are identical in all respects to those of the Notes (or in all respects other than the issue price and the first interest payment) and that the conditions of such notes permit their fungibility with the Notes.

In such case, the holders of the fungible notes and the Noteholders shall be grouped together in a single *masse*. In these Conditions, references to the Notes shall include any other notes issued pursuant to this Condition and that are fungible with the Notes.

14. GOVERNING LAW, JURISDICTION AND HARDSHIP

The Notes are governed by French law.

The Article 1195 of the French *Code civil* shall not be applicable to these Conditions.

Any dispute relating, directly or indirectly, to the Notes shall be submitted to the competent courts within the jurisdiction of the Paris Court of Appeal.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes of the Issuer.

RECENT DEVELOPMENTS

Sales and trading activity of the Issuer in the first quarter of 2017

On 10 May 2017, the Issuer published the following press release:

Q1 2017 revenue: €405.1 million (+26.1%)

Very strong growth in Property Development (€1.1 billion in take-ups, +77.5%) Outlook revised upwards

Development

- Property Development New Orders (Residential and Offices): €1,083 billion incl. tax (+77.5%)
- Of which Residential: €601 million (+38.2%)
- Of which Offices: €482 million (+175.4%)
- Residential orders: 2,422 units (+28.8%)
- Property Development Revenue (Residential and Offices): €352 million (+31.1%)

Retail REIT

- Growth of rental income: +7.4% to €46.6 million
- L'Avenue 83 (Toulon-La Valette): confirmed success

Consolidated indicator

- Consolidated revenue: €405.1 million (+26.1%)

Revision of the guidance for FFO per share

- €16.00/share vs €14.50/share initially announced
 - An increase of +18% vs. 2016
 - Strong visibility over the next few years
-

Unaudited figures at 31 March 2017

"Despite a pre-election first quarter that is traditionally unfavourable for our markets, Altarea Cogedim experienced stronger than expected growth across all our businesses. This strong increase leads to a significant readjustment in our guidance for FFO per share (recurring earnings), both for the 2017 financial year and following years.

In terms of retail, Altarea Cogedim recorded significant growth in its rental income, driven in particular by the opening of L'Avenue 83 in Toulon-La Valette. The footfall and revenue indicators of our retailers remained stable in a consistently sluggish consumption environment.

In terms of property development, Altarea Cogedim recorded very strong growth (both in residential and office property), with market share gains exceeding those of all other major players in the sector. Residential transactions launched this quarter were highly successful in a favourable environment (low interest rates, interest-free loans, Pinel law). In office property, our Group reaped the fruits of its development work over the last few years in a favourable environment both in terms of rental demand and investment. At the current rate, and taking into account calendar effects in office property, we should achieve between €3.7 and 4 billion (incl. tax) in new orders for 2017 as a whole (residential and offices), i.e. an increase of more than 25% compared with 2016 (which had already seen growth of +46%).

This change in dimension for property development will have a considerable impact on all our financial indicators (revenue, earnings, backlog), in particular generating very strong visibility with respect to the next three to four years. Accordingly, we have revised our guidance for 2017, with FFO (recurring earnings) expected to reach €16.00 per share, instead of €14.50 announced initially (+18% compared with 2016 on a fully diluted basis⁴), a figure that should represent the new benchmark for growth over the following years."

Alain Taravella, Chairman and Founder of Altarea Cogedim

1. PROPERTY DEVELOPMENT

New orders (Residential and Offices): €1,083 billion TTC (+77.5%)

New orders (incl. tax)	31/03/2017	31/03/2016	Change
Residential	€601 million	€435 million	+38.2%
Nb of units	2,422 units	1,881 units	+28.8%
Offices	€482 million	€175 million	+175.4%
Property Development New Orders	€1,083 million	€610 million	+77.5%

Residential: Sustained growth in reservations by volume and value

New orders (incl. tax)	31/03/2017		31/03/2016		Change
Institutional investors	€167 million	28%	€109 million	25%	+53.2%
Individuals	€435 million	72%	€326 million	75%	+33.4%
TOTAL in value terms	€601 million		€435 million		+38.2%
Institutional investors	819 units	34%	648 units	34%	+26.4%
Individuals	1,603 units	66%	1,233 units	66%	+30.0%
TOTAL in number of units	2,422 units		1,881 units		+28.8%

⁴ Including taking into account a percentage of conversion of the future script dividend into shares with a level similar to 2016.

This quarter, the Group secured 29 new projects, representing 4,064 units for potential revenue of €835 million.

Offices: strong growth in new orders

New orders (incl. tax)	31/03/2017	31/03/2016	Change
Offices	€482 million	€175 million	+175.4%

The Group recorded a very strong level of new orders this quarter, in particular with the significant impact of the "Pont d'Issy" project in Issy-les-Moulineaux (56,800 m²), for which work started in February.

Revenue (Residential and Offices): €352 million (+31.1%)

Revenue (excl. tax)	31/03/2017	31/03/2016	Change
Residential	€280.5 million	€234.7 million	+19.5%
Offices	€71.6 million	€33.9 million	+111.6%
Property Development Revenue	€352.2 million	€268.6 million	+31.1%

Backlog (residential and offices)⁵: €3,633 million (+11.1%)

Backlog (excl. tax)	31/03/2017	31/12/2016	Change
Residential	€2,799 million	€2,640 million	+6.0%
Offices	€834 million	€630 million	+32.4%
Property Development Backlog	€3,633 million	€3,270 million	+11.1%

2. RETAIL REIT

2.1 Growth of rental income

During this quarter, Altarea Cogedim recorded an increase of +7.4% (+€3.2 million) in rental income at €46.6 million. This increase includes in particular the impact of the opening of L'Avenue 83 in April 2016, together with the like-for-like change⁶.

The Group's shopping centres outperformed the market, with footfall up +0.1%⁷ and tenant revenue down -0.4%⁸ like-for-like, in an environment of decreasing consumption (CNCC Index down -2.8 % for footfall and -2.3% for tenant revenue, respectively⁹).

⁵ Residential backlog: Residential backlog consists of revenues (excluding tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block reservations to be notarised.

Offices Backlog: the offices backlog consists of revenues (excluding taxes) from notarised sales to be recognised in the accounting turnover using the percentage of completion method, sales agreement not yet regularised by notarial deed (development contract "CPI") and fees to be received from third parties for signed contracts.

⁶ On a like-for-like basis, the Group recorded an increase in rental income of +0.3%.

⁷ Aggregate change in footfall at end-March 2017, for French assets at 100%, excluding assets under refurbishment.

⁸ Change in cumulative tenant revenue on a like-for-like basis at end-March 2017, for French assets at 100%, excluding acquisitions, disposals and redevelopments.

⁹ CNCC index for all shopping centres, on an aggregate comparable basis at the end of March 2017.

2.2 L'Avenue 83 (Toulon-La Valette): Confirmed success

One year after its opening, the shopping and leisure centre L'Avenue 83 (Toulon-La Valette) confirmed the success of its opening: footfall targets exceeded from the first year (nearly 6 million visitors), excellent performance of the Pathé cinema (already ranked in the top 20 most-visited cinemas on a weekly basis), with already loyal customers.

For its second year of operation, the centre's commercial offering will be enhanced with the opening of eight new shops (ground floor of the residential buildings currently being delivered).

3. FINANCE

3.1 Consolidated Q1 2017 revenue: €405.1 million (+26.1%)

In € millions (excl. tax)	Q1 2017	Q1 2016	Change
Rental income	46.6	43.4	7.4%
Services	4.4	5.4	-19.6%
Property development revenue	2.0	3.8	-48.4%
Retail	52.9	52.6	0.6%
Revenue	280.0	234.6	19.4%
Services	0.5	0.1	273.1%
Residential	280.5	234.7	19.5%
Revenue	69.9	32.9	112.3%
Services	1.7	0.9	85.3%
Offices	71.6	33.9	111.6%
Revenue	405.1	321.2	26.1%

3.2 Financial position

Net financial debt (bank and bond) amounted to €2,603 million at 31 March 2017, compared with €2,426 million at 31 December 2016. This change is mainly due to the implementation of development projects and to Retail REIT investments.

4. 2017 DIVIDEND (FOR THE 2016 FINANCIAL YEAR)

As announced during the annual results, the Group will ask the General Meeting of 11 May 2017 to approve the payment of a dividend of €11.50 per share.

It will also propose the option of converting the amount into shares, for an issue price of €153.84 per share¹⁰.

¹⁰ Based on a 10% discount on the average of the price in the last 20 trading days prior to the General Meeting, less the dividend.

4.1 Financial calendar

General meeting: Thursday 11 May at 11:00 AM.

H1 2017 results: Thursday 27 July 2017 after closing.

Results Dividend 2016 in shares

On 1st June 2017, the Issuer published the following press release:

Successful 2016 dividend payment in shares
91.69% subscription rate
Altarea Cogedim strengthens its equity base by €157.2 million

The option of the 2016 dividend payment in shares was a great success with a 91.69%¹¹ subscription rate, leading to the creation of 1,021,555 new shares. These shares will be effective as of January 1st, 2017 and will benefit from the same rights as the outstanding common shares.

The 1,021,555 new shares will be created, delivered and admitted for trading on June 6, 2017. The amount of cash dividend payments will be limited to €14.2 million (€11.5 / share) and paid to shareholders the same day.

Altarea Cogedim will thus strengthen its equity base by €157.2 million.

Alain TARAVELLA, Chairman and Founder of Altarea Cogedim, commented: « *This excellent level of subscription is a strong message from our shareholders: a message of confidence in our strategy and in our growth prospects, while the Group has just raised its FFO 2017 guidance to € 16.00 per share¹², a strong expected increase of 18% compared with 2016.* »

¹¹ 13,657,297 on 14,895,589 shares eligible for dividend on May 16, 2016.

¹² On a fully diluted basis.

TAXATION

The following description is a general overview limited to certain tax considerations concerning the taxation at source of income under the Notes. This overview is based on current laws in force in France on the date of this Prospectus and is subject to change (with potential retroactive effect). It is included for information purposes only and does not purport to provide an exhaustive description of all tax matters to be taken into consideration in deciding to purchase, hold or sell Notes. Investors or Noteholders should consult with their own tax advisers on the tax consequences of any purchase, holding or sale of Notes.

Withholding tax in France

The following summary does not cover the situation where Noteholders also hold shares in the Issuer.

Payments of interest and other income made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). Pursuant to Article 125 A III of the French *Code général des impôts*, if payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the 75% withholding tax imposed by article 125 A III of the French *Code général des impôts* will not apply in respect of the issue of the Notes if the Issuer can prove that the principal purpose and effect of such issue was not to allow the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 et BOI-IR-DOMIC-10-20-20-60-20150320, the Exception will apply, without the Issuer having to provide any proof of the purpose and effect of such issue of the Notes, if the Notes are:

- (i) offered by means of a public offer of financial securities within the meaning of Article L. 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

The Notes being admitted, as from the Issue Date, to the operations of an authorised central depository, payments of interest or other income made by, or on behalf of, the Issuer under the Notes are not subject to the withholding tax of 75% provided in article 125 A III of the *Code général des impôts*.

Furthermore, in accordance with the provisions of article 238 A of the *Code général des impôts*, interest and other proceeds paid under the Notes are not deductible from the taxable income of the Issuer if they are paid or owed to persons domiciled or established in a Non-Cooperative State or paid in a Non-Cooperative State (the "**Non-**

Deductibility"). In certain cases, pursuant to articles 109 et seq. of the *Code général des impôts*, interest and other non-deductible proceeds may be recategorized for tax purposes as "deemed distributed" proceeds, in which case such interest and other non-deductible proceeds may be subject to withholding tax at a rate of 30% or 75% as provided in article 119 *bis* 2 of the *Code général des impôts* (subject to the more favourable provisions of any applicable double tax treaty).

However, neither the Non-Deductibility, nor the withholding tax provided in article 119 *bis* 2 of the *Code général des impôts* which may be withheld as a result of such Non-Deductibility, shall apply to the issue of the Notes if the Issuer can prove, firstly, that the interest or other proceeds in question concern actual transactions and are not abnormal or excessive and, secondly, that the transaction falls within the scope of the Exception.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 et BOI-IR-DOMIC-10-20-20-60-20150320, the Exception applies without the Issuer having to provide proof as to the purpose and effect of the issue of the Notes if such Notes belong to any of these three above-mentioned categories.

Pursuant to article 125 A I of the *Code général des impôts*, and subject to certain exceptions, interest and other similar income received by individuals domiciled for tax purposes in France are subject to a 24 % withholding tax, which is deductible from any income tax payable in respect of the year in which such withholding has been paid. Social security contributions (CSG, CRDS and other related contributions) are also levied by means of withholding at an aggregate rate of 15.5% on such interest and other similar income received by natural persons domiciled for tax purposes in France.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 3 July 2017, entered into between the Issuer, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale (the "**Managers**"), the Managers agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment, failing which to subscribe and pay themselves, for the Notes at an issue price equal to 98.766 per cent. of the aggregate nominal amount of the Notes. The Subscription Agreement entitles the Managers, in certain circumstances, to terminate the Subscription Agreement.

1. GENERAL RESTRICTIONS

No action has been or will be taken by the Issuer or Managers in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any document, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

2. FRANCE

Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France this Prospectus or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors and/or (iii) a restricted circle of investors all as defined in, and in accordance with articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

3. UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**U.S. Securities Act**") or with the authorities responsible for securities regulation in any US state or other jurisdiction. The Notes may not be offered or sold, directly or indirectly, within the United States of America.

The Notes are only being offered and sold outside of the United States of America in the context of offshore transactions in accordance with regulation S under the U.S. Securities Act ("**Regulation S**"). Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of the Notes within the United States of America by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

4. UNITED KINGDOM

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activities (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving, the United Kingdom.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66, rue de la Victoire, 75009 Paris, France) with the common code 164171167. The ISIN code for the Notes is FR0013266525.
2. The issue by the Issuer of the Notes was decided by Altafi 2, co-manager of the Issuer, on 28 June 2017. The Supervisory Board of the Issuer dated 21 February 2017 issued a favourable opinion on a financing amount to be agreed by the management board in which this issue is included.

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes.

3. The yield on the Notes is 2.444% *per annum*, as calculated on the Issue Date based on the issue price of the Notes. This is not an indication of future yields.
4. For the purposes of the admission of the Notes to trading on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the *Autorité des marchés financiers* and received visa n°17-316 dated 3 July 2017.
5. Application has been made to have the Notes admitted to trading on Euronext Paris on the Issue Date. The total expenses related to the admission to trading of the Notes are estimated at € 6,500.
6. The Issuer's statutory auditors are Ernst & Young and Others (Tour First - 1, place des saisons – 92400 Courbevoie – Paris La Défense 1), member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and, until 31 December 2015, A.A.C.E. – Ile-de-France (100, rue de Courcelles – 75017 Paris), member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*. They have audited the annual and consolidated financial statements of the Issuer and issued an audit report for the Issuer's financial year ending on 31 December 2015. Since 1st January 2016, Grant Thornton (29, rue du Pont – 92200 Neuilly-sur-Seine), member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* has been substituted to A.A.C.E. Grant Thornton and Ernst & Young have audited the 2016 annual and consolidated financial statements and issued an audit report for the Issuer's financial year ending on 31 December 2016.
7. As far as the Issuer is aware, no person involved in the issue of the Notes has a material interest therein.
8. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2016.
9. There has been no material adverse change to the prospects of the Issuer or the Group since 31 December 2016.
10. Subject to the information disclosed in the documents incorporated by reference (see RD 2016, p.130, 10.2 Contingent liabilities and p. 282, 7.6 Legal and arbitration proceedings), during the last twelve (12) months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
11. Subject to the information disclosed in the documents incorporated by reference (see RD 2016, p. 125), the Issuer has not entered into any material contracts other than contracts entered into in the normal course of business, which contain provisions that would place on the Issuer any significant obligation or undertaking having regard to the Issuer's ability to perform its obligations to the Noteholders under the Notes.

12. So long as any of the Notes remain outstanding, copies of this Prospectus, the 2015 Registration Document, the 2016 Registration Document, and the articles of association (*statuts*) of the Issuer shall be available for inspection and may be obtained, free of charge, at the registered office of the Issuer (8, avenue Delcassé – 75008 Paris – France) and at the specified office of the Fiscal Agent during normal office opening hours. This Prospectus and all documents incorporated by reference in this Prospectus are available on the websites of the Issuer (www.altareacogedim.com) and the *Autorité des marchés financiers* (www.amf-france.org).
13. This Prospectus contains or incorporates by reference statements on the Issuer's future prospects and areas of development. Such statements are sometimes characterised by the use of the future or conditional tense or forward-looking expressions such as "considers", "expects", "understands", "ought", "believes", "hopes", "may", or, as applicable, the negative form of such expressions, or any variation or similar form of such terms. Such information does not constitute historical data and should not be construed as a warranty that the stated facts and data will become reality. Such information is based on data, assumptions and estimates that the Issuer considers reasonable. It is subject to change or modification due to the uncertainties surrounding in particular the economic, financial, competitive and regulatory environment. Such information appears in various sections of this Prospectus and contains data relating to the Issuer's intentions, estimates and objectives concerning, notably, the market in which it is operating, its strategy, growth, results, financial situation, cash flow and forecasts. The forward-looking statements referred to, or incorporated by reference, in the Prospectus are provided on the date of this Prospectus only. The Issuer operates in a competitive and constantly changing environment. It is therefore not in a position to anticipate all risks, uncertainties or other factors that may affect its business, or their potential impact on its business or the extent to which the materialisation of such a risk or combination of risks may produce results that are significantly different than those referred to in any forward-looking statement, and none of such forward-looking statements constitutes a warranty as to the actual results.

PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

Person responsible for the information contained in the Prospectus

Altarea

Duly represented by:

Altafi 2 (registered office: 8 avenue Delcasse 75008 Paris – France), co-manager of the Issuer, itself duly represented by its President Mr. Alain TARAVELLA

Declaration by the person responsible for the information contained in the Prospectus

I hereby certify, having taking all reasonable care to ensure that such is the case, that the information contained or incorporated by reference in this Prospectus is, as far as I am aware, in accordance with the facts and does not omit anything likely to affect the import of such information.

Paris, 3 July 2017

Altarea

Duly represented by:

Altafi 2 (registered office: 8 avenue Delcasse 75008 Paris – France), co-manager of the Issuer, itself duly represented by its President Mr. Alain TARAVELLA

Issuer

Altarea

8, avenue Delcassé
75008 Paris
France

Global Coordinators

Natixis

30, avenue Pierre Mendès-France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

Joint Lead Managers

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Crédit Agricole Corporate and Investment Bank

12 place des Etats-Unis
CS 70052
92547 Montrouge
France

Legal adviser to the Issuer

Allen & Overy LLP

52, avenue Hoche
CS 90005
75379 Paris Cedex 08
France

Legal adviser to the Managers

White & Case LLP

19, place Vendôme
75001 Paris
France

Statutory auditors to the Issuer (until 31 December 2015)

A.A.C.E. – Ile-de-France

Member of the Grant Thornton network

100, rue de Courcelles
75017 Paris
France

Ernst & Young and Others

Tour First - 1, place des Saisons
92400 Courbevoie – Paris La Défense 1
France

Statutory auditors to the Issuer (as of 1st January 2016)

Grant Thornton

Member of the Grant Thornton network

29, rue du Pont
92200 Neuilly-sur-Seine
France

Ernst & Young and Others

Tour First - 1, place des Saisons
92400 Courbevoie – Paris La Défense 1
France

Fiscal Agent, Paying Agent, Early Redemption Agent, Determination Agent and Calculation Agent

CACEIS Corporate Trust

1-3, place Valhubert
75013 Paris
France

