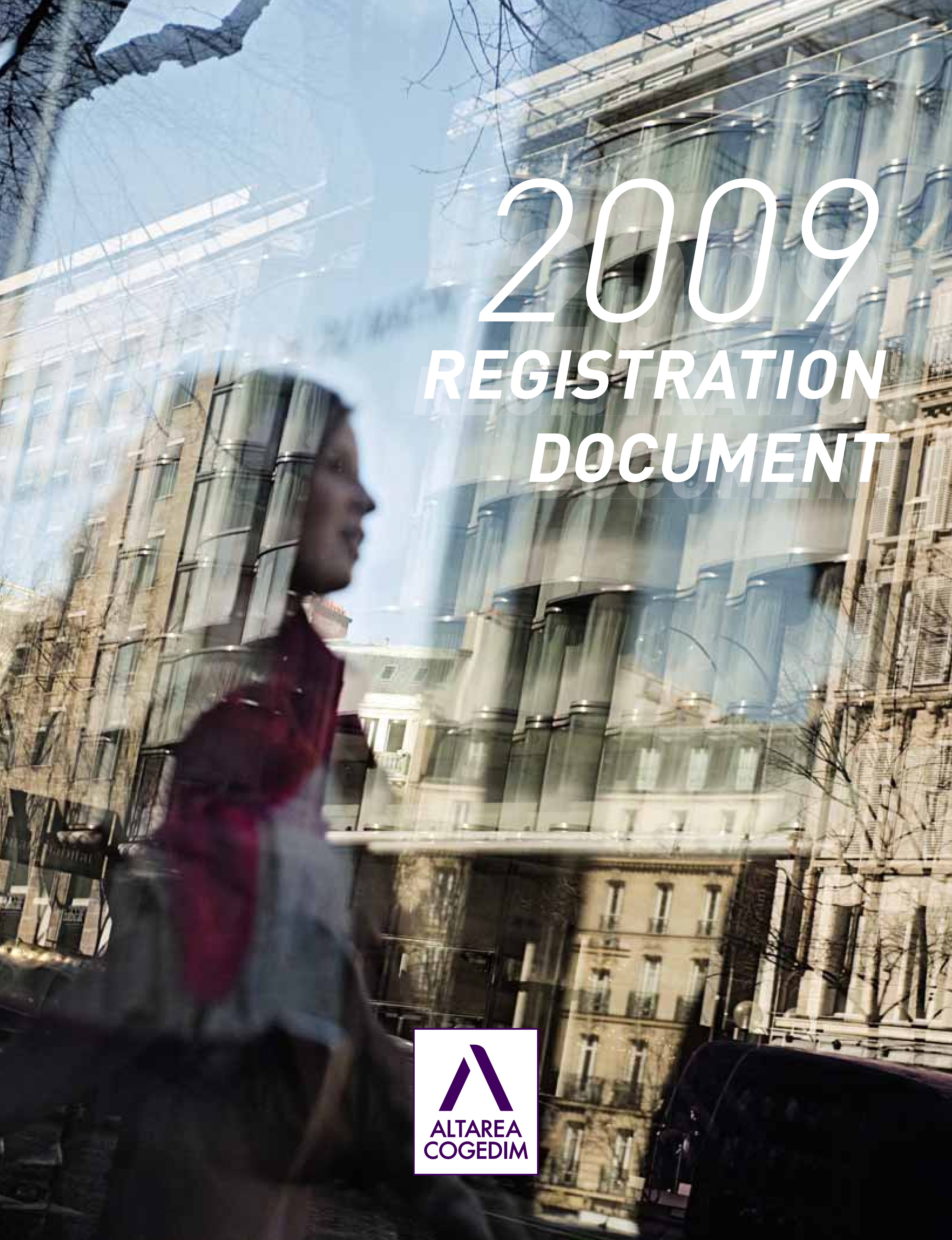


2009 REGISTRATION DOCUMENT

ALTAREA COGEDIM

2009 REGISTRATION DOCUMENT

This English version has been prepared for the convenience of English language readers. It is a translation of the original French *Document de Référence 2009.* It is intended for general information only and in case of doubt the French original shall prevail.

AUTORITÉ DES MARCHÉS FINANCIERS

This Registration Document was filed with the Autorité des Marchés Financiers on 30 April 2010 in accordance with Article 212-13 of the general regulations. It may not be used in the context of any financial operation unless completed by a transaction summary ("note d'opération") to which the Autorité des Marchés Financiers has granted a visa.

In accordance with Article 222-3 of the general regulations of the Autorité des Marchés Financiers, this Registration Document includes the Annual Financial Report for 2009.

Pursuant to Article 28 of Commission regulation (EC) No.°809/2004, the following information is incorporated by reference in this Registration Document:

- The consolidated financial statements and corresponding audit report provided on pages 82 and 104, the annual financial statements and corresponding audit report provided on pages 43 and 73, as well as the management report provided on page 13 of the 2008 Registration Document files with the Autorité des Marchés Financiers on 30 April 2009 under number D 09-0380.
- The consolidated financial statements and corresponding audit report provided on pages 107 and 223, the annual financial statements and corresponding audit report provided on pages 68 and 100, as well as the management report provided on page 22 of the 2007 Registration Document files with the Autorité des Marchés Financiers on 8 April 2008 under number D 08-0215.
- The consolidated financial statements and corresponding audit report provided on pages 64 and 136, as well as the management report provided on page 34 of the 2006 Registration Document files with the Autorité des Marchés Financiers on 7 June 2007 under number R 07-092.

CONTENTS

1 Annual and Sustainable Development Report

A RETAIL PROPERTY INVESTOR AND MULTI-PRODUCT DEVELOPER, **CAPITALISING ON THE FULL VALUE OF OUR KNOW-HOW**

As a real estate investment trust (REIT), ALTAREA COGEDIM builds shopping centres on a proprietary basis. This asset class delivers the strongest long-term performance and generates steady cash flow growth for the Group.

ALTAREA COGEDIM is the only multi-product developer with full operational and development know-how in the three main types of property: retail, offices and hotels, and residential. The Group is therefore France's market leader in mixed-use urban developments comprising some or all of these components.

With development projects at source and secured cash flow, ALTAREA COGEDIM benefits from a unique and optimized risk/reward profile. With operations in France and Italy, ALTAREA is listed on compartment A of Eurolist by NYSE Euronext Paris.

A multi-product developer covering all asset classes

> Developer
> Asset manager
> Manager
  - Proprietary
  - For third parties
  - In partnership

> 2,000,000 sqm net floor area under development
  - Retail
  - Offices
  - Residential

A property investor specialising in shopping centres

> Portfolio of €2.3bn
> 623.796 sqm GLA
> €150.4m in annual rental income

Best risk/reward profile

THE ART OF PROPERTY

OUR BUSINESS is to come up with property solutions that generate growth and urban cohesion. Each of our development projects is underpinned by a team of experts, efforts to find the best partners, actively listening to our clients' needs in order to bring a tailor-made project to life, addressing environmental and social issues, and meeting the expectations of occupiers, local authorities, clients and investors.

OUR COMMITMENT is to design and support sustainable projects with an investor-focused approach over the long term. We give meaning to our development projects by making them part of the dynamic of the local economy, striving to for a more durable and responsible approach. In order to create areas for living and shopping, our developments are designed to be in places where pleasure and enjoyment come together.

"A STRONGER GROUP, READY TO SEIZE OPPORTUNITIES IN ALL OF ITS MARKETS."

The crisis that hit all of the western economies in 2008 seems to have reached a plateau in 2009 thanks to the sharp fall in interest rates and above all support measures implemented by governments.

In this extremely uncertain climate, ALTAREA COGEDIM's business model as a property investor specialising in shopping centres and a multi-product developer has proven particularly solid, with growth in recurring earnings of 16%.

IN THE RETAIL SECTOR, we achieved our targets in terms of rents collected and the vacancy rate for our portfolio remains extremely low. The decline in our tenants' revenues slowed down in the second half of 2009 and our retail parks even saw a return to growth. Furthermore, all of the properties completed over the course of the year were fully let, as is also likely to be the case for the two major developments due to be completed in 2010: Okabé in France and Stezzano in Italy, representing a total of 57,400 sqm. Lastly, the Group has re-established its position in long-term developments such as that in Villeneuve-la-Garenne, with a 50-50 partnership to develop one of the latest major retail facilities in the Paris region of around 86,000 sqm. More than ever, retail properties are the foundation of our business model, combining the robust existing cash flow of our portfolio and strong value creation in long-term projects.

IN RESIDENTIAL PROPERTY, we have been able to benefit from the market upturn as a result of both lower interest rates and dedicated tax incentives as part of the French government stimulus plan. Sales totalled €887 million in 2009, 33% above the level achieved before 2007 crisis. We have been able to capitalise on our positioning and product qualities: high quality locations and state of the art construction have attracted clients looking for long-term investments. Our greatest satisfaction is that we have significantly increased our market share during the crisis. With a full coverage of the domestic French market, primarily focused on the Paris region and the country's eight largest regional cities,

"We want to create a group that is strong, responsible, confident in its talents and ready to seize opportunities in all of its markets."

Cogedim's market share in residential property has grown since its acquisition by Altarea, from around 2.4% in 2007 to 3% in 2008 and over 4% in 2009 (in number of lots). In value terms, the company's market share has increased even more significantly.

IN OFFICE PROPERTY, for which the Group acts as service provider or developer for third parties, we have been extremely busy delivering around 150,000 sqm of office space to major investors. However, reservations of around €140 million excluding tax in 2009 was not enough to rebuild our backlog under declining market conditions. The market is expected to bottom out in 2010. Until we reach this turning point, the Group has decided to launch investment vehicles acting as an operator and asset manager on behalf of major international investors. The aim will be, when the time comes, to invest these funds in high value-added office assets in order to capitalise on our unique operating expertise in office property.

The current crisis has accelerated all of the trends in each of our business lines, such as the changing distribution landscape in the retail sector, the role of residential property as a safe haven, and the accelerating obsolescence of existing office properties with the new requirements resulting from the government-led "Grenelle de l'Environnement" conference.

Sustainable development, the natural extension to our sense of long-term responsibility, is our primary concern. In 2009, we set out a formal social and environmental responsibility approach, capitalising on our strengths and making major commitments for the years ahead.

- 100% of development projects initiated will have environmental certification;
- 100% of development projects initiated will benefit from at least BBC-rated energy performance (low energy consumption);
- 100% of properties in the portfolio will be analysed for their environmental performance.

More than ever, ALTAREA COGEDIM's expansion will be based on respecting our partners and our clients. We want to create a group that is strong, responsible, confident in the talents of its staff and ready to seize opportunities in all of its markets.

Alain Taravella

> Bercy Village - Paris.

Our positioning in markets with different cycles enables us to optimise our risk/reward profile.

"OUR FINANCIAL POSITION

IS SOLID, WITH AVAILABLE CASH IN EXCESS OF OUR COMMITMENTS."

2009 provided the opportunity for ALTAREA COGEDIM to validate the efficiency of its integrated model as a property developer specialising in shopping centres and a multi-product developer. Thanks to our market diversification - covering retail, office and residential property - and our primary focus on retail property, we were able to benefit from both resilient cash flow for our shopping centre portfolio and the significant upturn in the residential property development market. Overall, our positioning in markets with different cycles enabled us to optimise our risk/reward profile by seizing growth opportunities where they arose.

We benefit from a solid financial position, with available cash exceeding our commitments. The consolidated LTV ratio is under control at 55.7% and it now seems that the value of our properties has bottomed out. This situation has enabled us to reposition ourselves cautiously in long-term development projects, mainly in shopping centres. As these new commitments are made, mature properties could be sold in order to maintain the Group's major balance sheet ratios and capitalise on investors' renewed interest in retail property. In 2009, ALTAREA COGEDIM therefore invested €235 million in shopping centre developments and carried out sales of properties worth €110 million.

In residential property, we continued with our strategy of controlled expansion, only launching projects after reaching a high level of pre-sales.

In office property, ALTAREA COGEDIM continued to be the leading developer for major institutional investors taking no financial risk. The office property market does not seem to have bottomed out yet and it is worth maintaining a selective approach for some time to come, before repositioning ourselves with a revised model, in which our Group could also act as an investment fund manager/operator.

Thanks to our diversified portfolio in terms of business sectors, given our operational risk control with our solid financial position, ALTAREA COGEDIM will be able to make it through the current uncertain times with the skills to seize any opportunities that arise from recovery.

Jacques Nicolet

ALTAREA COGEDIM

700 *employees*

Shopping centres

- City-centre shopping centres
- Retail Park, Lifestyle Center
- Family Village
- Shops in transport venues
- Shopping and leisure

Residential property

- Upscale housing
- Midscale housing
- Serviced residences
- "New Districts", "Private Domains"

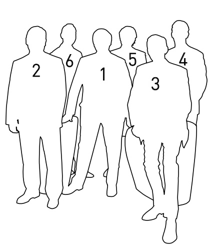
Office property

- Head offices
- High-rise buildings
- Business and mixed-use districts
- Refurbishments
- Hotels

ALTAREA COGEDIM'S 700 employees constitute the Group's main strength.

300 work in the development and management of shopping centres, and 400 specialise in residential development and office property development for third parties.

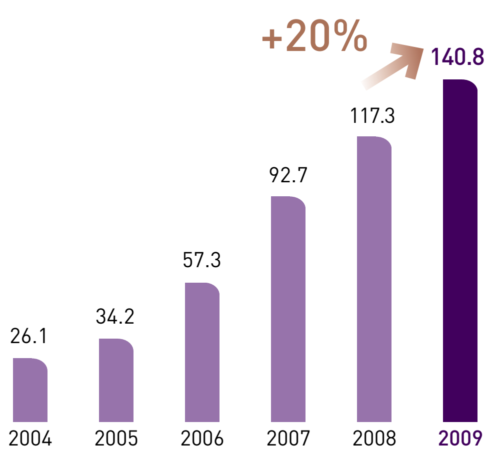
With 60% based in the Paris region and 40% in other French regions, in Italy and Spain, nearly 70% of employees are management level, sharing their expertise and an entrepreneurial culture in all three business lines. To meet the development needs, 300 people have been hired over the last few years.



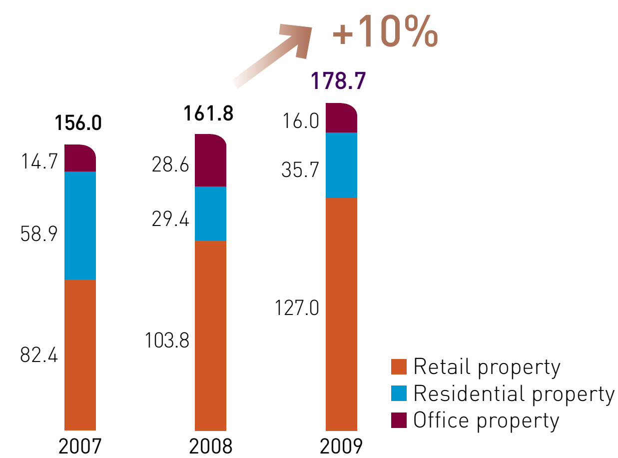
1. *Alain Taravella*
   Chairman and Chief Executive and Founder
2. *Jacques Nicolet*
   Chairman of the Supervisory Board
3. *Gilles Boissonnet*
   Joint CEO in charge of Retail Property in France
4. *Christian de Gournay*
   Joint CEO in charge of Residential Property, Regions and Institutional Relations
5. *Stéphane Theuriau*
   Joint CEO in charge of Office property and Private Equity
6. *Éric Dumas*
   Chief Financial Officer

2009 KEY FIGURES

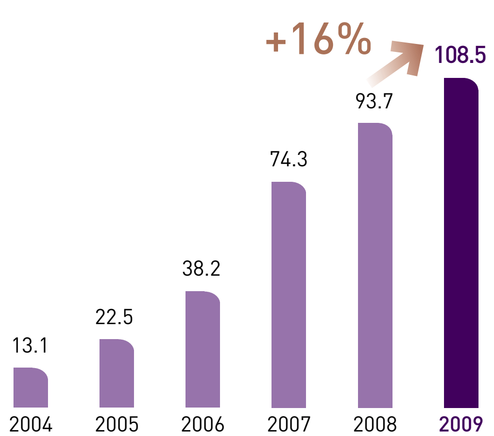
Net rental income - Retail (€m)



Recurring operating profit (€m)



Recurring net profit (Group share) (€m)



€ per share

2.53	4.12	5.36	9.41	10.28	10.57

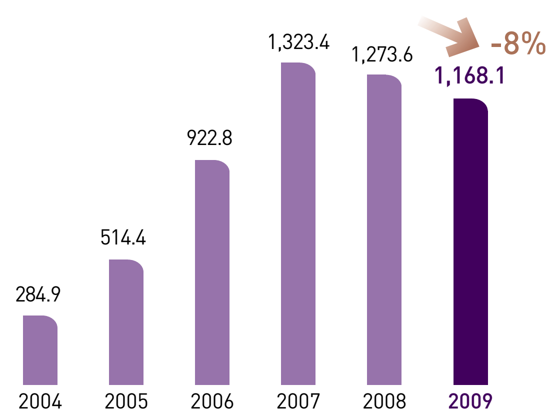
+2.8%

Dividend (€ per share)

-	2.40	4.00	6.00	7.00	7.20

+2.9%

Net asset value (€m)



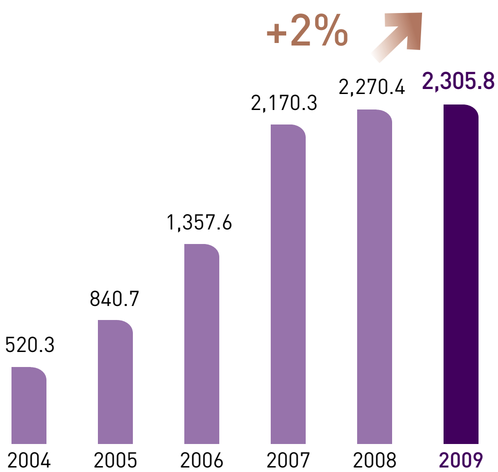
€ per share

52.8	77.8	117.7	165.0	124.2	113.3

-8,8%

Portfolio

Portfolio value (Group share) (€m)



A portfolio of

€2,305.8 m

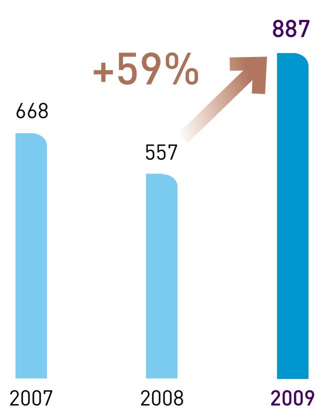
53,000 sqm *of retail property completed in 2009 representing annualised rental income of €14.2 m*

€235 m *of investments*

€110 m *of sales*

Residential property

Reservation (€m, excl. tax)



Number of lots

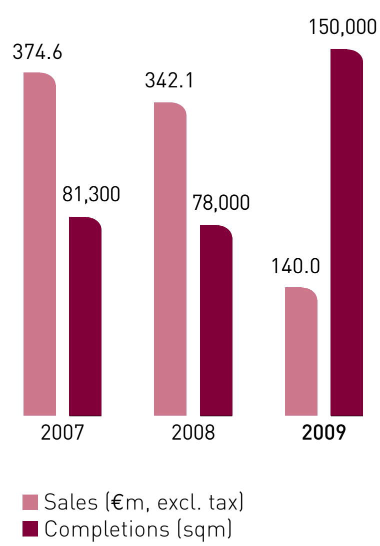
2,996	2,417	4,345

+80%

63 *commercial launches (€854 m)*

€872 m *Backlog (19 months revenues)*

Office property



€103 m *Backlog*

STRENGTH OF A UNIQUE BUSINESS MODEL

Retail property constitutes the foundation of ALTAREA COGEDIM's business model (approximately 70% of operating profit), providing a high level of visibility on the Group's earnings. Development for third parties (residential and offices) makes a significant contribution to consolidated cash flow while using up limited amounts of capital. This presence in the residential and office property market enables the Group to benefit from shorter cycles while waiting for current shopping centre developments to be completed.

Okabé Shopping Centre

RETAIL PROPERTY

Very strong value creation.
Resilient and robust cash flow once in operation.


Villa Okabé

RESIDENTIAL PROPERTY

Short and clear-cut cycle
Deep market with end demand generally unsatisfied in France

ALTAREA COGEDIM'S POSITION

Market leader in France in the creation of innovative shopping centres, with a unique track record in value creation.Third-largest property developer in France specialising in shopping centres.

65-75% of operating profit.

Via Cogedim, the Group has a market-leading position in upscale residential property in France.

15-25% of operating profit.

OUTLOOK FOR ALTAREA COGEDIM

Medium term

Average growth in rental income from the existing portfolio **=**

Strong earnings growth already assured thanks to 2009 sales and the existing backlog **++**

Long term

Significant upturn in growth thanks to completions planned over the next four to five years **+**

The long-term trend is that of a generally unsatisfied market. Economic conditions could impede or accentuate this trend. **+**

Okabé Offices

OFFICE PROPERTY

Regular and clear-cut cycle
Deep market, highly sensitive
to economic conditions

ALTAREA COGEDIM is market leader in France in predominantly office mixed-use developments and works with major investors in providing services or in off-plan sales and property development contracts.

5-10% of operating profit.

The market is expected to bottom out in 2010-11 with low take-up. The Group currently has no capital exposure to the office property market

=

ALTAREA COGEDIM is in a position to benefit from the rebound expected in this cyclical market

+

ALTAREA COGEDIM

THE STRENGTH OF A UNIQUE BUSINESS MODEL

By combining a strong position in three markets with differing cycles, ALTAREA COGEDIM benefits from a number of growth opportunities depending on economic conditions for each of its products.

+++


TODAY
TODAY
TOMORROW
TOMORROW

OUR MARKETS

RETAIL PROPERTY

"Drawing inspiration from people's lifestyles and creating places that fit in with our needs."

MARKET TRENDS

In 2009, ALTAREA COGEDIM maintained a high frequency of new openings. Four new shopping centres opened their doors to the public. ALTAREA COGEDIM stepped up the development of its Asset Management business, including for instance a significant extension of the Espace Gramont shopping centre in Toulouse.

TAKE-UP RATE CLOSE TO 100%

Despite difficult economic conditions, the occupancy rate of the shopping centres in ALTAREA COGEDIM's portfolio remained stable, attesting to the loyalty of its retailers. Three new shopping centres opened their doors to the public in France, with a take-up rate of close to 100%. This overall performance confirms the qualitative added value of the Group's shopping centres and their ability to meet the expectations of customers facing weaker purchasing power.

A shopping centre portfolio representing GLA of
623,796 sqm
and a value of **€2.3 billion**

64 *retail properties in the portfolio, including 46 of over 3,000 sqm*

150 *million customers per year*

> 39-41 avenue de Wagram - Paris.

ALTAREA COGEDIM continued with its rate of openings in 2009, completing retail space of around 53,000 sqm GLA.

> Carré de Soie central shopping mall.

CARRÉ DE SOIE IN VAULX-EN-VELIN

61,000 sqm GLA and 70,000 sqm of leisure attractions, opened on March 2009

This 61,000 sqm site was developed as a 50-50 joint investment with Foncière Euris, combining a programme sporting, cultural and festive activities with a diversified retail offering consistent with family leisure. Carré de Soie comprises 35 small stores, eight mid-size stores and 16 restaurants, a Pathé multiplex cinema and a 7 hectare open-air sport and leisure park dedicated to equestrian and urban sports around the renovated former racecourse. Designed and managed by leading non-profit organisation UCPA, this leisure venue offers recreational and educational activities for everyone.

AVENUE DE WAGRAM, PARIS

A few steps from the Champs Elysées, this complex comprises the four-star Renaissance Arc de Triomphe hotel, an ultra-contemporary 118-room hotel managed by Marriott, three interior decoration stores, a gastronomic restaurant and the prestigious Salle Wagram, a registered historic monument that has been fully restored.

> The restored Salle Wagram.

REDEVELOPMENT AND EXTENSION OF ESPACE GRAMONT

The Occitania shopping centre - renamed Espace Gramont - is located to the north-east of Toulouse. Eleven new stores representing an additional 4,700 sqm were opened in 2009, bringing the total number of retailers to 81. As owner of the Occitania shopping centre since 1 July 2006, ALTAREA COGEDIM decided to redevelop and extend the centre in order to strengthen its position against competition in the area surrounding Toulouse. The extension to the centre was deliberately managed so as not to change customer habits. A second extension project is planned within the next two years, with the arrival of an additional 10 or so stores.

LE PARC DES BOUCHARDES IN MÂCON SUD

11,600 sqm GLA, open since March 2009

This retail park is fully integrated in the largest retail district surrounding the city of Mâcon, next to a Carrefour hypermarket. The buildings open up onto a tree-lined car park, with transparent protective canopies letting the light through, providing a pleasant pedestrian walkway sheltered from bad weather.

ALTAREA FRANCE

Gilles Boissonnet
Joint CEO in charge of Retail Property, Chairman of the Management Board of ALTAREA France

"For Altarea France, 2010 will see the opening of three new shopping centres and the gradual return of controlled development. Asset management activities will pay off, in particular with a number of redevelopment and extension projects. More than ever, our shopping centres need to be a space for living, where people go to time and time again, where culture, leisure and pleasure combine. Therefore, innovation and anticipating consumer patterns and environmental demands are the major challenges we face for the years ahead."

> Les Hunaudières Family Village, Ruaudin.

STRONG GROWTH IN RENTAL INCOME

With the opening of high-yield properties in 2009, rental income increased by +20.1%. These openings represent 53,000 sqm GLA and will generate rental income of €14.2 million over the full year (Group share). On a like-for-like basis, rental income rose by +4% thanks to indexation and the Asset Management business. Retail parks saw revenue growth of +4%, confirming their commercial positioning and concept that is particularly well suited to families and price-conscious customers.

ASSET MANAGEMENT, GROWTH DRIVER

As the owner of 64 retail properties, ALTAREA COGEDIM has always committed to enhance the value of its portfolio in order to prevent the risk of obsolescence and guarantee an optimum rate of return. The asset management business was structured in 2009 with the creation of a value-enhancement department. The natural ageing of shopping centres and bringing properties into line with environmental standards as a result of the Grenelle de l'Environnement environmental talks in France have opened up new development opportunities, with proprietary and third-party redevelopment and extension projects.

In 2009, ALTAREA COGEDIM invested €235 million in the development of shopping centres and carried out sales of €110 million of retail properties.

ALTAREA ITALIA

In 2009, Altarea Italia integrated all rental management and reletting activities for its five shopping centres in operation, which had previously been outsourced. As a result, we have been able to strengthen our asset management business through attentive management of receivables from lessors and pro-active reletting, favouring partnerships with high quality retailers. This choice has helped us make it through the recession. Altarea Italia is currently recognised as a long-standing player in the Italian market.
Our development business focuses on five high quality projects, which have been revisited to take account of the new market situation and offer optimised yields on opening.

Ludovic Castillo
Deputy Director of Altarea Italia

Altarea Italia, created eight years ago, has five shopping centres in its portfolio. The main priority for 2010 is the opening of the "Le Due Torri" centre in Stezzano in April. Located in the densest business area of the Lombardy region, 30km from Milan at the junction of the A4 motorway towards Venice and the Bergamo ring road, this 34,000 sqm shopping centre will comprise two levels housing around 90 small stores, an Esselunga supermarket, six mid-size stores (Saturn, OVVIO, Sportland, Scarpe & Scarpe, US Fashion etc.), 10 restaurants (Flunch, Giovanni Rana etc.) and 2,400 parking spaces. A dedicated area in the heart of the centre will be used for exhibitions and events.

> The Due Torri shopping center, Stezzano (Italy).

PONTE PARODI

The Group is due to open Ponte Parodi, a 36,900 sqm retail complex between the city and port of Genoa, in 2014. This development, which has been awarded an international prize, brings together the worlds of retail and leisure.

KNOW-HOW AND EXPERTISE

ALTAREA COGEDIM designs, develops, creates, markets and operates all of the shopping centres it builds. It also acts on behalf of third parties in all of its business lines. The expertise acquired by the Group in refurbishment and major occupied site redevelopments make it a key player in its sector. Over the last 15 years, ALTAREA COGEDIM has invented new shopping centre concepts constituting real areas for living and shopping, resonant with the needs of the time.

> L'Aubette, Strasbourg.

LONG-STANDING EXPERTISE IN CITY CENTRE RETAIL

The Group currently owns 10 city-centre shopping centres in its portfolio. By recreating the traditional high street, its urban retail concepts reflect consumers' desire for inner city pleasure. Whether creating new shopping centres or refurbishing existing centres, all of its centres are lifestyle areas, offering retailers new development opportunities as an alternative to out-of-town sites. Respecting independent retailers, fitting in with the urban and social environment and developing services are key fundamentals for ALTAREA. These values are reinterpreted for each city in which it operates.

As a pioneer in bringing shopping centres back to the city centre, ALTAREA COGEDIM has taken a daring, creative and tenacious approach, notably by committing itself to lengthy and complicated redevelopment projects such as Okabé, the Group's first large-scale mixed-use development, close to the Porte d'Italie in Paris, which is due to open its doors in March 2010 after 10 years in the making.

SUSTAINABLE DEVELOPMENT

Okabé, the first shopping centre with environmental added value

The Okabé shopping centre was chosen in 2007 as the pilot site for Certivea environmental certification for retail property. In 2009, it became one of the first properties to obtain "NF Bâtiments Tertiaires - Démarche HQE®" certification, with three targets rated "very good" (relationship between the building and its immediate environment, water management, waste management) and four targets rated "good" (energy management, maintenance and durability of environmental performance, hygrometric and acoustic performance).

Okabé's overall energy consumption should be 22% lower than conventional buildings. In addition, 74 first-generation green leases have been signed with retailers. A partnership agreement to develop employment and local trade was signed at the start of the project between the Kremlin-Bicêtre local authorities, Auchan and ALTAREA COGEDIM, in partnership with Pôle Emploi. Nearly 700 full-time equivalent jobs will be created when the centre opens.

FOCUS

In partnership with SNCF, ALTAREA France has invented the railway station retail concept with the Boutiques de la Gare du Nord and the Boutiques de la Gare de l'Est. These retail areas respect the functioning of the site, offering stores that fit in with the shopping behaviour of people on the move.

NEW CITY GATEWAY RETAIL CONCEPTS

The Group has been a forerunner in updating the commercial identity of city gateways. With its new generation retail parks and its two brands - Family Village and Lifestyle Centres - developed in Ruaudin, Aubergenville and Thiais Village, ALTAREA COGEDIM has created a new kind of retail concept combining quality and architectural unity, environmental concerns and the fun of a family shopping trip. With a major concern for sustainable development, these new retail venues are designed with a view to saving space and creating a natural and pleasant environment.

Retail parks

ALTAREA's retail parks combine simplicity and efficiency. Retail space consists of open-air retail units set out around a car park. Common areas are looked after with care and thought. The site as a whole benefits from shared services and a single management.

Family Village®

With a uniform and carefully thought out architectural style, covered areas, greenery, leisure facilities and events, the Family Village® parks developed by ALTAREA France are a unique concept in France, as a family destination dedicated to shopping for pleasure and entertainment.

SHOPPING AND LEISURE, A HIGH POTENTIAL CONCEPT

The aspiration for shopping for pleasure goes hand in hand with more free time. This trend was identified by the Group very early on and provided the inspiration for Bercy Village, the leading urban leisure centre. Opened in 2009, the Carré de Soie shopping centre close to Lyon represents the large-format concept. It is the first fully integrated shopping and leisure complex managed by a single operator. The model has also been exported to Italy with the flagship Ponte Parodi development in Genoa.

STRATEGY AND DEVELOPMENT

In 2010, the Group will pursue its strategy of selective and diversified development, asserting its position as an urban developer able to design, fit out and create complete city complexes in partnership with public authorities, combining shops, offices, hotels, housing, leisure facilities and public amenities.

FOUR OPENINGS PLANNED FOR 2010

Four new shopping centres representing the Group's diverse expertise are due to open in 2010: a Family Village in Limoges, a shopping centre in Stezzano, between Milan and Bergamo, a city-centre development in Tourcoing (Espace Saint-Christophe), and the Group's first mixed urban development project, Okabé in the heart of Kremlin-Bicêtre, a few steps from Paris' Porte d'Italie.

CONTROLLED DEVELOPMENT IN A CONTEXT OF DECLINING CONSUMER SPENDING

In an uncertain climate, the Group will favour highly targeted acquisitions and apply demanding economic criteria to its decisions to create new centres.

ALTAREA COGEDIM will continue with its investment plan, based on a dynamic and secure approach. The Group will favour joint investment for large projects, such as Villeneuve-la-Garenne, the second-largest regional shopping centre in the Paris region with net floor area of 86,000 sqm. Along with future administrative authorizations for ALTAREA's pipeline, stabilised properties could be sold. This should allow the Group to maintain its balance sheet ratios and capitalise on investors' renewed interest in retail properties.

> Regional shopping centre in Villeneuve-la-Garenne.

RESIDENTIAL PROPERTY

"Being a property creator means endeavouring to design high quality developments combining environmental concerns, aesthetics and comfort."

> Interior designed home at the "Domaine Privé" development in Garches.

MARKET TRENDS

The residential property market recovered in 2009 thanks to government support measures. ALTAREA COGEDIM, via its subsidiary COGEDIM, adapted successfully to market conditions. COGEDIM's accounting revenues were 8% above the level achieved in 2007, and its market share in the Paris region almost doubled. The brand also owes its success to its values and the confidence inspired by its developments.

THE YEAR OF RECOVERY

Following a difficult year in 2008, government support measures for the sector, in particular the Loi Scellier tax incentive scheme in France, resulted in a significant market rebound. The Group's residential property business profited significantly from this improvement in market conditions.

The upturn in residential sales as of March was rapidly confirmed, and at the end of the year COGEDIM sales amounted to close to €890 million. Reservations rose by +59% by value and +80% by number of lots compared with 2008 and were also up relative to 2007, a record year for the industry, with an increase of +33% by value and +45% by number of lots.

4,345
residential reservations
+80% vs. 2008
+45% vs. 2007

> Entrance hall at Makoré, Boulogne-Billancourt.

HIGHLIGHTS

In 2009, 4,345 COGEDIM apartments and townhouses were reserved. 63 new residential developments were launched in various parts of France.

DOMAINE PRIVÉ: THE LABEL OF EXCELLENCE

"Le Cottage", Garches

The site covers over 4 acres on the edge of Saint-Cloud and its racetrack. In an area surrounding a French-style garden decorated with water features nestle Arts and Crafts-style houses and apartments. Access paths are provided for pedestrians and cycles, as well as automated underground parking. With a medicinal garden, stables-style timbering, meticulous stone, brick and woodwork, and apartments designed to be environmentally friendly, "Le Cottage" offers exceptional quality of life.

"Le Domaine", Prevessin Moëns

This "Domaine Privé" development close to Geneva comprises 10 small buildings spread across a 25,000 sqm closed site filled with trees and including a swimming pool. The architecture reflects a wide variety of styles and sizes. Thanks to the marriage of modern and traditional materials, including lazure-glazed concrete and Savoyard stone, the development blends into its environment, offering views over the Jura mountains and Mont Blanc.

BRILLAT-SAVARIN

Paris 13: diversity and architectural consistency

The Residence Brillat-Savarin, located close to Parc Montsouris, comprises a number of buildings with a contemporary architectural style. The consistency of the site as a whole comes from the uniformity of materials, volumes and balconies. The buildings surround a landscaped area filled with aromatic plants and fruit trees. This "Garden of the Senses" is an homage to Brillat-Savarin, the famous gastronome and epicure. A number of well-known talented people worked on the creation of the Residence Brillat-Savarin, including architect Erwan Thual, interior designer Olivier Lempereur, landscaper Philippe Raguin and artist Etienne, who created a stunning bronze sculpture giving additional soul to the "Garden of the Senses".

ADAPTING IN ALL AREAS

Within the framework of the government plan to support construction, COGEDIM looked for opportunities for block sales to institutional investors and social landlords. These sales represented nearly one-quarter of total sales in 2009. It allowed for work to begin on construction programmes that had been put on hold at the start of the crisis.

To support the rate of sales, COGEDIM also adapted production to demand from individual investors, adjusting the type of homes (smaller sizes, broader offering of one and two-bedroom apartments) to fall into attractive price brackets. In parallel, the price of land taxes was renegotiated, allowing for a 5-15% reduction in selling prices relative to the previous year.

New product lines or labels were launched - "Nouveaux quartiers" ("New districts"), "Domaine privé" ("Private domain") and "COGEDIM Club" - to support COGEDIM's strategy of enlarging its customer base.

INCREASING OUR MARKET SHARE

COGEDIM launched 63 development projects in 2009, including 27 in the Paris region, where its market share has grown significantly and currently stands at 8%. 2009 saw an increase in the proportion of sales to individual investors, rising from 30% to 50% of total properties sold in value.

Also of note, COGEDIM launched six major development programmes: three "Domaines Privés" developments (616 homes) and three "Nouveaux Quartiers" developments (1,200 homes). Their commercial success is thanks to a carefully thought out and particularly unique position.

Close to
€890 M
of reservations

+59% *increase vs. 2008*
+33% *increase vs. 2007*

COGEDIM was able to capitalise on the turnaround in 2009 to get back on track for growth relative to 2007, as well as increasing its market share substantially and preparing for the future by launching new labels. On the strength of our brand capital, we are confident that we will be able to exceed €1 billion in residential reservations in 2010.

Christian de Gournay
Joint CEO in charge of residential property, regions and institutional relations, Chairman of the Management Board of COGEDIM

KNOW-HOW AND EXPERTISE

Recognised as the leading upscale property developer, COGEDIM strives for excellence in all of its product lines. Quality, creativity and authenticity are among the brand's founding values.

COGEDIM'S "BRAND CAPITAL"

COGEDIM first and foremost owes its reputation to its choice of locations. Particular attention is paid to everything that makes day-to-day life easier, such as quality of services, proximity of shops, schools, leisure facilities and care facilities. Located in the most desirable areas - or those that are rapidly set to become so - most of the sites selected benefit from an outstanding natural environment.

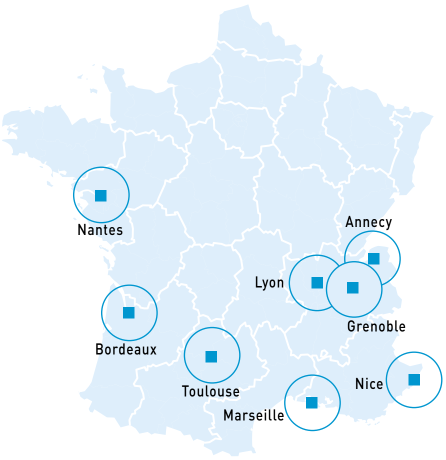
COGEDIM helps buyers with all legal and financial aspects of an acquisition, as well as in personalising their apartment. For each development, a dedicated team of architects, interior designers and customer service managers is made available so that customers can get where they want to live. With high quality materials, well thought-out layouts, elegant facades and common parts, efficient technical facilities and optimum running costs, the quality of COGEDIM's developments ensures that they stand the test of time.

FOCUS

A REGIONAL PRESENCE IN EIGHT FRENCH CITIES

COGEDIM, which operates in the Paris region, has developed its presence in eight regional French cities.

As well as being the leading property developer in greater Lyon, COGEDIM has dedicated subsidiaries in Nice, Marseille, Toulouse, Grenoble, Annecy, Bordeaux and Nantes.



> Île de la Jatte – Neuilly-sur-Seine.

> La Closerie de Bagatelle – Tassin-la-Demi-Lune.

> Sales office for Promenade Sisley, Suresnes.

FOUR LEADING RANGES

Upscale properties: "haute couture" homes

This is COGEDIM's core business line and it is continually market leader in this segment. Exceptional developments in terms of quality of location, harmonious integration into the surrounding environment and level of services available fit with very demanding quality standards, particularly in terms of facades layouts and entrance halls.

Midscale properties: undisputed quality

Midscale properties, also known as Citalis, are designed to meet the needs of new buyers and investors. Launched in 2004, this range makes no concessions in terms of quality while offering more affordable prices, attracting a broader customer base in the areas immediately surrounding Paris and French regions.

"Private Domains", "New Districts"

These are predominantly residential developments built on old industrial and commercial sites. Two "Nouveaux Quartiers" developments were successfully marketed in 2009: "Domaine de Coulanges", Massy's first eco-district, comprising shops, businesses, public amenities, offices and housing; and "Promenade Sisley" in Suresnes, a development of 600 homes with public amenities, in a private area planted with trees.

New serviced residences concepts

A number of student, business travel and leisure residence developments were launched in 2009: two student residences in the Lyon region, one development in Toulouse and another in Nantes. The development of this range will be completed by the new "COGEDIM Club" concept. These serviced residences for senior citizens, which will be managed by ALTAREA COGEDIM, combine a city-centre location with high quality services including video surveillance and a wide range of concierge services.

STRATEGY AND DEVELOPMENT

COGEDIM expects buoyant market conditions in 2010, thanks to attractive interest rates and the continuation of Loi Scellier tax incentives. If economic conditions remain stable, the Group is due to begin marketing 84 new developments representing around 4,700 homes. Works are due to start on 4,400 new homes in 2010, a 50% increase relative to 2009.

COGEDIM wants to increase its market share in each of the regional cities in which it operates, and to diversify its product lines. Its growth strategy is based on two main targets:

- maintaining its status as market leader in upscale residential property,
- developing its midscale property business while keeping the same quality standards.

In 2010, this diversification will be rolled out to new product lines and labels launched this year.

NF LOGEMENT DÉMARCHE HQE®: AN ENVIRONMENTAL COMMITMENT FOR ALL

Committed to a progress-based approach that concerns all of its residential property activities, the company adopted "NF Logement" certification for all of its developments in 2009. In the Paris region, "NF Logement Démarche HQE®" certification will be applied to all new developments in 2010. This initiative has speeded up the process of harmonising and enhancing internal practices. However, COGEDIM wants to go further, adapting its homes to meet the most advanced environmental standards. As of the second quarter of 2010, construction permit applications will be for "low energy consumption buildings".

> Domaine de Beauvert, Antibes.

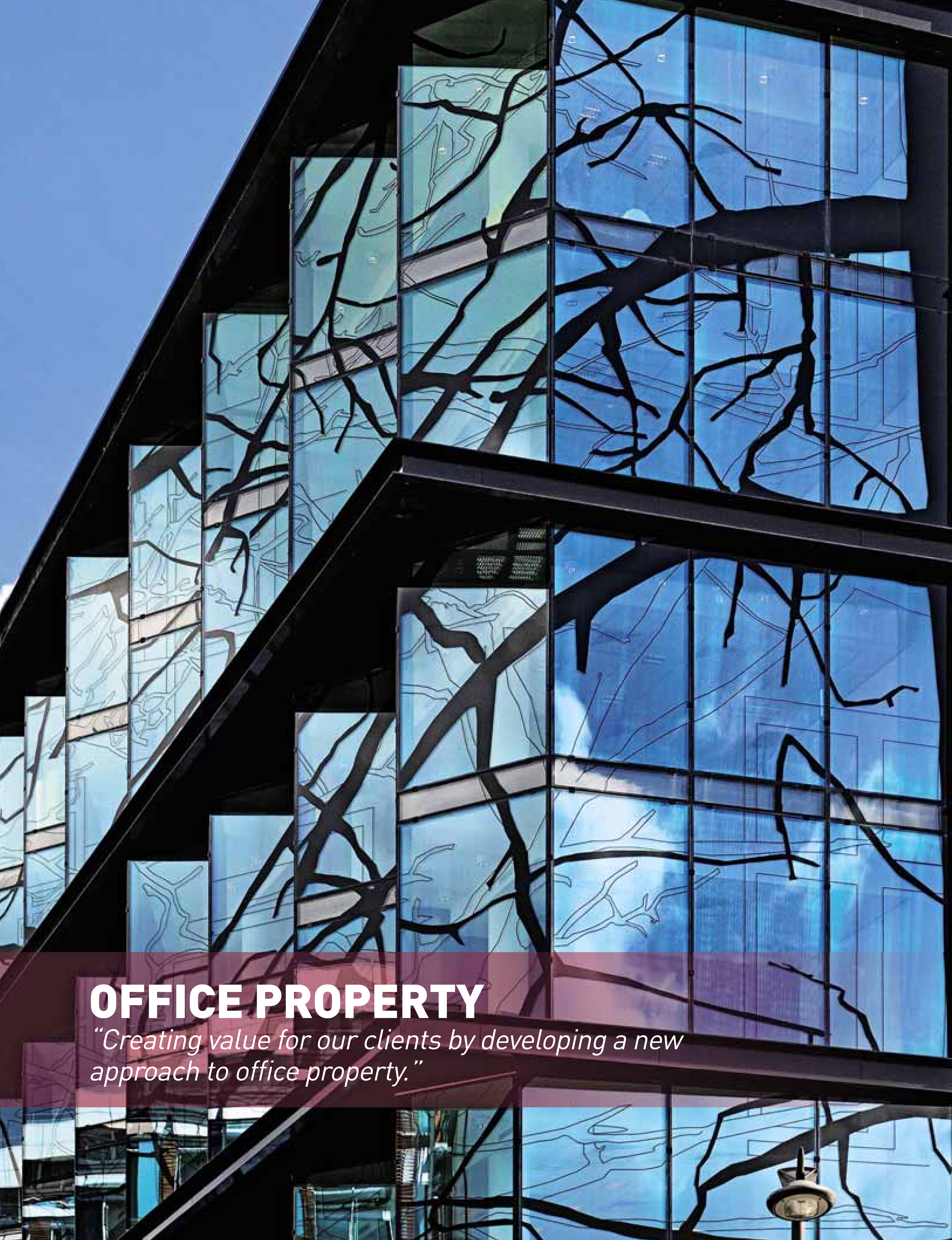
SUSTAINABLE DEVELOPMENT

Atmosph'Air in Grenoble: The first "BBC" low energy consumption residential development

Launched in 2009 for completion in 2011, the Atmosph'Air residence (79 homes) in Grenoble will be the Group's first "BBC" ("Bâtiment Basse Consommation") development. From the very start of the project, everything was done to meet the requirements of BBC standards. The architectural design has been adapted by urban architect Yves Lion to create a compact building with living areas exposed to the south and west.

Efficient construction methods have also been thought of, resulting in a building benefiting from enhanced insulation, reduction of thermal bridges, optimum air-tightness and ventilation, and hot water pre-heated by solar panels.

As a result, energy consumption will be around 50 kWh per sqm, well below the current average for French properties of 240 kWh per sqm, allowing Atmosph'Air's residents to make substantial cost savings.



OFFICE PROPERTY

"Creating value for our clients by developing a new approach to office property."

MARKET TRENDS

In 2009, ALTAREA COGEDIM launched €140 million excluding tax in development projects, despite severe contraction in the investment market. The Group completed eight office buildings, launched two of the largest construction projects in the Paris region and signed five new deals for which works are due to begin in 2010.

A STRATEGY IN RESPONSE TO THE CRISIS

2009 was a difficult year for the office property market. Demand declined sharply, resulting in plummeting sales volumes, coupled with adjustment in take-up and rents. At the same time, the level of unsold properties increased, particularly obsolete properties. Against this backdrop, ALTAREA COGEDIM endeavoured to take measured risks by joining forces with investors or pre-letting its developments, as well as developing its services activities.

STRONG PROPERTY DEVELOPMENT BUSINESS

In 2009, the Group completed eight office buildings representing a total net floor area of over 150,000 sqm.

In the Paris region, ALTAREA COGEDIM completed *Cinétic* (Paris 20), an HQE certified office building providing an urban link between Paris and the neighbouring districts. Its other achievements include *Carré Suffren* (Paris 15) and *Quai 33* (Puteaux – La Défense), two high-rise redevelopment projects, and *Séreinis* (Issy-les-Moulineaux), forming part of a new district in the city gateway.

ALTAREA COGEDIM also launched or continued with three of the largest construction projects in the Paris region in 2009: *Tour First* (87,000 sqm in La Défense), which is also the largest HQE certified construction project in France, the head office of Laboratoires Servier (55,00 sqm in Suresnes) and the *Okabé* mixed urban development project in the south of Paris, for which SILCA (part of the Crédit Agricole Group) has signed a lease for 12,000 sqm of office space. In the provinces, the Anthémis building in the Lyon Part–Dieu business district was delivered to Carlyle.

> Cinétic, HQE® certified building, Paris.

HIGHLIGHTS

CINÉTIC
Porte des Lilas, Paris 20th, 22,000 sqm

This HQE® certified building was sold to Prédica and Caisse des Dépôts, and leased to Pôle Emploi. In addition to its original and environmentally-friendly architecture, it offers an ergonomic internal layout.

ONYX
Clichy (92) 17,000 sqm

This building, located in the Berges de Seine business district, offers a contemporary and carefully thought out architecture. The offices have been sold to Kanam and partly leased to the Lamy Group.

SÉREINIS
Issy-les-Moulineaux (92), 13,000 sqm

Sold to property company Klépierre, Séreinis asserts its identity within an established commercial environment, while also fitting in with the urban environment. Its daring architecture is by Anthony Bechu and Tom Sheehan.

ANTHÉMIS
Lyon (69), 20,300 sqm

With a strong architectural identity, Anthémis is located on a major thoroughfare of the La Part Dieu business district. Sold to the Carlyle group and leased primarily by SNCF, the building offers top-end services and internal facilities.

CHATEAUDUN-TAITBOUT
Paris 9, 7,000 sqm

The historic head office of Swiss Life, comprising two standalone Haussmann-style buildings, has been upgraded subject to value-enhancement works. ALTAREA COGEDIM carried out extensive redevelopment works, including the creation of two levels of car parking.

QUAI 33
Puteaux (92), 24,000 sqm

Eurosic is the owner of Quai 33, formerly Tour Anjou built in 1973, located on the banks of the Seine in Puteaux which has undergone extensive redevelopment. This high-rise building offers 24,000 sqm of office space.

CARRÉ SUFFREN
Paris 15, 27,800 sqm

Extensive redevelopment works resulted in the creation of a light-filled and welcoming building in the heart of the 15th district of Paris. The building belongs to Foncière des Régions and Predica.

ARTISTIDE
Bagneux (92), 21,150 sqm

Architect Paul Chemetov was chosen to create a building with an elegant and dynamic design. Located at the gateway to the city, this HQE® certified building is owned by the COGEDIM Office Partners fund.

€140 million
of reservations in 2009

8 *office buildings completed representing a total net floor area of over 150,000 sqm in 2009*

Stéphane Theuriau
Joint CEO in charge of office property and private equity, Chairman of Cogedim Entreprise

We firmly believe that 2010 will be the start of a new capex cycle deriving directly from the Grenelle de l'Environnement conference. Our teams are at the cutting edge of property design and urban regeneration in France. More than ever, we want to give investors and users the benefit of our technological, product and marketing expertise and to help them with their decisions, which will constitute opportunities for value creation.

SUSTAINABLE DEVELOPMENT
Creating Green Value in all office property developments

In 2009, the office property business obtained HQE® certification for close to 233,000 sqm of office space. In order to remain ahead of the game and continue to create "green value", other projects will continue:

- Cœur d'Orly, 73,000 sqm of office properties with BBC energy performance certification, an urban development project in the largest economic hub in the south of the Paris region;
- Pajol, the first BBC-certified office development in Paris with a green lease (5,100 sqm);
- First, the largest office development in France, with HQE® certification (86,700 sqm of usable space);
- Laennec (Paris 6), a pilot site for HQE® office renovation certification.
- The Crédit Agricole Alpes Provence head office in Aix-en-Provence and Nice Meridia, both HQE® environmentally certified.

KNOW-HOW *AND EXPERTISE*

ALTAREA COGEDIM has developed its expertise as a property developer and asset manager to design the workspaces of tomorrow that are the most efficient, the most economical in terms of operating costs and the most demanding in terms of environmental quality, with HQE® certification for all of its developments.

COMPREHENSIVE AND BESPOKE SOLUTIONS

Whether for investors or user clients, ALTAREA COGEDIM offers turnkey solutions with a guaranteed price and deadline – from land prospecting and enhancing the value of existing properties to organising removals – always addressing employees' future needs and the owners' economic constraints. The Group covers all aspects of property development, including urban development, asset management, project management assistance, delegated project management, property development contracts and off-plan sales and marketing assistance. ALTAREA COGEDIM therefore helps its clients to manage their real estate issues.

> Suitehotel, HQE® certified hotel, Issy-les-Moulineaux.

FIVE MAIN PRODUCTS

HEAD OFFICES

Whether involved in new projects or the redevelopment of old office buildings, ALTAREA COGEDIM has all of the know-how needed to provide large companies with "turnkey" head offices, taking account of their own constraints in terms of production, location, space and rental.

REFURBISHMENTS

ALTAREA COGEDIM benefits from renowned expertise in major redevelopment projects, making it a sought-after partner for major investors in France and abroad. The involvement of a multi-skilled team in all stages of the project guarantees its clients, investors and users that it will continue to listen to their needs and respect deadlines.

HIGH-RISE BUILDINGS

Given the significance of commercial high-rise buildings in urban landscapes, ALTAREA COGEDIM has been a pioneer in creating daring buildings and architectural quality via its stand-out developments in Paris. The Group focuses on technological innovation to design high-rise buildings that are environmentally friendly, conveying a strong meaning and image.

BUSINESS AND MIXED-USE DISTRICTS

ALTAREA COGEDIM carries out development projects in existing or upcoming business districts. From choosing the location to the development design, these business districts constitute real urban centres, with all of the services needed by a city and today's workers.

LUXURY HOTELS

As owner-operator or on behalf of investors, ALTAREA COGEDIM carries out new development projects or converts iconic heritage sites such as the Hôtel Dieu in Marseille or the Palais de Justice in Nantes into luxury hotels. Close to 1,000 rooms in four-star hotels will be completed between now and 2013, all of which will have "NF-Tertiaires HQE®" hotel certification.

STRATEGY AND DEVELOPMENT

As a leading developer for major institutional investors, ALTAREA COGEDIM will continue with its policy of providing services. The Group will also strengthen its business model by joining forces with international partners to invest when the time comes - during the cyclical downturn - in office developments offering a high level of added value.

CONTINUATION OF PROJECTS IN 2010

The works on 140,000 sqm of office property that began in 2009 will continue in 2010. In the Paris region, ALTAREA COGEDIM will begin construction works on three new development projects for which agreements were signed in 2009, the largest of which is Landy, a 22,000 sqm building in Saint-Denis (93), which is due to be built under speculative development on behalf of Silic under a property development contract.

The second development project will be a "Suitehotel" in Issy-les-Moulineaux for the Accor group. The 128-suite three-star "plus" hotel, with a total area of 6,300 sqm, was one of the first to receive "NF Bâtiments Tertiaires HQE®" certification for hotels. An off-plan sale agreement has been signed for 5,200 sqm of office space to be built in the Pajol planned development zone in Paris. This will be the first office building with "BBC" low energy consumption certification in Paris, for which a green lease has been signed with Syndex.

In the provinces, a property development contract has been signed to build the Crédit Agricole Alpes Provence head office, as well as a delegated project management contract to build GL Events' new head office in Lyon.

In 2010, ALTAREA COGEDIM is due to complete a 25,000 sqm office building in Okabé (94), ALTAREA COGEDIM's first mixed-use urban development project. The Group should also launch three projects in the Paris region representing a total of 33,000 sqm of office space and total sales of €151 million.

In the regions, the Group is due to complete a total of 88,000 sqm out of 152,000 sqm of development projects currently under way in 2010: *La Cité des Affaires* (Saint-Etienne), the *Nice Méridia* business centre, *Le Galilée* (Blagnac) and *Portes Sud-Bordelongue* (Toulouse). The Group should also use 2010 to finalise the Euromed Center development project, the launch of which is planned for 2011.

> Cœur d'Orly, BBC certified development.

Two major construction projects are due to begin: the restoration of the *Hôtel Dieu in Marseille*, which will result in the creation of an Intercontinental hotel, and the conversion of the former *Palais de Justice* in Nantes into a four-star hotel and cultural centre.

SEIZING OPPORTUNITIES RELATING TO MARKET DEVELOPMENTS

Faced with the risk of a lack of new supply in the medium term, ALTAREA COGEDIM has positioned itself to develop high quality new buildings for completion as of 2012. Between 2009 and 2012, it plans to complete more than 200,000 sqm of office space.

Demand for renovated second-hand buildings will also grow over the next few years. Capitalising on its expertise in renovating obsolete buildings, the Group has already positioned itself in the redevelopment market, which is set to see strong growth.

The Grenelle de l'Environnement environmental conference in France also has a growing impact on the design of buildings and the redefinition of key locations. In order to meet market demand, ALTAREA COGEDIM will continue to invest in sites that are very well served by public transportation. A line of office properties will be launched with HQE®-BBC certification at optimum cost, located on the outskirts of major regional cities.

ALTAGREEN COMMITMENT

> Assemblée Nationale / Paris 7^{e}.

SUSTAINABLE DEVELOPMENT

5 KEY ISSUES

5 KEY ISSUES

1 – ENHANCING
the environmental
performance
of our activities

2 – DEVELOPING
sustainable and innovative
places for living

3 – ENCOURAGING
sustainable
practices

4 – MAKING
a full commitment
to the key players
in city life

5 – FOCUSING
on skills
and talents

A PROGRESS-LED APPROACH

Social and environmental responsibility is central to ALTAREA COGEDIM's development strategy as a guarantee of innovation and durability. Our commitment to serving more mixed, more civic-minded and more sustainable city living is reflected by pioneering concepts, from design to operation.

Our sustainable development approach is not new. Back in 2005, ALTAREA COGEDIM was involved in drawing up the first "HQE® Tertiaire" standards. Today, the Group's ambition, commitments and know-how are confirmed and formalised by its progress-based approach: "ALTAGREEN".

Capitalising on all of the Group's strengths, ALTAGREEN aims to extend sustainable development concerns systematically to all of its activities and employees.

ALTAGREEN was initiated by 12 workshops involving over 90 employees. In coordination with the Sustainable Development division, these workshops proposed short and medium-term action plans.

***ALTAREA COGEDIM was the first generalist property developer** and a forerunner in HQE® certification. This attests to the real commitment of an entire company that capitalises on its HQE® expertise in order to pass it on from one business activity to another.*

Patrick Nossent
Chairman of CERTIVEA

INTERVIEW

What is the place of sustainable development within ALTAREA COGEDIM?

It is central to the Group's strategy. Our unique positioning as generalist property developer demands a high level of consistency in our sustainable development commitments across all asset classes. This approach inevitably affects how we structure our activities. Given the company's history, it also has a unifying effect. We are therefore fully committed to sustainable development.

How is the "Altagreen" approach rolled out?

Each business line - retail property, residential property, office property - has its own priorities, but the same timeline and resources. ALTAREA COGEDIM's employees share high standards, which helps to enhance this progress-led approach. To ensure this synergy, we have created a Sustainable Development division that is supported by a network of correspondents for each business line and a number of support functions.

Bruno Poulain,
Head of Sustainable Development, Communications and Human Resources

KEY ISSUE No. 1

ENHANCING OUR ENVIRONMENTAL PERFORMANCE

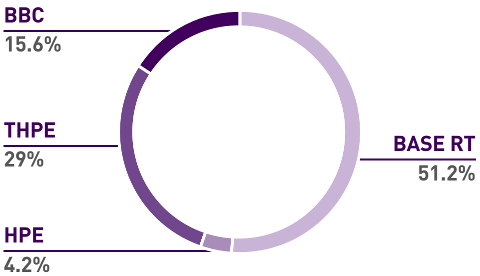
THE ONLY CERTIFIED DEVELOPER FOR ALL ASSET CLASSES

Thanks to its expertise in each area of the property industry, ALTAREA COGEDIM is currently the only developer to have certified all asset classes.

In retail and office property, the Group has three pioneering developments in terms of certification. Okabé in Kremlin-Bicêtre was one of the first shopping centres to obtain "HQE® Commerce" certification in June 2009. SuiteHotel in Issy-les-Moulineaux was one of the first hotels to receive "HQE® Hôtellerie" certification in October 2009. In addition, the Philips head office in Suresnes was the first development to obtain "HQE® Exploitation" certification.

In residential property, 1,766 homes have "Habitat et Environnement" or "NF Logements-démarche HQE" environmental certification. The first "BBC" certified low-energy consumption developments were launched in 2009 in Grenoble and Montreuil.

ALTAREA COGEDIM energy performance for new office production*



BASE RT 2005: "Réglementation Thermique" thermal comfort basis
HPE: High energy performance
THPE: Very high energy performance
BBC: Low energy consumption

** Projects with building permit, under development or completed in 2009.*

FOCUS

> First, Paris-La Défense.

TOUR FIRST: A STEP AHEAD

TOUR FIRST, a development by ALTAREA COGEDIM in La Défense, is the largest building in France to have received "NF Bâtiment tertiaire Démarche HQE®" certification, aiming for the "THPE" label. This latest-generation building divides energy consumption by five in comparison with a conventional high-rise building, thanks primarily to its bioclimatic facade, which serves as a real heat shield. ALTAREA COGEDIM wanted to create a concrete manifestation of its commitment to protecting the environment and chose to adapt the existing structure. This solution, while more complicated than demolishing and rebuilding, enabled it to reduce "grey energy" consumption by 40%. TOUR FIRST also offers a multi-energy system combining district heating and cooling networks to allow for better management of consumption peaks.

ALTAREA COGEDIM was awarded the 2009 *"Grand Prix National de l'Ingénierie"* for the design and development of TOUR FIRST.

Shopping centre carbon footprint assessment

The carbon footprint assessment counts direct and indirect greenhouse gas emissions relating to the development and operation of a real estate project. This can be broken down as follows.

72% Transportation	12% Building depreciation	10% Tenants' emissions	6% Running of the building
SITE SELECTION	DESIGN CONSTRUCTION	OPERATION	
• Study of residential and working areas • Transportation study • Study of potential use of renewable energy	• Definition of environmental and energy profile • Control of carbon energy used during works (grey energy) • Use of renewable energies	• Discussion about environmental issues with tenants • Respectful use of the building • Renewable energy production	

THE 3 STAGES OF A DEVELOPMENT TO CONTROL CARBON ISSUES

Source: ALTAREA COGEDIM.

A COMPREHENSIVE APPROACH, FROM DESIGN TO MANAGEMENT

As the designer, manager and operator of shopping centres, ALTAREA COGEDIM approaches the overall cost from the design phase.

Its environmental performance targets - primarily reducing water consumption, heating and air conditioning requirements, using less energy-intensive equipment, integrating solutions to facilitate the running of the building such as waste collection and technical building management - are taken into account from the planning stage.

A steering tool rolled out across all of the Group's properties is permanently adapted in order to include all environmental data ensuring monitoring of systematic consumption.

In 2009, a series of full carbon footprint assessments was launched in accordance with the methodology defined by Ademe, the French agency for the environment and energy management, for shopping centres representative of the Group's portfolio.

284,000 sqm *of office space, retail space and hotels completed or in progress obtained HQE® certification in 2009.*

26% *of our portfolio investment is dedicated to optimising energy and environmental performance in 2010.*

2010 commitments

- Making BBC-certified energy performance **standard** for new developments.
- Collecting **100%** of environmental information about retail properties in the portfolio (common parts).

KEY ISSUE No. 2

DEVELOPING SUSTAINABLE AND INNOVATIVE PLACES FOR LIVING

DESIGNING PLACES THAT CONTRIBUTE TO SUSTAINABLE CITIES

In order to promote an urban model that respects social and environmental balances as much as possible, ALTAREA COGEDIM factors diversity into all of its developments:

- social diversity via residential developments linking different types of housing within the building or block, suited to households with different levels of income;
- urban diversity (housing, offices, public and private amenities), implemented in 2009 with the launch of the "Nouveaux Quartiers" ("New Districts") concept and on a larger scale in the Okabé urban development in Kremlin-Bicêtre;
- generational diversity with the development of serviced residences for senior citizens as part of residential developments.

In places generating a high level of footfall, namely shopping centres, particular attention is paid to visitors' well-being, choosing plants and healthy materials ensuring customers' hygrometric, acoustic, visual and olfactory comfort, natural lighting, ease of moving around (signs, walkways etc.), and pleasant car parking facilities. Priority is also given to people with limited mobility, who benefit from secure access to reserved and supervised parking spaces.

150 million
customers visit our shopping centres each year.

Average distance of ***197 m*** *from public transport networks for our office property production in 2009.*

FOCUS

RUAUDIN: EXAMPLE OF A SUSTAINABLE RETAIL PARK

The 10-hectare Les Hunaudières Family Village, at the gateway to Le Mans, was awarded the Ligue Urbaine et Rurale "City Gateway prize" for its facilities, including optimisation of the site layout, a band of greenery protecting views from the main road, re-use of water reservoirs, access to the site by foot and by bicycle, regeneration of woodland and biodiversity, and conservation of an old roadway.

The aim of the HQE® association is to make practices change for the better. For us, it is important that companies like ALTAREA COGEDIM show that it is economically and technically possible to certify all types of property while valuing quality and user comfort.

Anne-Sophie Perissin-Fabert,
Chairman of the HQE® Association.
Cogedim Résidence, a member of the HQE® association, was awarded "NF Logements démarche HQE®" certification at the HQE® Association's national conference in 2009.

2010 commitments

- **100%** of new retail developments will be subject to HQE® certification and a BREEM assessment.
- **Guaranteeing** an environmentally-friendly approach for each of our new development projects (Residential and Commercial General Management System).

KEY ISSUE No. 3

ENCOURAGING SUSTAINABLE PRACTICES

ALTAREA COGEDIM takes its share of responsibility for encouraging sustainable practices among its tenants, customers, suppliers and employees.

FAVOURING PARTNERSHIPS

Public-private partnerships are central to development. With local authorities, ALTAREA COGEDIM favours cooperative emulation as a way of designing innovative projects that help to meet the major objectives of regional developments. The partnership with Caisse des Dépôts - renowned for its role in supporting urban renewal - is continuing with "Altacité", an investment structure for city-centre retail projects currently under development: Cour des Capucins in Thionville and Espace Saint-Christophe in Tourcoing. Partnerships are also encouraged with retailers.

RAISING OUR CUSTOMERS' AWARENESS OF SUSTAINABLE DEVELOPMENT ISSUES

The Group endeavours to show office property investors the benefits of enhancing the "green" value of their property portfolios. As part of its delegated project management service, it offers to put together a dedicated multi-skilled team to guarantee the commercial attractiveness, along with the environmental and financial performance of the project.

A "green living" handbook is systematically given out to all buyers of NF Logements HQE® certified homes. At shopping centres, environmentally-conscious initiatives continued in 2009.

*Of the **70** tenders managed by the Tenders Department, **35** used digitalised formats in 2009.*

***74** "green leases" at Okabé in 2009.*

FOCUS

"BRIQUE D'OR" AWARD FOR CARRÉ DE SOIE

Enseignes&Innovation, a club of 200 retailers, awarded ALTAREA the "Brique d'Or" for shopping centres. For the first time, the club wanted to highlight the good relations between developer and tenants - in terms of respect, listening, discussion and action - when carrying out works for the opening of the Carré de Soie shopping centre.

> Bercy Village, events held throughout the year, including Christmas decorations made from recycled objects.

DEVELOPING ECO-RESPONSIBILITY IN CONTRACTUAL DOCUMENTS

ALTAREA COGEDIM has drawn up a "green lease" template to provide a contractual framework for the exchange of environmental information. This dialogue with retailers was initiated at Okabé. Environmental specifications are also attached to leases to carry out development works to shops and offices. 74 green leases have been signed.

alta green

2010 commitments

- **Systematic use** of green leases for all new developments.

PROMOTING A RESPONSIBLE PROCUREMENT POLICY

ALTAREA COGEDIM is committed to making environmental awareness a key factor in selecting its service providers, including architects, research firms, and project managers. This approach is based on the "Apogée" management system, a centralised database that can be accessed by the Group's employees on the Tenders Department's extranet site. Grouping together all of the contractual documents required to carry out a tender, "Apogée" foreshadows the most environmentally responsible ways of working, with electronic tender invitations cutting down on use of copies, saving time and making things easier for each party.

In 2010, the system will become a "marketplace", allowing for environmental criteria to be factored into the selection of the Group's partners.

KEY ISSUE No. 4

FOCUSING ON SKILLS AND TALENTS

ALTAREA COGEDIM intends to forge closer ties between its different business lines in order to develop employees' skills and enable all of its employees to benefit from opportunities for change.

Over the last two years, 81 staff have been transferred within the Group, representing over 10% of the total headcount. Mobility entails long-term work to anticipate needs, detect potential and converge individual desires and collective challenges.

A shared training platform has been developed and, despite the crisis, the number of hours of training has remained stable over the last three years.

Resources for sharing and information have been introduced or enhanced, such as an intranet site for all employees, monthly conferences, "Alterego Thursdays" - allowing people to find out about the Group's different business lines - and the publication of a quarterly in-house magazine, "Alterego".

As part of this drive, management committees meet ever two or three months depending on their remit, involving the company's main managers and covering all activities. In 2009, 500 employees attended a convention in Paris.

The annual interview process has been harmonised. 75% of interviews were conducted in 2009 and were subject to a report that is co-signed and systematically used.

***98%** of staff on permanent contracts.*

***43%** of ALTAREA COGEDIM's management staff are women.*

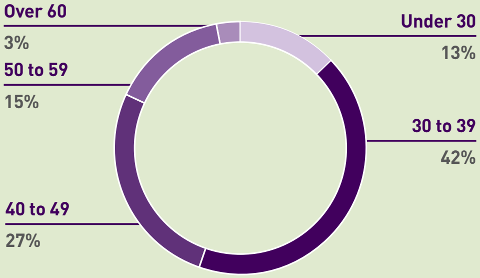
***100%** of ALTAREA COGEDIM employees are shareholders*.*

***6,500 hours** of training in 2009.*

2010 commitments

- Training and raising awareness of **all** of the Group's employees in sustainable development.

Group employees:
breakdown by age group



* Subject to seniority conditions.

KEY ISSUE No. 5

MAKING A COMMITMENT TO THE KEY PLAYERS IN CITY LIFE

FOCUS

ACCESS TO HOUSING

The Group supports the efforts of the "Habitat et Humanisme" association to provide housing for the most underprivileged by means of an active partnership. Two full-time jobs in the Paris region - one for land prospecting and the other for rental management - have been created on a long-term basis. An equity investment has allowed for the financing of three new social residences in Lyon, Versailles and Clamart. The "Une clef pour les mal logés" awareness campaign for people in housing difficulty was rolled out in around 15 of the Group's shopping centres. In total, the Group's sponsorship efforts represented a commitment of €1.1 million.

ALTAREA COGEDIM endeavours above all to promote all forms of accessibility in day-to-day life.

ACCESS TO EMPLOYMENT AND TRAINING

The regional footing of the Group's shopping centre developments has resulted in the widespread signature of employment and training charters with local employment services and associations for getting people back into work. At Carré de Soie, nearly 500 local jobs were created this year.

As co-founder and sponsor of the Palladio Foundation, created in 2009, ALTAREA COGEDIM supports further training in the property business. Alain Taravella sponsored the 2009 "Property Engineering" programme at University Paris X - Nanterre - La Défense.

ACCESS FOR ALL TO SPORT, CULTURE AND EDUCATIONAL LEISURE FACILITIES

At Bercy Village, Carré de Soie and Thiais Village, with the support of a dedicated team, ALTAREA COGEDIM has continued with its policy of scheduling high quality free events over the year - such as concerts, exhibitions, a street arts festival and sporting activities - in association with well-known cultural and community organisations.

1,200 *jobs created at Okabé and Carré de Soie*

100 *days of free cultural events at Bercy Village in 2009.*

alta green

2010 commitments

▶ **Continue** with our sponsorship policy with "Habitat et Humanisme" and the Palladio Foundation.

FOCUS

ROUBAIX

The CNCC civic action award for 2009 was given to the seventh edition of the "Les Roubaisiennes en Or" project, organised by Espace Grand'rue in Roubaix. This civic project consists of identifying and giving financial awards to five local female figures committed to supporting culture, sport, the economy, solidarity and the environment on a day-to-day basis.

OUR AREAS FOR PROGRESS — 2009 HIGHLIGHTS

THE ECONOMY AND OUR CUSTOMERS

	Areas for progress	2009 highlights
	Strengthening our local relationship with customers	> Conducting targeted qualitative and quantitative surveys
		> Conducting satisfaction surveys of people buying a home six months after completion
		> 2009 "Trophées Internet Construction et Immobilier" awards - Prize for best newsletter

ENVIRONMENT

	Areas for progress	2009 highlights
PORTFOLIO	Making our portfolio more environmentally friendly	> Roll-out of a tool for collecting information at all of our properties
		> Three full Bilan Carbone® carbon assessments carried out (ADEME method)
	Tending towards environmental certification for our properties	
PROPERTY DEVELOPMENT	Making our new developments more environmentally friendly	> 284,152 sqm of office property and 1,766 homes certified
		> Two residential developments with BBC Effinergie® certification in Grenoble and Montreuil
		> First retail certification for Okabé, Kremlin-Bicêtre (pilot development in France)
		> First hotel certification for SuiteHotel, Issy-les-Moulineaux (pilot development in France)
		> First head office certification for Philips, Suresnes (pilot development in France)
	Implementation of a certified development process	> NF Démarche HQE® certified General Management System (GMS) for the residential business > Development of Commercial General Management System
RELATIONS WITH STAKEHOLDERS	Helping our customers to adopt a more responsible approach	> Environmentally-friendly practices handbook given to home buyers
		> Specifications for fitting out given to office or retail tenants to ensure the durability of the building's environmental performance
		> Development of a "green lease" template and adding environmental stipulations to existing leases
		> 74 green leases signed at Okabé
	Systematic use of environmental best practices	> Inclusion of clauses relating to sustainable development in all tender documents
HEAD OFFICE	Development of a working framework to improve the Group's environmental impact	> Raising awareness about environmentally-friendly practices
		> Implementation of a recycling policy and selection of a service provider for the conversion of some of the Group's waste into biogas
		> Implementation of an IT tool for the digitalisation of tender procedures to reduce printing on paper
		> Implementation of a policy for reducing CO_2 emissions for the Group's vehicle fleet
		> Review of the business travel policy
		> Making self-service vehicles available, limiting use of personal vehicles and encouraging use of public transport
		> Implementation of a car pooling tool
		> Selection and leasing of hybrid vehicles in the Group's vehicle fleet

EMPLOYEES

	Areas for progress	2009 highlights
THE COMPANY'S HUMAN CAPITAL	Developing means of communication and discussion within the Group	> Organisation of monthly conferences presenting the Group's business lines: "AlterEgo Thursdays"
		> New format for "AlterEgo", ALTAREA COGEDIM's company magazine (created in 2005)
	Maintaining qualitative access to professional training	> Implementation of an ALTAREA COGEDIM training platform
		> 75% of the Group's employees underwent an individual assessment and career progress interview
	Involving employees in the company's performance	> 100% of employees are shareholders in the company (subject to seniority conditions)
PATRONAGE	Active policy of support in the housing sector	> Supporting and involvement in the "Habitat et Humanisme" foundation
		> Support in creating the Palladio foundation
	Supporting the emergence of future talents	> Success of the 2009 "Prix Cogedim de la Première Œuvre" competition for young architects

2010 COMMITMENTS

- > Launch of a qualitative and quantitative survey on the shopping centre of the future and customers' acceptance of constraints relating to the environmental optimisation of centres in operation (2010-11)
- > Continuation of the strategy of satisfaction surveys
- > Implementation of quality-led after-sales service for residential business

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- > Continuing to design a system for the environmental analysis of our properties
- > Collecting 100% of environmental information for common parts (for fully-owned properties)
- > Continuing to collect environmental information for private parts
- > Add the assessment module for automatic measurement of carbon footprint
- > Experimentation with "HQE® Exploitation" certification at the Okabé shopping centre

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- > NF Démarche HQE® certification as standard for new developments in the Paris region and NF Logement certification for developments in the provinces
- > BBC Effinergie® energy-efficiency certification at least as standard for new residential developments
- > NF Démarche HQE® certification as standard and BREEAM assessment for new shopping centre developments and at least BBC Effinergie® energy efficiency
- > NF Démarche HQE® certification as standard for new office developments and at least BBC Effinergie® energy efficiency
- > Systematically offering our investment partners construction Bilan Carbone® assessments (Ademe method) and BREEAM assessments for office developments
- > Developing Technical Building Management (TBM) specific to ALTAREA COGEDIM (2010-11)
- > Extending the NF Démarche HQE® certified General Management System (GMS) to commercial activities (offices, hotels, retail) (2010-11)

- > Continuation of this approach
- > Continuation of this approach
- > Systematic implementation of green leases for all new developments
- > Addition of environmental stipulations for all lease renewals relating to shopping centres in the portfolio
- > Systematic use of contractual documents including the Group's new environmental criteria for all partners (2010-11)
- > Development of the "marketplace" website to include environmental criteria in the selection of partners
- > Review of alternative procedures to the current cumbersome procedures

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- > Bilan Carbone® assessment for the Group's head office
- > Continuation of this approach
- > Systematic use of this tool
- > Continuing to reduce the fleet's CO_2 emissions
- > Roll-out of a videoconferencing system for the head office and four regional subsidiaries
- > Continuation of this approach by providing a new self-service vehicle
- > Inclusion of the car pooling tool on the Group's intranet site
- > Extending selection to new hybrid vehicles

- > Organisation of seven "AlterEgo" conferences
- > Creation of a dedicated section on sustainable development
- > Training in and raising awareness about sustainable development for all Group employees
- > Development of tutoring system, with the appointment of five tutors and introduction of nearly 100 hours of dedicated training
- > Organisation of "HR meetings" with Group managers
- > Extending to 100% of Group employees
- > Continuing with the policy of employee incentives

- > Renewal of the first partnership agreement
- > Continuing active involvement in the Palladio foundation
- > Continuation of this approach

OUR AREAS FOR PROGRESS	INDICATORS	2009 FIGURES	UNIT	GRI
THE ECONOMY AND OUR CUSTOMERS				
Strengthening our local relationship with customers	> Customer satisfaction surveys	733	Number of surveys	PR5
ENVIRONMENT				
PORTFOLIO				
Making our portfolio more environmentally friendly	> Energy consumption	217	kWh per sqm.	EN3
	> CO_2 emissions	9.5	kg of CO_2 per sqm.	
PROPERTY DEVELOPMENT				
Making our new developments more environmentally friendly	> Environmental certification for retail properties	45,000	sqm. HON	
	> % of retail properties with environmental certification	42	%	
	> Environmental certification for office properties	232,852	sqm. net floor area	
	> % of office properties with environmental certification	54	%	
	> Environmental certification for hotels	6,300	sqm. net floor area	
	> % of hotels with environmental certification	29	%	
	> Environmental certification for residential properties	1,766	Number of homes	
	> % of residential properties with environmental certification	25	%	
RELATIONS WITH STAKEHOLDERS				
Helping our customers to adopt a more responsible approach	> Green leases	74	Number of leases	
HEAD OFFICE				
Development of an efficient working framework to improve the Group's environmental impact	> Energy consumption	8,744	kWh per employee	EN3
	> Water consumption	11.91	m^3 per employee	EN8
	> Vehicle fleet CO_2 emissions	163	average g of CO_2 per vehicle	
EMPLOYEES				
THE COMPANY'S HUMAN CAPITAL				
Involving employees in the company's performance	> Number of employees	698	Employees	LA1
	> ALTAREA COGEDIM age pyramid	See p52		LA13
	> Average age	40	years	LA13
	> Breakdown between women and men (whole company)	55 (F)/45 (M)	%	LA13
	> Breakdown between women and men (managers)	43 (F)/57 (M)	%	LA13
	> Annual assessment	75	%	LA12
	> Professional training	6,505	hours	
	> Internal transfers	45	Employees	
	> Absenteeism rate	2.27	%	LA7
	> Employee shareholders (under seniority conditions)	100	%	
PATRONAGE				
Active policy of support in the housing sector	> Amount of contributions to associations and foundations	385,000	(in EUR)	

INTERNAL	DEFINITION/CALCULATION METHOD	SCOPE
	> Number of satisfaction surveys conducted	> Residential business in France
	> Numerator: Primary energy consumption in kWh, calculated on the basis of French conversion factors > Denominator: Area in sqm.	> Retail properties in the portfolio (GLA of 194,640 sqm. for GLA of 623,796 sqm.)
✓	> Numerator: CO_2 emissions from energy consumption, calculated on the basis of French conversion factors. > Denominator: Area in sqm.	
✓ ✓ ✓ ✓ ✓ ✓	> Absolute value: net floor area in sqm. completed in 2009, under development or pre-let subject to environmental certification. > Percentage: - Numerator: net floor area in sqm. completed in 2009, under development or pre-let benefiting from environmental certification - Denominator: net floor area in sqm. completed in 2009, under development or pre-let	> Total commercial building production in France
✓ ✓	> Absolute value: Number of homes completed in 2009, under development or pre-let subject to environmental certification > Percentage: - Numerator: Number of homes completed in 2009, under development or pre-let benefiting from environmental certification - Denominator: Number of homes completed in 2009, under development or pre-let	> Total residential property production in France (ALTAREA COGEDIM share)
✓	> Number of green leases signed with retailers	> Retail properties in the portfolio
	> Numerator: Total annual energy consumption by the head office (kWh of primary energy) > Denominator: number of employees at head office at 31 December 2009	> Head office
	> Numerator: Annual drinking water consumption at the head office (m^3) > Denominator: number of employees at head office at 31 December 2009	
✓	> Average CO_2 emissions for the Group's vehicle fleet	> Vehicle fleet in France
	> Total number of permanent staff at 31 December 2009	> Entire Group (France, Spain, Italy)
	> Breakdown of employees by age group	
	> Average age of all employees	
	> Numerator: Number of female employees and number of male employees > Denominator: Total number of employees for the scope in question	
	> Numerator: Number of female managers and number of male managers > Denominator: Total number of managerial staff for the scope in question.	
	> Numerator: Number of employees benefiting from periodic assessments and career progress interviews. > Denominator: Total number of employees with more than six months' service for the scope in question.	
✓	> Number of hours training during the year	
✓	> Number of changes of position, department or subsidiary. > Not including administrative transfers (12 people).	
	> Workplace accidents, professional illness, absenteeism	
✓	> Numerator: Number of permanent employees of more than six months benefiting from bonus share awards. > Denominator: Total number of employees with more than six months' service for the scope in question.	
✓	> Amounts paid over the year	> Entire Group (France, Spain, Italy)

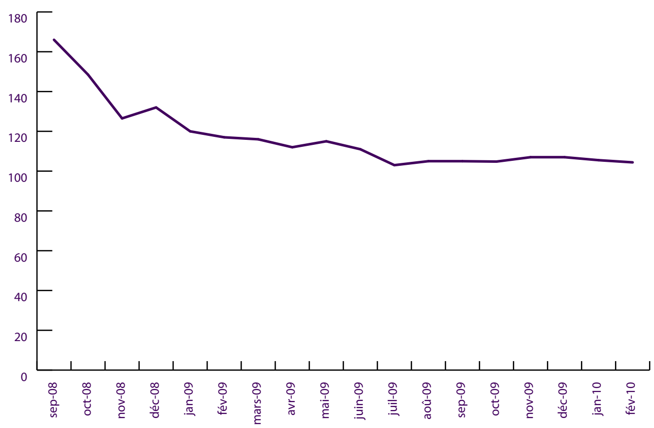
EXPERTISE

INNOVATION

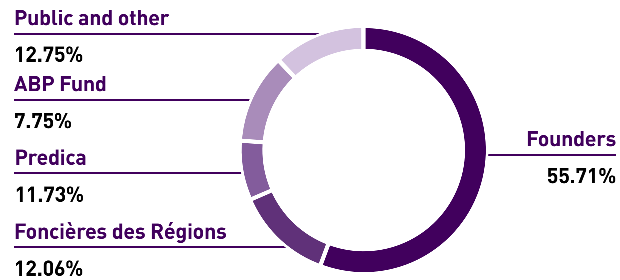
FINANCIAL RESOURCES

STOCK MARKET INFORMATION AND SHAREHOLDERS

ALTAREA share price performance



Shareholding structure



Éric Dumas
Chief Financial Officer

The reclassification of the €100 million stake held by two long-standing shareholders (Affine and Morgan Stanley) in November 2009 was a great success. Despite highly volatile market conditions, the issue was nearly twice over-subscribed, attesting to investors' considerable level of interest in Altarea-Cogedim's business model. At a price of €100 per share - representing a 4% discount to the most recent share price - the shares were reclassified with a wide range of French and international investors. This constitutes an important stage in enlarging the Company's free float.

2009 BALANCE SHEET

ASSETS

€ k	31/12/09	31/12/08
NON-CURRENT ASSETS	**3,099,794**	**3,137,487**
Intangible assets	216,332	229,615
o/w goodwill	*128,716*	*128,716*
o/w brands	*66,600*	*66,600*
o/w customer relationships	*16,161*	*29,507*
o/w other intangible assets	*4,855*	*4,792*
Property, plant and equipment	15,557	10,694
Investment properties	2,721,977	2,738,816
o/w Investment properties in operation at fair value	*2,523,032*	*2,221,875*
o/w Investment properties under construction at fair value	*198,945*	*516,940*
o/w Investment properties under development and under construction at cost	*68,296*	*68,863*
Investments in associated companies and other investments	14,841	25,817
Receivables and other short-term investments	62,790	63,682
CURRENT ASSETS	**1,011,186**	**1,087,230**
Assets held for sale	87,238	1,582
Inventories and work in progress	364,118	396,220
Trade and other receivables	329,170	380,809
Tax receivables	1,833	5,728
Receivables and other short-term investments	8,062	1,595
Derivative financial instruments	3,930	5,404
Cash and cash equivalents	216,835	295,891
TOTAL ASSETS	**4,110,980**	**4,224,717**

EQUITY AND LIABILITIES

€ k	31/12/09	31/12/08
EQUITY	**973,235**	**1,158,091**
EQUITY, GROUP SHARE	**938,557**	**1,109,275**
Share capital	120,506	120,815
Other paid-in capital	609,051	606,772
Group reserves	317,454	778,744
Net profit for the period	(108,453)	(397,056)
EQUITY - MINORITY INTERESTS	**34,677**	**48,816**
Minority interests/equity	42,934	35,307
Minority interests/net profit	(8,256)	13,509
NON-CURRENT LIABILITIES	**2,250,830**	**2,170,087**
Borrowings and debt	2,183,995	2,097,195
o/w participating loan	*24,781*	*24,843*
o/w bank loans	*2,131,883*	*2,033,598*
o/w bank loans backed by VAT receivables	*5,593*	*10,957*
o/w other borrowings and debt	*21,738*	*27,796*
Provisions for retirement obligations	4,070	3,524
Other non-current provisions	16,222	15,871
Deposits received	25,273	22,989
Deferred tax liability	21,270	30,508
CURRENT LIABILITIES	**886,915**	**896,540**
Borrowings and debt	158,362	183,223
o/w borrowings from credit institutions (excluding overdrafts)	*141,263*	*165,478*
o/w bank loans backed by VAT receivables	*2,209*	*1,216*
o/w bank overdrafts	*7,369*	*4,778*
o/w other borrowings and debt	*7,522*	*11,751*
Derivative financial instruments	117,873	82,242
Current provisions	205	7,236
Accounts payable and other operating liabilities	606,882	621,947
Tax due	3,582	1,891
Amounts due to shareholders	10	-
TOTAL EQUITY AND LIABILITIES	**4,110,980**	**4,224,717**

2009 COSTING-BASED INCOME STATEMENT

€ k	Shopping centres and other assets	Property development for third parties	Recurring items	Non-recurring items	Total group
Rental income	153,517	-	153,517	-	153,517
Land charges	(4,357)	-	(4,357)	-	(4,357)
Unrecoverable rental expenses	(3,737)	-	(3,737)	-	(3,737)
Management expenses	(266)	-	(266)	-	(266)
Net provisions	(4,337)	-	(4,337)	-	(4,337)
NET RENTAL INCOME	**140,819**	**-**	**140,819**	**-**	**140,819**
Revenue	-	684,782	684,782	75,428	760,210
Cost of sales	-	(605,826)	(605,826)	(73,444)	(679,271)
Selling expenses	-	(12,406)	(12,406)	(836)	(13,242)
Net provisions	-	(344)	(344)	892	548
Amortisation of customer relationships	-	-	-	(7,760)	(7,760)
NET PROPERTY INCOME	**-**	**66,206**	**66,206**	**(5,721)**	**60,485**
External services	8,081	16,389	24,471	1,389	25,859
Own work capitalised and production held in inventory	(0)	44,768	44,768	27,228	71,996
Personnel expense	(10,796)	(49,470)	(60,267)	(24,318)	(84,584)
Other overhead expenses	(6,549)	(20,777)	(27,326)	(11,967)	(39,293)
Depreciation expense on operating assets	(510)	(2,317)	(2,827)	(817)	(3,644)
Net provisions	-	-	-	-	-
Amortisation of customer relationships	-	-	-	(5,586)	(5,586)
NET OVERHEAD EXPENSE	**(9,774)**	**(11,407)**	**(21,182)**	**(14,071)**	**(35,253)**
Other income	1,637	3,087	4,725	1,821	6,546
Other expenses	(4,679)	(5,556)	(10,235)	(9,921)	(20,156)
Depreciation expense	(1,041)	(4)	(1,044)	(100)	(1,145)
OTHER	**(4,082)**	**(2,472)**	**(6,554)**	**(8,200)**	**(14,755)**
Proceeds from disposal of investment assets	-	-	-	20,116	20,116
Book value of assets sold	-	-	-	(20,216)	(20,216)
INCOME ON DISPOSAL OF INVESTMENT PROPERTIES	**-**	**-**	**-**	**(100)**	**(100)**
Movement in value of investment properties	-	-	-	(101,863)	(101,863)
Movement in value of investment properties delivered	-	-	-	*36,483*	*36,483*
Other movements in value of investment properties	-	-	-	*(138,346)*	*(138,346)*
Net impairment of assets under development and under construction	-	-	-	(36,224)	(36,224)
Net impairment of other assets	-	(12)	(12)	(0)	(12)
Net charge to provisions for risks and contingencies	-	(536)	(536)	734	198
Amortisation of customer relationships	-	-	-	-	-
Goodwill impairment	-	-	-	-	-
OPERATING PROFIT	**126,963**	**51,778**	**178,741**	**(165,446)**	**13,295**
Net cost of debt	(55,374)	(17,478)	(72,852)	(6,230)	(79,082)
Movement in value and income from disposal of financial instruments	0	-	0	(53,295)	(53,295)
Proceeds from disposal of investments	-	-	-	(722)	(722)
Share in income of associated companies	7,089	(1,352)	5,737	(4,770)	967
Dividends	-	32	32	(1)	31
Debt and receivable discounting	-	-	-	(137)	(137)
PRE-TAX PROFIT	**78,677**	**32,980**	**111,658**	**(230,601)**	**(118,943)**
Tax	(193)	10	(183)	2,416	2,234
NET PROFIT	**78,485**	**32,991**	**111,475**	**(228,185)**	**(116,710)**
o/w Net profit attributable to equity holders	*76,854*	*31,688*	*108,541*	*(216,995)*	*(108,453)*
o/w Net profit attributable to minority interests	*1,631*	*1,303*	*2,934*	*(11,190)*	*(8,256)*
Weighted average number of shares before dilution			10,106,047		10,106,047
Attributable earnings per share (€)			**10.74**		**(10.73)**
Weighted fully-diluted average number of shares			10,271,359		10,271,359
Fully-diluted attributable earnings per share (€)			**10.57**		**(10.56)**

CONSOLIDATED NET INCOME AND RECURRING NET INCOME

€ k	31/12/09						
	Recurring			Total recurring		Non-recurring	Total
	Shopping centres		Property development				
OPERATING PROFIT	**127.0**	**+22%**	**51.8**	**178.7**	**+10%**	**(165.4)**	**13.3**
Net cost of debt	(55.4)		(17.5)	(72.9)		(6.2)	(79.1)
Change in fair value of financial instruments	0.0		-	0.0		(53.3)	(53.3)
Income from sale of equity investments						(0.7)	(0.7)
Share from companies accounted for using the equity method	7.1		(1.4)	5.7		(4.8)	1.0
Discounting of payables and receivables	-		-	-		(0.1)	(0.1)
PRE-TAX PROFIT	**78.7**		**33.0**	**111.7**		**(230.6)**	**(118.9)**
Tax	(0.2)		0.0	(0.2)		2.4	2.2
NET PROFIT	**78.5**		**33.0**	**111.5**		**(228.2)**	**(116.7)**
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	**76.9**	**+23%**	**31.7**	**108.5**	**+16%**	**(217.0)**	**(108.5)**
Fully-diluted average number of shares (thousands)				10.271			
NET PROFIT, ATTRIBUTABLE TO EQUITY HOLDERS PER SHARE (€ PER SHARE)				**10.57**	**+2.8%**		

€ k	31/12/08					
	Recurring		Total recurring	Non-recurring	Total
	Shopping centres	Property development			
OPERATING PROFIT	**103.8**	**57.9**	**161.8**	**(502.0)**	**(340.2)**
Net cost of debt	(43.6)	(24.1)	(67.7)	(7.4)	(75.2)
Change in fair value of financial instruments	(0.0)	-	(0.0)	(110.4)	(110.4)
Income from sale of equity investments				(0.2)	(0.2)
Share from companies accounted for using the equity method	4.4	0.6	5.0	(31.3)	(26.3)
Discounting of payables and receivables	-	-	-	(3.5)	(3.5)
PRE-TAX PROFIT	**64.6**	**34.4**	**99.0**	**(654.8)**	**(555.7)**
Tax	0.3	(1.1)	(0.8)	172.9	172.2
NET PROFIT	**64.9**	**33.4**	**98.3**	**(481.8)**	**(383.5)**
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	**62.4**	**31.3**	**93.7**	**(490.8)**	**(397.1)**
Fully-diluted average number of shares (thousands)			9.118		
NET PROFIT, ATTRIBUTABLE TO EQUITY HOLDERS PER SHARE (€ PER SHARE)			**10.28**		

NET ASSET VALUE

	31/12/2009		31/12/2008		
	€m	€ per share	€m	€ per share	
Consolidated equity attributable to equity holders	**938.6**	**91.0**	**1,109.3**	**108.1**	
Restated tax					
Deferred tax on the balance sheet for non-SIIC assets (international assets)	27.3		18.3		
Effective tax for unrealised capital gains on non-SIIC assets*	(27.9)		(3.5)		
Restated transfer duties					
Transfer duties deducted from balance sheet asset values	139.4		126.1		
Estimated transfer duties and selling fees*	(82.0)		(65.8)		
Other unrealised capital gains or losses	104.3		37.7		
Impact of securities offering access to share capital	-		**0.6**		
Partners' share [1]	(12.7)		(14.1)		
DILUTED LIQUIDATION NAV	1,087.1	105.4	1,208.5	117.8	-11%
Estimated transfer duties and selling fees	82.0		65.8		
Partners' share	(0.9)		(0.8)		
DILUTED GOING CONCERN NAV	**1,168.1**	**113.3**	**1,273.6**	**124.2**	**-9%**
Number of diluted shares	10,311,852		10,257,854		

** Varies according to the type of disposal carried out, i.e. sale of asset or sale of shares*
(1) Maximum dilution of 120,000 shares

2 Business review 2009

2.1. *BUSINESS REVIEW*

ALTAREA COGEDIM is a REIT focused on shopping centres. The Company is also a multi-product developer active in the three major property markets (retail, housing, offices). By combining its extremely strong positions in three markets with very different business cycles while retaining a primary focus on shopping centres, ALTAREA COGEDIM is able to seize multiple growth opportunities according to trends in each of its products from a position of strength. Overall, its consolidated profile is better than that of each business considered separately.

2.1.1. HIGHLIGHTS OF 2009

2.1.1.1. Very strong growth in rental income from shopping centres

Net rental income from the portfolio of shopping centres rose by 20.1% in 2009 owing to the combined effect of completions during 2009 (53,000 sqm GLA, 99% let), the full-year impact of the 2008 completions (58,700 sqm GLA, 97% let) and its like-for-like performance (up 4.0%).

2.1.1.2. Strong recovery in new housing sales

Cogedim's residential sales recorded a sharp acceleration, with sales surging 59% to €887 million compared with 2008 and 33% compared with 2007, a record year for the industry. In terms of the number of lots, the increase came to 80% relative to 2008 and 45% relative to 2007, with a total of 4,345 lots sold. Sales qualifying for Scellier tax incentives accounted for 50% of 2009 reservations.

With coverage extending across all of France but primarily focused on the Paris region and the eight largest regional cities (around 50% of the French population), Cogedim has increased its market share since it was acquired by Altarea from around 2.4% in 2007 to 3% in 2008 and over 4% in 2009 [1] in terms of the number of residential units. Given the average price per lot sold (€240,000), its market share would be even higher in value terms.

The backlog at end-2009 represents 19 months of revenues (€872 million), including around €524 million set to be recognised in 2010, on a par with the level of revenues recorded in 2009. Thanks to this backlog, revenues are likely to post a significant increase in 2010 and an even larger one in 2011. During 2010, construction of 4,400 residential units is due to be started up, representing an increase of 50% compared with 2009.

2.1.1.3. An active year in commercial property

The Group completed eight office properties representing a total net floor area of 150,000 sqm and recorded sales of €140 million excluding tax for various development projects or as delegated project manager, despite the very severe decline in the investment market.

The recovery in the office property market is not expected to kick in until late 2010/early 2011. In the meantime, the Group is getting ready to make the most of the rebound in the cycle and has decided to launch an investment vehicle in partnership with international investors, with ALTAREA COGEDIM as the project developer.

2.1.1.4. Investment and development

During 2009, ALTAREA COGEDIM invested €235 million and sold €110 million in assets (including Espace Saint-Georges, with the sale due to be notarised in early 2010).

New development projects are underway, in particular the Villeneuve-la-Garenne project with net floor area of 86,000 sqm. The Group's pipeline represents €1.5 billion in investment with potential annualised gross rental income of €135 million and an average return of 8.8%.

To execute this investment plan while controlling its debt, the Group will be able to sell off mature assets that do not fit with its asset management strategy.

At 31 December 2009, the Group's consolidated LTV ratio was 55.7%. ALTAREA COGEDIM's long-term objective is to maintain a LTV ratio of close to 55%, which would help it to protect the Group's room for *manœuvre* (timing of asset sales and purchase opportunities).

(1) Market share based on the number of lots, Market volumes provided by FNPC (Quarterly reports). 2009 sales estimated at around 105,000 lots.

2.1.2. SHOPPING CENTRE DEVELOPMENT

2.1.2.1. Summary

At 31 December 2009, the portfolio of shopping centres in operation was valued at €2.3 billion including transfer duties, generating annualised rental income of €150 million. Current investment in shopping centre projects represents potential GLA of 547,900 sqm and projected gross rental income of €135 million (representing a yield of 8.8%).

Key figures for the asset base and project portfolio at 31 December 2009

At 31/12/2009	GLA in sqm	Current gross rental income	Appraisal value	Provisional gross rental income	Net investment Total	Already invested	Committed investments still to be made	Remaining investments not committed	Yield
Shopping centres in operation	623,796	150.4	2,305.8	N/A	N/A	N/A	N/A	N/A	N/A
Shopping centres under construction	90,900	N/A	N/A	24.8	358.0	269.2	88.8	-	6.9%
Development projects and signed development projects	457,000	N/A	N/A	110.5	1,179.0	117.8	61.5	999.7	9.4%
TOTAL ASSETS	**1,171,696**	**150.4**	**2,305.8**	**135.3**	**1,536.9**	**387.0**	**150.2**	**999.7**	**8.8%**

2.1.2.2. Proprietary shopping centres

Analysis of economic conditions

THE CONSUMER CLIMATE

Consumer spending picked up during mid-2009, owing notably to the stimulus plans introduced by the French government. Overall, it advanced by 1.0% in France during the year, having declined by 0.4% during the first six months compared with the first half of 2008. This said, a relative decline in households' purchasing power is likely to keep consumer spending flat during 2010 [2].

ALTAREA'S SHOPPING CENTRES

During 2009, tenant revenues fell back 1.6% compared with the same period of 2008. Retail tenants' revenues moved higher again in relative terms during the second half of 2009, having dropped 3.8% during the first half of 2009. Retail parks (Family Village) posted revenue growth of 4%, confirming their commercial positioning and concept that is particularly well suited to families and price-conscious customers.

This overall decline in activity did not have an immediate impact on the ALTAREA Group's rental income. The variable portion of its rental income represents less than 1% of total rental income (€1.3 million in 2009, stable compared with 2008).

On a like-for-like basis, tenants' occupancy cost ratio [3] increased automatically over the year to reach 9.5% compared with 9.0% in 2008, but declined compared with the first half of 2009 when it stood at 9.9%.

(2) *Insee: Insee's Note de conjoncture dated December 2009, January 2010 economic indicators.*
(3) *Ratio of rent and expenses charged to tenants to revenues generated by the retailer. Data available for properties in France only.*

Rental income from shopping centres

The Group's net rental income grew by 20.1% over the year (up 4.0% on a like-for-like basis) owing primarily to the opening of shopping centres developed on a proprietary basis during both 2008 and 2009.

In € million	31/12/2009		31/12/2008
Rental income	307.0		126.6
Land expense	(4.4)		(2.1)
Unrecoverable rental expenses	(3.7)		(2.7)
Management expenses	(0.3)		(0.2)
Net provisions for non-performing loans	(4.3)		(4.3)
NET RENTAL INCOME	**140.8**	**+20.1%**	**117.3**
% of rental income	*45.9%*		*92.6%*
Net overhead expenses	(9.8)		(9.5)
Miscellaneous	(4.1)		(3.9)
OPERATING PROFIT	**127.0**	**+22.3%**	**103.8**
% of rental income	*41.4%*		*82.0%*

By source, the growth in net rental income breaks down as follows:

In € million		
2008 NET RENTAL INCOME	**117.3**	
2009 completions	9.7	+8.3%
Full-year impact (2008 completions)	10.5	+9.0%
Acquisitions and disposals in 2008 and 2009	(0.9)	-0.8%
Variation on a like-for-like basis	4.3	+4.0%
TOTAL CHANGE IN NET RENTAL INCOME	**23.6**	**+20.1%**
2009 NET RENTAL INCOME	**140.8**	

The increase in the cost of land was attributable to the occupancy fee paid to SNCF concerning the stores at the Gare de l'Est station in Paris (completed in 2008). Non-performing loans [4] accounted for 2.9% of rental income (compared with 3.5% in 2008 and 3.8% in the first half of 2009).

(4) Net amount of charges to and reversals of provisions for non-performing loans, as well as definitive losses over the period by comparison with rent charged.

Growth of operating shopping centres

At 31 December 2009, the value of operating properties [5] (on a Group's share basis) was €2,305.8 million, an increase of 1.6% compared with 31 December 2008 (down 5.5% like-for-like).

	GLA	Gross rental income *(in € million)* [1]	Value *(in € million)*
	Group share	Group share	Group share
Total at 31/12/2008	589,092	142.2	2,270.4
Shopping centres opened	53,000	14.2	246.6
Disposals [2]	(27,063)	(7.4)	(76.4)
Acquisitions and other	8,767	2.3	(16.0)
Asset management	-	3.3	(118.8)
Departures		(4.2)	
SUB-TOTAL	**34,704**	**8.1**	**35.4**
TOTAL AT 31/12/2009	**623,796**	**150.4**	**2,305.8**
o/w France	*540,892*	*123.7*	*1,901.6*
o/w International	*82,904*	*26.6*	*404.2*

(1) Annualised rental value of leases signed.

(2) Including Toulouse Saint-Georges, completed in 20 May 2010.

SHOPPING CENTRES OPENED, ACQUISITIONS AND DISPOSALS

Four new shopping centres/extensions developed on a proprietary basis were opened in 2009:

Centres	GLA in sqm	Gross rental income	Occupancy rate	Appraisal value [1] *(in € million)*
Wagram [2]	11,000	6.0	100%	
Carré de Soie (50%)	30,400	5.2	99%	
Crèches	11,600	1.3	99%	
Occitania extension	-	1.7	100%	
TOTAL COMPLETIONS	**53,000**	**14.2**	**99%**	**246.6**

(1) Gross value, including transfer duties, Group share.

(2) Hotel and stores.

Thanks to the work of the Group's letting teams, all of the properties completed during the year had an occupancy rate of close to 100%.

In 2009, the ALTAREA Group sold €110 million in assets, chiefly comprising the Espace Saint-Georges in Toulouse for €90 million. This sale will be completed at the beginning of 2010. In addition, the Group sold €20 million in small non-core properties during 2009. Depending on the market opportunities and the new commitments entered into as part of its property development activities, the Group may sell off other assets with reversionary potential or of a type no longer meeting its profitability criteria.

(5) Including transfer duties.

GROWTH IN RENTAL VALUES ON LIKE-FOR-LIKE BASIS

	No. of leases concerned	Increase in rent *(in € million)*	Basic rent *(in € million)*	% growth
Letting	120	1.7	3.5	+49.5%
Renewal	22	0.1	1.2	+7.4%
Enforced vacancy	18	(1.7)	1.7	-100.0%
Departures	38	(2.5)	2.5	-100.0%
Indexation		1.5	125.9	+1.2%
TOTAL 2009	**198**	**(1.0)**	**134.8**	**-0.7%**
Reminder 2008	*154*	*7.0*	*114.8*	*+6.2%*

- Even though the crisis dragged down retail tenants' revenues, the Group's shopping centres still boast positive reversionary potential that its asset management teams continue to harness (increase in rental income of €1.7 million over the year).
- In addition, certain centres were gradually emptied of their tenants ahead of restructuring, leading to a fall in rental income of €1.7 million during the year.
- Departures were recorded primarily through the vacation of properties in centres with very strong commercial appeal, which do not pose any particular reletting problems.

The Group's financial vacancy rate stood at 3.2% of the portfolio compared with 2.4% in 2008.

LEASE EXPIRY SCHEDULE

Leases are broken down according to expiry date and the next three-year termination option in the following schedule:

In € million	Group share		Group share	
Year	**Rental income reaching lease expiry date**	**% of total**	**Rental income reaching three-year termination option**	**% of total**
Past years	6.1	4.1%	6.3	4.2%
2010	6.9	4.6%	19.4	12.9%
2011	7.7	5.1%	31.5	21.0%
2012	10.3	6.8%	26.8	17.8%
2013	9.2	6.1%	26.1	17.3%
2014	22.1	14.7%	23.3	15.5%
2015	9.5	6.3%	5.8	3.9%
2016	10.2	6.8%	0.4	0.3%
2017	22.1	14.7%	2.5	1.6%
2018	24.9	16.6%	0.3	0.2%
2019	15.1	10.1%	5.4	3.6%
2020	3.8	2.5%	1.1	0.7%
> 2020	2.5	1.6%	1.5	1.0%
TOTAL	**150.4**	**100.0%**	**150.4**	**100.0%**

GROWTH IN PROPERTY VALUES ON LIKE-FOR-LIKE BASIS

The weighted average capitalisation rate [6] went up from 6.09% to 6.58% (up 50 basis points) during 2009, leading to a reduction in the value of the portfolioís assets, which was offset in part by rent indexation and asset management. Overall, the value of the portfolio fell by 5.5% on a like-for-like basis.

	31/12/2009	30/06/2009	31/12/2009
	Average net cap. rate	Average net cap. rate	Average net cap. rate
France	6.53%	6.59%	6.02%
International (Italy, Spain)	6.77%	6.75%	6.40%
AVERAGE	**6.58%**	**6.62%**	**6.09%**
City centre/Urban leisure centre	6.62%	6.59%	5.99%
Retail Park	6.91%	7.02%	6.38%
City outskirts	6.30%	6.35%	5.97%

In line with trends in the second half of 2008, 2009 was marked by a very low number of transactions in the shopping centre sector. The few transactions that did take place primarily involved shopping malls attached to hypermarkets, as well as some city-centre malls, in provincial areas. Against this backdrop, appraisal firms revised up the Group's average capitalisation rate, which stood at 6.58% compared with 6.09% at 31 December 2008 (up 50 basis points). Over 18 months, the average capitalisation rate grew by 110 basis points.

APPRAISAL VALUES

Since 30 June 2009, the ALTAREA Group's property portfolio valuation has been based on appraisals by DTZ Eurexi and Icade Expertise (for shopping centre properties in France and Spain), CBRE (for other properties such as Hotel Wagram) and Savills (for properties in Italy). They use two methods:

- A method based on discounting projected cash flows over 10 years, taking into account the resale value at the end of the period determined by capitalising net rental income. Amid the inefficient market conditions prevailing, appraisers have opted to use the results obtained using this method in many instances.
- A method based on the capitalisation of net rental income: the appraiser applies a rate of return based on the site's characteristics (surface area, competition, rental potential, etc.) to rental income including guaranteed minimum rent, variable rent and the market rent of vacant premises, adjusted for all charges incurred by the owner. The second method is used to validate the results obtained with the first method.

Rental income includes:

- rent increases to be applied on lease renewals;
- the normative vacancy rate;
- the impact of future rental capital gains resulting from the letting of vacant premises;
- rent increases due to thresholds being reached.

These valuations are conducted in accordance with the criteria set out in the Red Book – Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors in May 2003. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/CNC "Barthes de Ruyter working group" and comply fully with the instructions of the Appraisal Charter of Real Estate Valuation ("*Charte de l'expertise en évaluation immobilière*") updated in June 2006. Surveyors are paid lump-sum compensation determined in advance and based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

(6) The capitalisation rate is the rental yield relative to the appraisal value excluding transfer duties. To present data equivalent to that of the principal listed REITs, the Group now uses capitalisation rates rather than the rate of return (value inclusive of transfer duties, rate used in previous financial reports).

Breakdown of operating shopping centres at 31 December 2009 (Group share)

Centre	Opening	Driver brand	Area	Gross rental income (in € million) [1]	Value (in € million) [2]
	Renovation		Group share	Group share	Group share
Lille – Les Tanneurs & Grand' Place	2004 (R)	Fnac, Monoprix, C&A	22,200		
Paris – Bercy Village	2001 (O)	UGC Ciné Cité	19,400		
Toulouse Saint-Georges	2006 (R)	Casino, Sephora	15,150		
Vichy	2003 (O)	Darty, La Grande Récré	14,203		
Brest Jean Jaurès	2002 (O)	Fnac, Go Sport, H&M	12,800		
Reims – Espace d'Erlon	2002 (O)	Monoprix, Fnac	7,100		
Brest – Coat ar Gueven		Sephora	6,339		
Roubaix – Espace Grand' Rue	2002 (O)	Géant, Le Furet du Nord	4,400		
Châlons – Hôtel de Ville	2005 (O)	Atac	2,100		
Paris – Les Boutiques Gare du Nord	2002 (O)	Monoprix	1,500		
Rome-Casetta Mattei	2005 (O)	Conad-Leclerc	14,800		
Aix-en-Provence	1982 (O)	Géant, Casino	3,729		
Nantes – Espace Océan	1998 (R)	Auchan, Camif	11,200		
Thiais Village	2007 (O)	Ikea, Fnac, Décathlon, etc.	22,324		
Gare de l'Est		Virgin	5,500		
Strasbourg – L'Aubette		Zara, Marionnaud	3,800		
Other			750		
SUB-TOTAL CITY CENTRE/ULC			**167,295**	**58.2**	**870.8**
Toulouse – Occitania	2005 (R)	Auchan, Go Sport	47,850		
Massy – -X%	1986 (O)	La Halle, Boulanger	18,200		
Bordeaux – Grand' Tour	2004 (R)	Leclerc	11,200		
Strasbourg – La Vigie	1988 (O)	Decathlon, Castorama	8,768		
Flins		Carrefour	6,999		
Toulon – Grand' Var		Go Sport, Planet Saturn	6,336		
Montgeron – Valdoly	1984 (O)	Auchan, Castorama	5,600		
Grenoble – Viallex	1970 (O)	Gifi	4,237		
Chalon-sur-Saône	1989 (O)	Carrefour	4,001		
Miscellaneous – City outskirts			18,266		
Barcelona – San Cugat	1996 (O)	Eroski, Media Market	20,488		
Ragusa	2007 (O)	Coop, Euronics, Upim	12,130		
Casale Montferrato	2007 (O)	Coop, Unieuro	7,973		
Bellinzago	2007 (O)	Gigante, H&M	19,713		
SUB-TOTAL CITY OUTSKIRTS			**191,761**	**47.4**	**819.3**

Centre	Opening	Driver brand	Area	Gross rental income *(in € million)* [1]	Value *(in € million)* [2]
	Renovation		Group share	Group share	Group share
Villeparisis	2006 (O)	La Grande Récré, Alinéa	18,623		
Herblay – XIV Avenue	2002 (O)	Alinéa, Go Sport	14,200		
Pierrelaye	2005 (O)	Castorama	9,750		
Bordeaux – Sainte-Eulalie		Tendance, Picard, Gemo	13,400		
Gennevilliers	2006 (O)	Decathlon, Boulanger	18,863		
Family Village Le Mans Ruaudin	2007 (O)	Darty	23,800		
Family Village Aubergenville	2007 (O)	King Jouet, Go Sport	38,620		
Brest Guipavas		Ikea, Décathlon, Boulanger	28,000		
Mulhouse – Porte Jeune		Monoprix	9,600		
Montpellier – Saint-Aunes		Leroy Merlin	4,000		
Pinerolo		Ipercoop	7,800		
Other			43,381		
SUB-TOTAL RETAIL PARKS			**230,036**		
TOTAL AT 31 DECEMBER 2008			**589,092**	**142.2**	**2,270.4**
Disposal of Toulouse Saint-Georges			(15,150)		
Other disposals			(11,913)		
Acquisitions and other changes in scope			8,767		
SUB-TOTAL ACQUISITIONS/DISPOSALS/OTHER			**(18,296)**	**(5.1)**	**(92.4)**
Wagram (hotel and concert hall)		Marriott	11,000		
Carré de Soie (50%)		Castorama	30,400		
Extension to Occitania Sud					
Crèches		Grand Frais	11,600		
SUB-TOTAL CENTRES OPENED			**53,000**		
GROWTH (LIKE-FOR-LIKE)					
TOTAL AT 31 DECEMBER 2009			**623,796**	**150.4**	**2,305.8**
o/w France			*540,892*	*123.7*	*1,901.6*
o/w International			*82,904*	*26.6*	*404.2*

CC: City Centre – ULC: Urban Leisure Centre – CO: City Outskirts – RP: Retail Park – S: Spain.

O: Opening – R: Renovation.

(1) Rental values on signed leases at 1 January 2009.

(2) Including transfer duties.

2.1.2.3. Shopping centres under development [7]

At 31 December 2009, the volume of development projects (shopping centres under construction/with authorisation, centres under management/signed) managed by Altarea represented projected net investment of around €1.5 billion and potential rental income of €135.3 million, representing a projected return on investment of 8.8%.

(7) Group share.

Trends by comparison with 31 December 2008

Group share of shopping centres				
Centres	GLA in sqm	Gross rental income *(in € million)*	Net investment *(in € million)*	Yield
TOTAL PORTFOLIO AT 31/12/2008	**705,600**	**170.6**	**1,941.1**	**8.8%**
Removed from the portfolio	(191,400)	(35.9)	(408.9)	8.8%
New projects managed/signed	110,900	24.0	258.6	9.3%
Completions	(53,000)	(14.2)	(179.1)	7.9%
SUB-TOTAL	**(133,500)**	**(26.1)**	**(329.4)**	
Change in budgets	(24,200)	(9.2)	(74.8)	
TOTAL PORTFOLIO AT 31/12/2009	**547,900**	**135.3**	**1,536.9**	**8.8%**
o/w under construction	*90,900*	*24.8*	*358.0*	
o/w managed	*457,000*	*110.5*	*1,179.0*	

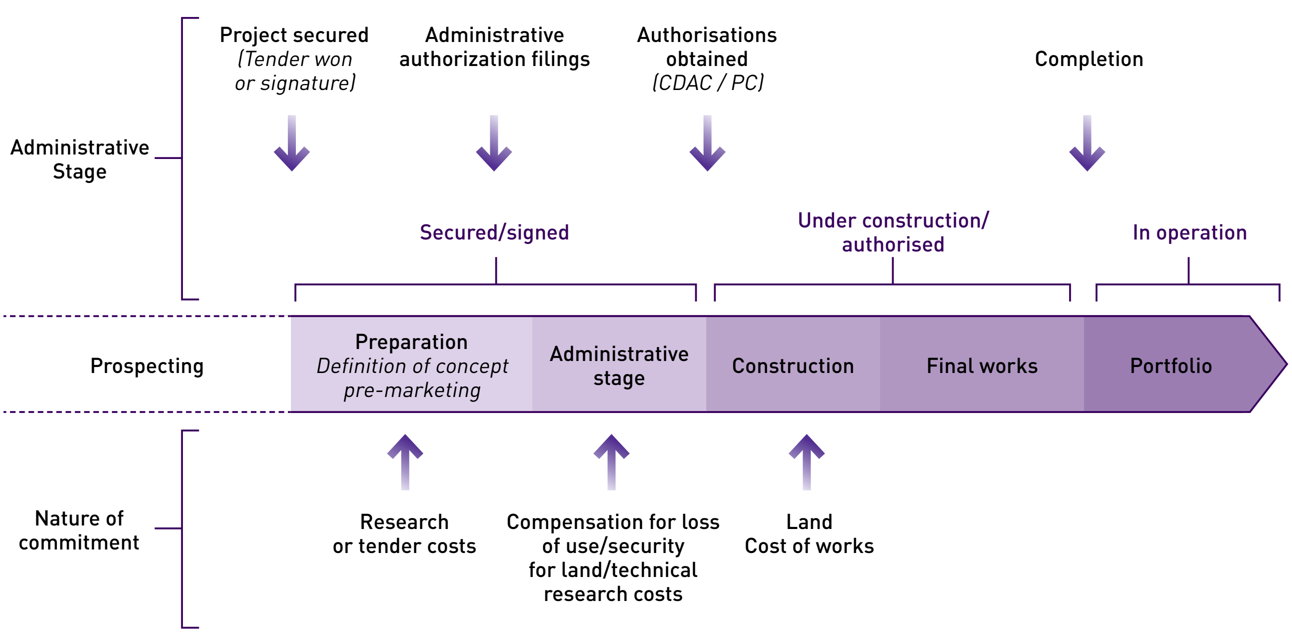
During the year, the size of the portfolio decreased by 157,700 sqm:

- GLA of 53,000 sqm was completed during 2009 (see 2.2.3);
- GLA of 191,400 sqm was taken out of the portfolio to be overhauled, for an improvement either in terms of its profitability or risk (including 93,900 sqm in Spanish projects);
- GLA of 110,900 sqm was managed during 2009, notably the Villeneuve-la-Garenne centre with net floor area of 86,000 sqm developed in a partnership with Orion (50%);
- the projects retained underwent an in-depth review, which generally led to a scaling down of their size and an improvement in their profitability.

Overall, the projected average rate of return on the projects retained remained stable at 8.8%. To take into account the rise in capitalisation rates and to keep a development spread permanently above 250-300 basis points on average, the Group raised its targets for new projects, which must now generate a rate of return of over 9% on average.

DEVELOPMENT CYCLE/COMMITMENTS

Thanks to its integrated development teams, Altarea has the operating capacity to put together and design new shopping centres generating high yields and making a significant contribution to its NAV. New development projects should generate a minimum spread of 250 to 300 basis points relative to the capitalisation rate for similar properties and be financed at the time of their launch. The entire process can take five to ten years.



The property agreement is generally signed subject to obtaining administrative authorisations. Without exception, total costs incurred before construction works begin represent less than 10% of the total cost. The risk profile for the redevelopment of existing properties (extensions, renovations) is very different, as the site is generally managed and already generates rental income.

Breakdown of commitments by type

	Net investment *(in € million)*
Already invested (1)	387.0
Committed investments still to be made (2)	150.2
Remaining investments not committed (3)	999.7
PROJECTS UNDER DEVELOPMENT AT 31 DECEMBER 2009	**1,536.9**

The portfolio of shopping centres under development broke down as follows at 31 December 2009:

1. **Already invested:** all investment costs recognised at the accounting date;
2. **Committed investments still to be made:**
   - developments under construction: all of the remaining amount to be paid on completion,
   - developments at the preparation stage: payment commitments (bilateral sale and purchase agreements, signed contracts, etc.);
3. **Remaining investments not committed:** amounts still to be invested in developments at the preparation stage, with Altarea deciding whether to make a commitment (unilateral sales agreements, unsigned contracts, etc.)

Valuation of assets under development in the consolidated financial statements

During 2009, the Group invested €235 million, with €123 million being devoted to projects in the pipeline, €93 million in centres completed in 2008 and 2009 (outstanding investments), €10 million in acquisitions, €6 million in centres in operation and €3 million in other assets.

The amendment to IAS 40 on investment properties under construction requires these [8] to be recognised at fair value wherever this may be determined reliably. Where this is not the case, the properties continue to be carried at cost. This rule applies prospectively, with changes in value being recognised in income. At 31 December 2009, independent appraisers had carried out valuations of four assets under construction: Okabé (Le Kremlin-Bicêtre), Dalmine (Italy), Limoges and Thionville. In addition, impairment tests were conducted on the Tourcoing and Mantes properties by internal teams. Independent appraisers also appraised two land holdings at Valdemoro and Puerto Real (Spain). A total provision of €36.2 million was recognised in 2009 in respect of all the Group's property development projects, most of which related to the Group's two land holdings in Spain.

(8) The ALTAREA Group has laid down three criteria that projects under development must satisfy for the uncertainties concerning their valuation to be eliminated:
- administrative authorisations obtained;
- construction launched;
- uncertainty surrounding future rental income eliminated.

Breakdown of commitments by type of development project

Group share of shopping centres								
Centres	GLA in sqm	Gross rental income *(in € million)*	Year of completion	Already invested *(in € million)*	Committed investments still to be made *(in € million)*	Remaining investments not committed *(in € million)*	Net investment *(in € million)*	Yield
Dalmine (Italy)	32,400							
Le Kremlin-Bicêtre	25,000							
Tourcoing	3,600							
Mantes	3,200							
Limoges	21,000							
Thionville	5,700							
SUB-TOTAL PROJECTS UNDER CONSTRUCTION	**90,900**	**24.8**	**2009-2011**	**269.2**	**88.8**	**-**	**358.0**	**6.9%**
Sub-total preparing to begin works	**229,900**	**65.3**	**2011-2015**	**90.1**	**41.5**	**557.5**	**689.1**	**9.5%**
Sub-total development projects at advanced stage of review	**227,100**	**45.1**	**2011-2015**	**27.7**	**20.0**	**442.2**	**489.9**	**9.2%**
SUB-TOTAL DEVELOPMENT PROJECTS	**457,000**	**110.5**		**117.8**	**61.5**	**999.7**	**1,179.0**	**9.4%**
TOTAL	**547,900**	**135.3**		**387.0**	**150.2**	**999.7**	**1,536.9**	**8.8%**

PROJECTS UNDER CONSTRUCTION

At 31 December 2009, six projects were under construction. All these assets are wholly financed either by the structure that owns them or on a corporate level.

DEVELOPMENT PROJECTS (PARTLY COMMITTED, CONSTRUCTION WORKS NOT STARTED)

In addition to development projects under construction, Altarea has a portfolio of projects representing total investment of around €1.2 billion and projected rental income of €111 million. These projects, due to be completed between 2011 and 2015, are at various stages of advancement and only partly committed. For each project, Altarea holds the deeds to the property (sales agreement signed or tender won) but the decision to begin works definitively still rests with the Group and may be deferred on the basis of a variety of criteria such as the administrative and commercial status of the project, economic conditions or availability of financing. To this end, Altarea has set up a classification system for projects according to their priority, reflecting its risk management policy:

Preparing for works to begin (50% of development projects)

This concerns development projects for which the decision to begin works should mostly be made in 2010/2011 but which still have room for improvement in their risk/return profile. They will potentially generate a high rate of return but the legal, commercial, administrative and financial situation needs to be stabilised in order to reduce the level of risk. Depending on how financing conditions develop between now and 2010/2011, these projects could join the above category.

Development projects under review (50% of development projects)

This category concerns development projects for which the start of construction works is not an immediate problem. Progress still needs to be made in their operating situation (administrative authorisations, pre-marketing, research, etc.) in order to comply with the Group's rules of commitment when the time comes.

2.1.3. PROPERTY DEVELOPMENT FOR THIRD PARTIES

2.1.3.1. Introduction

Through its Cogedim subsidiary, the ALTAREA Group is one of the market leaders in property development for third parties, with a business volume at 31 December 2009 of €1,137 million [9]
.

Areas of activity

In terms of products:
- residential property;
- office property;
- large mixed urban developments.

In terms of business lines:
- developer;
- service provider (delegated project management, marketing);
- planner/developer.

Geographical presence

In addition to the Paris region, which constitutes its historic market, ALTAREA COGEDIM also operates in regional areas in large cities offering the strongest growth prospects from both an economic and a demographic standpoint:
- Provence-Alpes-Côte d'Azur region: Nice, Marseille;
- Rhône-Alpes region: Lyon, Grenoble, Savoies-Léman;
- Grand-Ouest region: Toulouse, Bordeaux and Nantes.

Commitment policy

In residential property, the Group continues to pursue its policy of satisfying prudential criteria, the main aim of which is to prioritise the signature of a unilateral preliminary sales agreement over bilateral sale and purchase agreements, to set out conditions for the acquisition of the site and the start of works with a high level of pre-marketing, and to abandon developments that would not profitable enough or would lead to disappointing letting results. During 2009, the impact of the Scellier tax incentives on the pace of sales and the effective management of properties for sale helped to control the level of unsold properties, with no completed lots for sale at 31 December 2009.

In office property, a segment in which the Group acts as developer signing off-plan sale agreements or property development contracts under which it makes a commitment to build a property, this commitment is subject to the property being sold in advance or the signature of a contract ensuring financing of the build. Where it acts as delegated project manager, the Group provides development services for the owner of a property in exchange for fees. In 2009, provision of these services accounted for nearly 56% of the Group's office property business volume. As a result, the Group did not hold any office properties in its portfolio at 31 December 2009.

2.1.3.2. Percentage-of-completion revenues and operating profit

In € million	31/12/2009		31/12/2008
Property revenues	**684.8**	**-7.4%**	**739.6**
o/w office property	*138.6*	*-6.3%*	*147.9*
o/w residential property	*546.1*	*-7.7%*	*591.7*
Services to third parties	**16.4**	**-44.2%**	**29.4**
o/w office property	*13.4*		*26.2*
o/w residential property	*3.0*		*3.2*
TOTAL REVENUES	**701.2**	**-8.8%**	**769.0**
Cost of sales	(618.6)		(664.0)
Production held in inventory	44.8		38.2
Net overhead expenses	(72.6)	-11.1%	(81.7)
Other	(3.0)		(3.6)
RECURRING OPERATING PROFIT	**51.8**	**-10.6%**	**57.9**
% of revenues	*7.4%*		*7.5%*

(9) Business volume including tax, breaking down into €967 million in residential property (o/w €887 million in new housing, €15 million in delegated project management of new housing and €65 million in existing housing) and €170 million in office property.

Given the time difference between the reservation date and the recognition date of revenues on a percentage-of-completion basis, 2009 revenues declined by 8.8%, thereby reflecting with a time lag of one year the trough in commercial activity recorded during the second half of 2008. In addition, 2008 provided a relatively high base of comparison in office property owing to two major projects, the likes of which were not seen in 2009.

The drive to strip out net overhead expense helped to mitigate the effects of the business contraction to some extent. All in all, operating profit decreased by 10.6%. The operating margin remained stable as a percentage of revenues.

2.1.3.3. Operating review by product line

Residential property

The residential property range covered by the Group comprises:

Upscale properties, defined by their positioning in terms of architecture, quality and location. In this segment, Cogedim enjoys undisputed leadership in France. Prices range from €4,950 to €11,000 per sqm in the Paris region and €3,600 to €7,300 per sqm in regional areas. Upscale properties accounted for €341 million in reservations (individual and block transactions) during 2009, representing 38% of the Group's investments in value terms.

Midscale properties, sold under the Citalis brand and designed to meet the needs of new buyers and investors. High potential sites are favoured for this range in order to carry out quality developments. Prices range from €2,300 to €4,400 per sqm. Midscale properties accounted for €353 million in reservations (individual and block transactions) during 2009, representing 40% of the Group's investments in value terms.

New District properties, a new range designed to meet the high expectations of officials and residents. Prices for this range vary between €3,700 and €6,000 per sqm. The Cogedim programmes launched during 2009 in this range were highly successful as soon as they went on sale. The performance of the Promenade Sisley programme in Suresnes set a new record, with take-up reaching €120 million over the year. What's more, take-up of the Massy-Domaine de Coulanges programmes (first eco-district in the town encompassing new retail units, businesses, public infrastructure, offices and housing) totalled €50 million since they were launched during the second half of 2009. At 31 December 2009, the New Districts range accounted for 19% of the Group's take-up.

The recently developed **Service Residences** (seniors, business, students, leisure) benefit from Cogedim's strong reputation. During 2009, letting began of two Student Residence programmes in the Lyon region, one programme in Toulouse and one programme in Nantes. Development of this range will also be underpinned by that of the new Résidences Cogedim Club concept of service residences for seniors to be managed by the ALTAREA COGEDIM Group, which combine a prime location with high-quality services (video-surveillance, extensive concierge services, etc.).

NF LOGEMENT – DÉMARCHE HQE® CERTIFICATION

Cogedim, the leading player in high-quality residential property, received NF Logement – Démarche HQE® certification (reflecting its high environmental quality). This certification, which was issued by an independent body, was gained after a very strict procedure and specifications were met, chiefly concerning the emphasis on energy savings, the use of sustainable materials that are not harmful to the environment, efficient management of water consumption and appropriate waste management.

Economic conditions in 2009

The pick-up in business trends during the first half of 2009 gained pace during the second half, with the market for new housing recording an increase in sales of 30% [10] compared with 2008.

The principal factor fuelling this momentum was the success of the Scellier tax incentives for private investors, which provide for a reduction in tax of 25% of the acquisition cost spread over nine years up to €300,000, with Scellier regime sales accounting for over 60% of the total during 2009 [11]. Government subsidies were also directed at first-time buyers, with the doubling in zero-rate loans and the development of the pass foncier enabling buyers to qualify for a reduced rate of VAT. These support measures were complemented by easier access to loans, with lower long-term interest rates helping to improve the solvency of buyers.

The effects of this rebound have not yet fed through into the administrative authorisation figures and into the number of building starts, which declined by 18% and 19% respectively compared with 2008. [12]

(10) Source: FPC – estimated base: 105,000 sales in 2009 vs. 79,359 in 2008).

(11) Source: Les Echos of 6 January 2010.

(12) Data from the French ministry of the environment, energy, sustainable development and sea published in December 2008 (change from December 2008 to November 2009).

Outlook for 2010

2010 is expected to be another year supported by residential construction subsidies, notably for private investors.

The future trend in solvent demand from households remains uncertain given the still fragile economic conditions. The rental investment subsidy remains the main source of support provided by the economic stimulus policy: the Scellier tax incentives were renewed for a year in their current form (25% tax reduction for all housing), with the greener version being rolled out in 2011. Property developers will then have to adapt their production in order to increase the range of "Low Consumption Building" housing.

RESERVATIONS

In a market that regained momentum thanks to the measures supporting investment in rental properties and to those helping first-time buyers, the Group's reservations reached a record volume of €887 million, or a 59% increase compared with year-end 2008 and a rise of 33% compared with year-end 2007, the reference year for the industry.

Reservations at 31 December 2009 (Group share)

In € million including tax	Upscale	Midscale	New District	Service Resid.	Total	
Paris region	152	148	166		466	53%
PACA	59	79			138	16%
Rhône-Alpes region	111	76		17	203	23%
Grand-Ouest region	19	50		10	80	9%
TOTAL	**341**	**353**	**166**	**27**	**887**	**100%**
	38%	*40%*	*19%*	*3%*		
31/12/2008	*50%*	*50%*			*557*	
% chg. 2009** vs. **2008					***+59%***	
31/12/2007	*51%*	*49%*			*668*	
% chg. 2009** vs. **2007					***+33%***	

The Group's reservations reached 4,345 lots in 2009, up 80% from 2,417 lots reserved in 2008 and up 45% from 2,996 lots in 2007.

Reservations at 31 December 2009

in number of lots	Upscale	Midscale	New District	Service Resid.	Total
Paris region	697	627	664	0	1,988
PACA	174	462	0	0	636
Rhône-Alpes region	503	514	0	173	1,190
Grand-Ouest region	91	321	0	119	531
TOTAL	**1,465**	**1,924**	**664**	**292**	**4,345**
	34%	*44%*	*15%*	*7%*	
31/12/2008					*2,417*
% chg. 2009** vs. **2008					***+80%***
31/12/2007					*2,996*
% chg. 2009** vs. **2007					***+45%***

The growth in reservations during 2009 was achieved through the launch of 63 operations during the year (compared with 38 operations in 2008 and 54 operations in 2007) for €854 million.

Most of the reservations were made in the individual segment (79% of the total, compared with 64% at year-end 2008 and 77% at year-end 2007): this significant proportion was notably attributable to the impact of the Scellier tax incentives. The proportion accounted for by private investors came to around 50% of total sales in value terms during 2009.

The average price of lots sold in 2009 was €240,000, down from €254,000 in 2008.

This reduction was driven by:

- more compact lots, the average surface area of which was 56 sqm (*vs.* 60 sqm in 2008), better suited to demand from private investors;
- the development of the New District and Service Residences ranges, which cut the proportion of the total accounted for by Upscale Properties (38% in 2009 *vs.* 50% in 2008);
- a reduction in selling prices.

The rate of pull-outs posted a steep decline. It stood at 17% (average for the past 12 months) compared with 33% in 2008 (reflection of the severe economic crisis) and 21% in 2007.

The rate of disposals stood at 25% at year-end 2009.

NOTARISED CONTRACTS

Sales notarised during 2009 amounted to €720 million incl. VAT, representing an increase of 34% compared with 2008.

Notarised sales at 31 December 2009 (Group share)

In € million including tax	Upscale	Midscale	New District	Service Resid.	Total		Stock of non-notarised reserv.
Paris region	134	91	37		262	36%	
PACA	81	70			151	21%	
Rhône-Alpes region	115	86		12	213	30%	
Grand-Ouest region	25	69			94	13%	
TOTAL	**355**	**316**	**37**	**12**	**720**	**100%**	**442**
	49%	*44%*	*5%*	*2%*			
31/12/2008					*536*		*262*
% chg. 2009* vs. *2008					***+34%***		***+69%***
31/12/2007					*771*		*206*
% chg. 2009* vs. *2007					***-7%***		***+114%***

This growth was driven by the Scellier tax incentives, which prompted customers to notarise their purchases in the run-up to the end of the year, and by improved customer follow-up (support with applications for bank loans, centralisation of signatures with notaries, forward planning for possible timing risks, etc.).

The stock of non-notarised reservations amounted to €442 million at year-end 2009 (*vs.* €262 million at year-end 2008 and €206 million at year-end 2007), giving the Group very good future visibility.

REVENUES [13] AND NET PROPERTY INCOME

Revenues at 31 December 2009

In € million including tax	Upscale	Midscale	Service Resid.	Total
Paris region	122	102	0	224
PACA	46	57	0	102
Rhône-Alpes region	95	50	4	149
Grand-Ouest region	6	65	0	71
TOTAL	**268**	**274**	**4**	**546**
31/12/2008				*592*
% chg. 2009** vs. **2008				***-8%***
31/12/2007				*507*
% chg. 2009** vs. **2007				***+8%***

(13) Revenues recognised according to the percentage of completion method in accordance with IFRS. The percentage of completion is calculated according to the stage of construction not including land.

Revenues came to €546 million in 2009, down from €592 million in 2008, reflecting with a time lag the business contraction during the second half of 2008 linked to recognition on a percentage-of-completion basis. **Compared with year-end 2007, residential revenues rose by 8%.**

Net property income

In € million	12/31/2009		12/31/2008
Revenue	546.1		591.7
NET PROPERTY INCOME	**50.8**	**-20.1%**	**63.6**
% of revenues	*9.3%*		*10.8%*
FEES	**3.0**	**-8.5%**	**3.2**

The reduction in net property income compared with year-end 2008, which had been anticipated, was mainly due to lower selling prices, to higher block sales to institutional investors during the second half of 2008 and to a larger proportion of sales of Midscale Properties and Service Residences (51% at year-end 2009 compared with 46% in 2008), which generate lower margins.

BACKLOG [14]

At 31 December 2009, the residential property backlog was €872 million (19 months of revenues), representing an increase of 40% compared with €623 million (13 months of revenues) at 31 December 2008.

Residential backlog at 31 December 2009

In € million excl. tax	Notarised revenues not recognised on a percentage of completion basis	Revenues reserved but not notarised	Total	
Paris region	196	267	463	53%
PACA	97	60	157	18%
Rhône-Alpes region	146	27	173	20%
Grand-Ouest region	53	26	79	9%
TOTAL	**492**	**380**	**872**	**100%**
	56%	*44%*		
In numbers of months			*19*	
Reminder 31/12/2008	*62%*	*38%*	*623*	
% chg. 2009** vs. **2008			***+40%***	
In numbers of months			*13*	

(14) The backlog comprises revenues excluding tax from notarised sales to be recognised on a percentage of completion basis and individual and block reservations to be notarised.

The backlog breaks down as follows:

- €492 million of notarised sales with revenues to be recognised according to the percentage of completion method, with €378 million expected in 2010;
- €380 million of reservations of sales to be notarised, which should contribute €146 million to revenues in 2010.

All in all, the backlog should help to generate €524 million in 2010, which represents almost the entire amount of 2009 revenues. In addition, commercial activity during 2010 should bolster revenues, paving the way for top-line growth during 2010.

ANALYSIS OF PROPERTIES FOR SALE

Properties for sale at 31 December 2009 had a value of €368 million, down 17% compared with 31 December 2008. No completed lots were among the properties for sale.

The policy implemented by the Group of not continuing property developments with no demonstrable letting prospects, helped to control properties for sale at year-end 2008 in an uncertain climate. This tight grip on properties for sale combined with the first-class commercial performance of 2009 led to a contraction in properties for sale of 17% compared with at year-end 2008.

Breakdown of properties for sale (€368 million including tax) at 31 December 2009 by stage of advancement

(−) Risk (+)

Operating phases	Preparation	Land acquired/ project not yet started	Land acquired/ project in progress	Stock of completed residential units
Expenses incurred *(in € million excluding tax)*	12	29		
Properties for sale *(in € million excluding tax)*			100	2
PROPERTIES FOR SALE *(€368 million including tax)*	**179**	**51**	**135**	**2**
(%)	*49%*	*14%*	*37%*	-
		o/w due for completion in 2010:	*€45 million*	
		o/w due for completion in 2011:	*€76 million*	
		o/w due for completion in 2012:	*€14 million*	
N.B.: properties for sale at 31 December 2008				
PROPERTIES FOR SALE *(€443 million including tax)*	**174**	**28**	**235**	**5**
(%)	*39%*	*6%*	*53%*	*1%*
		o/w due for completion in 2009:	€84 million	
		o/w due for completion in 2010:	*€12 million*	
		o/w due for completion in 2011:	*€12 million*	

Analysis of properties for sale: €368 million including tax

- 63% of properties for sale concern developments for which construction had not yet begun and for which the amounts committed correspond primarily to research costs and land order fees (or guarantees) paid upon the signature of preliminary land sales agreements with the possibility of retraction.
- 37% of properties are currently under construction, with €45 million representing lots due for completion by year-end 2010.
- There are virtually no finished properties (€2 million), merely representing car parks or cellars.

The breakdown of developments by stage of advancement reflects the encouraging level of commercial activity during the past year and the Group's stringent prudential criteria. These criteria are primarily geared towards:

- prioritising the signature of unilateral preliminary sales agreements rather than bilateral sale and purchase agreements, which are confined to highly profitable developments;
- a high level of pre-marketing is also required at the time the site is acquired and when construction works begin;
- expanding the responsibilities of the Commitments Committee, whose agreement is required at all stages of the development, including signature of the sales agreement, start of marketing, acquisition of the site and start of works;
- abandoning developments that would not be profitable enough or the marketing of which would be disappointing.

Office property

At 31 December 2009, the Group was in charge of 26 office property developments representing a total net floor area of 546,000 sqm, comprising mainly offices (19 developments), as well as seven hotels.

Net floor area, 000 sqm, 100%	Delegated project management	Property development	Total
Offices	162	285	447
Hotels	28	53	81
Miscellaneous (research centres, multimedia, etc.)	-	19	19
TOTAL DEVELOPMENT PROJECTS	**190**	**356**	**546**

ECONOMIC CONDITIONS IN 2009 [15]

Investment in office property

During 2009, the French market experienced a significant contraction in investment in office property to €7.6 billion, representing a decline of around 40% in a year. This trend was attributable to the tightening in borrowing conditions and the hesitancy among investors following the adjustment in market prices.

Capitalisation rates appear to have stabilised with prime rates at between 5.5% and 6.5% for Paris CBD and between 6.4% and 8.5% for provincial regions. Conversely, the rental downturn has continued. At 1 January 2010, the average rent in the Paris region stood at €303 for new space.

Office property take-up

Take-up during 2009 came to 1.8 million sqm, down by around 24% compared with 2008. Users were again primarily looking to harness savings by pooling offices or finding units with lower rent.

With an increase of 32% since 1 January 2009, (new and existing) office space available immediately stood at 3.6 million sqm. This situation was attributable to a reduction in completions and negative net take-up.

At the same time, it is worth noting the substantial fall in future new space, which is set to continue going forward given the modest number of building starts on development operations. As a result, the new space becoming available in 2012 is likely to be very low indeed.

TRANSACTIONS BY THE GROUP ALTAREA COGEDIM IN 2009

The Group completed five major transactions in 2009.

Saint-Denis Landy: ALTAREA COGEDIM and Icade signed a property development contract worth €58 million excluding tax with a REIT focused on commercial properties. This transaction represents the first sale on an unlet basis since the beginning of the crisis. Located in the ZAC Landy Pleyel 2 (integrated development zone) and HQE®-certified, the project will have net floor area of 21,000 sqm. Works are due to begin in mid-2010.

Aix-en-Provence: During the first half of 2009, the Group signed a property development contract worth €54.9 million excluding tax with a major regional bank to build its future headquarters (net floor area of 22,000 sqm). Works are under way and are scheduled for completion in the first quarter of 2011.

Issy-les-Moulineaux – Block 1: ALTAREA COGEDIM is to handle the delegated project management together with Sogeprom of the construction of a 128-room hotel on behalf of a major hotel group in the Forum Seine ZAC (integrated development zone) in Issy-les-Moulineaux. This project will be one of the first HQE®-certified hotels (hotel reference framework). Work is due to start at the beginning of 2010.

Saint-Cloud: A major investor decided to entrust ALTAREA COGEDIM with a delegated project management assignment concerning the restructuring of an office building with net floor area of 5,200 sqm in Saint-Cloud. Works are under way and are scheduled for completion in the first quarter of 2011.

Lyon: Signature of a delegated project management agreement to build an office building with 7,966 sqm in net floor area in Lyon on behalf of a major event management group based in the provinces. Works are due to begin during the third quarter of 2010.

(15) *Market View, 4th quarter 2009.*

Another highlight of 2009:

Paris 18 – Pajol: ALTAREA COGEDIM signed a firm 9-year, off-plan lease priced at €300/excluding tax and service charges per sqm for an HQE®-certified office building with 5,200 sqm in net floor area. Works may begin during the third quarter of 2010.

2009 COMPLETIONS

The ALTAREA COGEDIM Group completed eight office properties representing a total net floor area of around 150,000 sqm.

Paris 20 – Porte des Lilas (Cinetic): Completion of the Cinetic building with 22,000 sqm in net floor area. This HQE®-certified programme is fully let.

Clichy – Berges de Seine T4 (Onyx): In a joint development operation with Nexity, Cogedim Enterprise completed the Onyx building with net floor area of 17,000 sqm in office space and 300 sqm in mixed space. This project, which belongs to a German fund, is 57% let.

Lyon – La Buire (Anthémis): Cogedim completed the Anthémis building in Lyon (Part-Dieu district), which is owned by a US fund and has 20,300 sqm in net floor area that is 75% let.

Issy-les-Moulineaux – Block 11.3 (Sereinis): This building with 13,000 sqm in net floor area was built under a property development contract for a French REIT. It is an HQE®-certified building designed by architects Anthony Bechu and Tom Sheehan.

Paris 09 – Rue de Châteaudun: This major delegated project management contract to restructure a Haussmann-era building with 7,000 sqm in net floor area was signed with a major institutional investor, and the project was fully let to a public-sector organisation.

Puteaux – Tour Anjou (Quai 33): The handover to Cogedim Entreprise of the Tour Anjou with 24,000 sqm in net floor area took place during the second half. As delegated project manager, ALTAREA COGEDIM handled the complete restructuring to bring this building into line with users' expectations.

Paris 15 – Carré Suffren: This building, the former head office of the French atomic energy commission with 27,750 sqm in net floor area, was handed over at the beginning of July 2009. As delegated project manager, Cogedim handled the complete restructuring to bring it into line with users' expectations.

Bagneux – Porte Sud (Aristide): Cogedim Enterprise completed the Aristide office building in Bagneux with 21,150 sqm in net floor area during November 2009. This project designed by architect Paul Chemetov was HQE®-certified.

NET PROPERTY INCOME AND FEES

In € million	31/12/2009		31/12/2009
Revenue	138.6	-6.3%	147.9
NET PROPERTY INCOME	**15.4**	**+28%**	**12.0**
% of revenues	*11.1%*		*8.1%*
SERVICES TO THIRD PARTIES	**13.4**	**-48.6%**	**26.2**

NET PROPERTY INCOME ON A PERCENTAGE OF COMPLETION BASIS

Net property income at 31 December 2009 came to €15.4 million, compared with €12.0 million in the previous year, representing an increase of 28%. This strong growth was attributable to the major completions in 2009. The margin stood at 11.1% of revenues thanks to the recovery in rental guarantees of certain completed operations.

OFF-PLAN, PROPERTY DEVELOPMENT CONTRACTS AND DELEGATED PROJECT MANAGEMENT BACKLOG [16]

The backlog of off-plan and property development contracts represented €89.5 million at the end of 2009 compared with €141.9 million at the end of 2008. At 31 December 2009, the Group also had a backlog of delegated project management fees representing €13.5 million.

(16) Revenues excluding tax on notarised sales to be recognised according to the percentage of completion method, take-ups not yet subject to a notarised deed and fees owed by third parties on contracts signed.

Large mixed urban developments

The ALTAREA COGEDIM Group has positioned itself as an urban consultancy, able to offer complete solutions including all property classes, with integrated operating expertise (offices, housing, hotels, shops).

At 31 December 2009, the Group managed five large mixed urban developments representing a total net floor area of 372,000 sqm. These developments comprise predominantly office space but also include 107,000 sqm of shops.

Net floor area, 000 sqm	**Shops** (1)	**Offices** (2)	**Hotels**	**Residential**	**Total**
Nice Meridia (06)	-	29	-	20	49
Le Kremlin-Bicêtre (94)	45	27	-	1	73
Euroméditerranée (13)	-	53	10	-	64
Cœur d'Orly (94)	27	108	17	-	152
Nanterre (92)	35	-	-	-	35
TOTAL	**107**	**217**	**28**	**21**	**372**

(1) Part of which is to be retained in the portfolio (25,600 sqm GLA Group share), included in shopping centre development projects managed at 31 December 2009 in part 2.1.2.3.

(2) Part of which is to be retained in the portfolio (37,800 sqm GLA Group share), included in shopping centre development projects managed at 31 December 2009 in part 2.1.2.3.

The Kremlin-Bicêtre project is the only one currently under construction. This retail-oriented project will include a 19,300 sqm Auchan hypermarket, a 25,900 sqm shopping mall and office space in the superstructure.

2.2. CONSOLIDATED RESULTS

2.2.1. RESULTS

2.2.1.1. Net profit

During 2009, recurring net profit (Group share) totalled €108.5 million, an increase of 16%. Including shares created during the capital increase [17], recurring net profit came to €10.6 per share, up 3% compared with 2008.

In € million	31/12/2009							31/12/2008				
	Recurring							Recurring				
	Shopping centres		Property develop-ment	Total recurring		Non-recurring	Total	Shopping centres	Property develop-ment	Total recurring	Non-recurring	Total
OPERATING PROFIT	**127.0**	**+22%**	**51.8**	**178.7**	**+10%**	**(165.4)**	**13.3**	**103.8**	**57.9**	**161.8**	**(502.0)**	**(340.2)**
Net cost of debt	(55.4)		(17.5)	(72.9)		(6.2)	(79.1)	(43.6)	(24.1)	(67.7)	(7.4)	(75.2)
Change in fair value of financial instruments	-		-	-		(53.3)	(53.3)	(0.0)	-	(0.0)	(110.4)	(110.4)
Share from companies accounted for using the equity method	7.1		(1.4)	5.7		(4.8)	1.0	4.4	0.6	5.0	(31.3)	(26.3)
Discounting of payables and receivables	-		-	-		(0.1)	(0.1)	-	-	-	(3.5)	(3.5)
PRE-TAX PROFIT	**78.7**		**33.0**	**111.7**		**(230.6)**	**(118.9)**	**64.6**	**34.4**	**99.0**	**(654.8)**	**(555.7)**
Tax	(0.2)		0.0	(0.2)		2.4	2.2	0.3	(1.1)	(0.8)	172.9	172.2
NET PROFIT	**78.5**		**33.0**	**111.5**		**(228.2)**	**(116.7)**	**64.9**	**33.4**	**98.3**	**(481.8)**	**(383.5)**
NET PROFIT, GROUP SHARE	**76.9**	**+23%**	**31.7**	**108.5**	**+16%**	**(217.0)**	**(108.5)**	**62.4**	**31.3**	**93.7**	**(490.8)**	**(397.1)**
Average diluted number of shares *(in thousands)*				10.271						9.118		
NET PROFIT, GROUP SHARE PER SHARE *(in € per share)*				**10.57**		**+2.8%**					**10,28**	

Recurring net profit: €108.5 million

RECURRING OPERATING PROFIT

In 2009, recurring operating profit moved up by 10% compared with 2008 owing to a strong increase in the shopping centre business (up €23.1 million or 22%) owing to the centres opened during 2008 and 2009, with property development operating profit falling back 11%, while maintaining a high margin level in spite of the crisis.

COST OF RECURRING NET DEBT

The recurring portion of debt concerns net financial expenses incurred relating to loans secured against the portfolio of shopping centres and the cost of debt on the Cogedim acquisition. The increase in net financial expenses was weaker than that in revenues owing to the €375 million capital increase that took place in July 2008.

(17) 22% of share capital after the capital increase.

Non-recurring net loss: €217.0 million

This item includes all adjustments made to carrying amounts over the year:

In € million	
Amortisation of customer relationships (Cogedim)	-13.3
Impairment of assets in progress	-36.2
Impairment loss on properties (like-for-like, excluding transfer duties, portion attributable to the Group)	-138.3
Completion of properties	+36.5
Non-capitalised development costs	-10.4
Impairment in hedging instruments	-53.3
Other	-2.0
TOTAL	**-217.0**

AVERAGE NUMBER OF SHARES

The average number of shares is the average number of outstanding shares diluted for stock option and stock grant plans at 31 December 2009. The change relative to 31 December 2008 was mainly attributable to the capital increase that took place at the start of the second half of 2008.

2.2.2. NET ASSET VALUE (NAV)

At 31 December 2009, Altarea's fully diluted, going concern NAV amounted to €113.3 per share following the dividend payout of €7.0 per share, representing a fall of 9%.

	31/12/2009		31/12/2008		
	(in € million)	*(in € per share)*	*(in € million)*	*(in € per share)*	
CONSOLIDATED EQUITY, GROUP SHARE	**938.6**	**91.0**	**1,109.3**	**108.1**	
Restated tax					
Deferred tax on the balance sheet for non-SIIC assets (international assets)	27.3		18.3		
Effective tax for unrealised capital gains on non-SIIC assets [1]	(27.9)		(3.5)		
Restated transfer duties					
Transfer duties deducted from balance sheet asset values	139.4		126.1		
Estimated transfer duties and selling fees [1]	(82.0)		(65.8)		
Other unrealised capital gains or losses	104.3		37.7		
Impact of securities offering access to share capital	**-**		**0.6**		
Partners' share [2]	(12.7)		(14.1)		
DILUTED LIQUIDATION NAV	**1,087.1**	**105.4**	**1,208.5**	**117.8**	**-11%**
Estimated transfer duties and selling fees	82.0		65.8		
Partners' share	(0.9)		(0.8)		
DILUTED GOING CONCERN NAV	**1,168.1**	**113.3**	**1,273.6**	**124.2**	**-9%**
Number of diluted shares		10,311,852		10,257,854	

(1) Varies according to the type of disposal carried out, i.e. sale of asset or sale of shares.
(2) Maximum dilution of 120,000 shares.

Calculation basis

Tax issues

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

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

Transfer duties

Investment properties were recognised in the IFRS-compliant consolidated financial statements at appraisal value, excluding transfer duties, by applying a transfer tax rate of 6.20%. To calculate going concern NAV, however, the transfer duties were added back in the same amount (€139.4 million at 31 December 2009).

For example, when calculating ALTAREA's liquidation NAV, excluding transfer duties, transfer duties were deducted on the basis of a sale of shares of the Company or a sale on a building by building basis.

Impact of securities offering access to share capital

This concerns the impact of exercising "in the money" stock options, with a corresponding increase in the number of diluted shares.

Other unrealised capital gains or losses

Other unrealised capital gains or losses are determined by independent appraisals and comprise the following items:

- Businesses run by the Group in support of its principal business activity (Hôtel Wagram and Aubette hotel residence), valued by CBRE based on a single valuation;
- Rental management and property development division (Altarea France) valued by Accuracy. The valuation adopted represents the average of two scenarios (optimistic and conservative scenario);
- Property development division (Cogedim) valued by Accuracy on a low-end figure.

Change in number of diluted shares

At 31 December 2009, the number of fully diluted shares came to 10,311,852. This figure is based outstanding shares (10,178,817) plus potential shares relating to "in the money" stock options and stock grants representing a total of 181,539 shares assumed to have been exercised with the corresponding capital contribution added to equity. Treasury shares totalling 48,504 shares at 31 December 2009 were then deducted to arrive at the number of fully diluted shares.

2.3. FINANCIAL RESOURCES

2.3.1. FINANCIAL POSITION

2.3.1.1. Introduction

The liquidity situation in the interbank market improved during 2009, resulting in easier access to credit. In this uncertain climate, the ALTAREA Group benefited from its considerable strengths:

- €319 million in cash and cash equivalents;
- debts with long maturities and no major repayments due until mid-2013;
- robust consolidated bank covenants (LTV of less than 65% and ICR of over 2x), with significant leeway at 31 December 2009 (LTV of 55.7% and ICR of 2.6x).

These strengths are based primarily on a business model generating a high level of cash flow, even during times of crisis.

Cash and cash equivalents: €319 million

Available cash and cash equivalents amounted to €319 million at year-end 2009, comprising corporate resources of €238 million (cash and confirmed authorisations) and unused loan authorisations secured against specific developments of €81 million (mortgage financing).

Commitments and liquidity

The Group's cash and cash equivalents exceed its identified investment commitments.

INVESTMENT COMMITMENTS IN SHOPPING CENTRES

All the investment commitments identified representing a total of €150 million are financed using existing cash and cash equivalents to be paid out between 2010 and 2013. The Group's aim is to obtain *ad hoc* financing for all of its development projects when the time comes in order to maintain a high level of liquidity.

FINANCING OF PROPERTY DEVELOPMENTS

For development projects on behalf of third parties (offices and residential property), the prudential criteria to begin works require a proven level of pre-marketing allowing for financing under current market conditions without the allocation of additional equity.

2.3.1.2. Debt by type

Altareaís net debt stood at €2,064 million at 31 December 2009 compared with €1,908 million at 31 December 2008.

In € million	Dec. 2009	Dec. 2008
Corporate debt	769	772
Mortgage debt	1,159	980
Debt relating to acquisition of Cogedim	250	300
Property development debt	103	152
TOTAL GROSS DEBT	**2,281**	**2,204**
Cash and cash equivalents	(217)	(296)
TOTAL NET DEBT	**2,064**	**1,908**

- Corporate debt is subject to consolidated bank covenants (LTV of less than 65% and ICR of over 2x).
- Mortgage debt is subject to covenants specific to the property financed in terms of LTV, ICR and DSCR.
- Property development debt secured against development projects is subject to covenants specific to each development project (pre-marketing).
- Debt relating to the acquisition of Cogedim is subject to corporate covenants (LTV of less than 65% and ICR of over 2x) and covenants specific to Cogedim (EBITDA leverage and ICR).

2.3.1.3. Financing obtained in 2009

During 2009, the ALTAREA Group obtained €164 million in mortgage financing for projects or to refinance projects in service.

As part of its property development business for third parties, the Group has access to short-term loans to finance its operations.

Despite the severe slowdown in lending activity, well designed development projects with a high level of pre-marketing were able to obtain financing under financially profitable terms for the ALTAREA Group.

2.3.1.4. Financial covenants

LTV ratio

The Group's consolidated LTV ratio was 55.7% [18] at 31 December 2009 compared with 53.4% at the end of 2008.

With a covenant maximum of 65%, the ALTAREA Group believes that it has significant leeway to allow it to cope with any further deterioration in economic conditions.

Recurring EBITDA [19]/recurring net financing costs

The interest cover ratio (recurring net financing cost/EBITDA) stood at 2.6x at 31 December 2009 [20], which was stable compared with 2008.

Other specific covenants

An exhaustive review of the specific covenants for each credit line was conducted.

All covenants relating to the shopping centres business are largely respected and should be able to hold up against any further erosion in values.

At 31 December 2009, all the covenants were observed. To this end, the repayment of €6.4 million in bank loans in Italy is planned.

Renegotiation of the Cogedim acquisition loan (€300 million)

Given the situation that prevailed in late 2008, the Group began a preventative renegotiation of the Cogedim acquisition loan in early 2009, even though all the covenants were respected very comfortably indeed at 31 December 2008 [21]. The goal was to secure exemption for a period of three years from compliance with certain financial ratios related to Cogedim in return for an early repayment of €50 million (out of an initial amount of €300 million). In the intervening period, the residential property development market staged a very strong recovery, as illustrated by Cogedim's operating performance and ratios at 31 December 2009, which made this renegotiation less of a necessity.

Even so, the Group decided to sign in June 2009 the agreement it had negotiated at the beginning of the year in order to preclude once and for all the loan acceleration risk related to the acquisition loan.

(18) After the impact of selling the Espace Saint-Georges project in Toulouse.
(19) EBITDA is equal to recurring operating profit before depreciation, amortisation and provisions.
(20) EBITDA leverage of 2.8 (covenant maximum of 5.0) and ICR of 5.0 (covenant minimum of 1.3).
(21) At year-end 2008, EBITDA leverage stood at 3.1x vs. a covenant limit of 5.75x and the ICR ratio was at 3x vs. a covenant cap of 2x.

2.3.2. HEDGING AND MATURITY

The hedging instruments held by the Group at 31 December 2009 allowed it to hedge a maximum nominal amount of €2.3 billion, equal to almost all of its consolidated gross debt. The portfolio of hedging instruments had the following profile:

Nominal amount *(in € million)* and amount hedged				
Maturity	**Swap at 31/12/2009**	**Cap/Collar at 31/12/2009**	**Total hedging**	**Maximum Euribor hedged**
2009	1,569	688	2,257	3.94%
2010	1,584	542	2,126	3.88%
2011	1,689	369	2,057	3.85%
2012	1,537	319	1,856	4.07%
2013	1,037	260	1,296	4.08%
2014	854	39	892	4.12%
2015	782	36	818	4.12%
2016	591	52	643	4.30%
2017	310	-	310	4.19%

As a result of the fall in interest rates after the end of 2008, the ALTAREA Group reported an accounting net loss of €53 million on the value of its hedging portfolio (IAS 32 and 39).

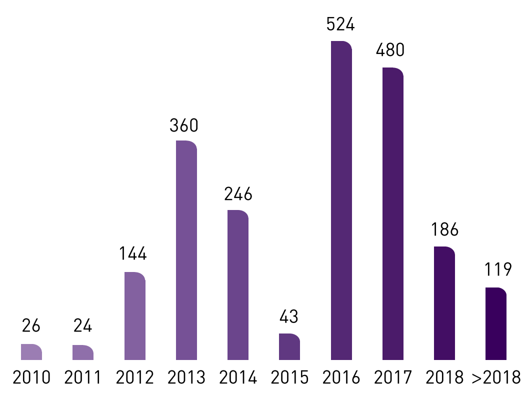
Cost of debt

The ALTAREA Group's average financing cost including the credit spread was 4.21% in 2009 compared with 4.68% in 2008. The average spread paid by the Group during 2009 was below current market conditions. The credit spread component of existing debt was not stated at market value in the Group's NAV.

Debt maturity

No major debt repayments are due before mid-2013. The average debt maturity was 6.6 years at 31 December 2009 compared with 7.0 years in 2008. Most of the outstanding debt comprises mortgage loans backed by assets held for the long term, which explains this very long maturity.

Maturity schedule for gross debt (in € million) (excluding property development)



3 ALTAREA financial statements

3.1 INDIVIDUAL COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

3.1.1. INCOME STATEMENT

In € thousand	31/12/2009	31/12/2008	31/12/2007
Revenue on sale of services	37,804	34,553	31,011
REVENUE	**37,804**	**34,553**	**31,011**
Capitalised production	17,247	1,215	16
Reversals of depreciation and amortisation and provisions, expense transfers	1,089	913	258
Other income	6	1	34
OPERATING INCOME	**56,146**	**36,682**	**31,319**
Other purchases and external expenses	34,029	21,986	21,705
Taxes other than on income and related payments	1,750	1,544	1,428
Wages and salaries	1,014	153	
Social security contributions	600	56	1
Depreciation and amortisation	10,279	10,188	10,128
Allowances for impairment of current assets	490	437	55
Charges to provisions for liabilities and charges	2,161		
Other expenses	283	675	22
OPERATING EXPENSES	**50,607**	**35,040**	**33,340**
OPERATING INCOME	**5,539**	**1,642**	**(2,021)**

In € thousand	31/12/2009	31/12/2008	31/12/2007
Financial income			
Financial income from participating interests	56,239	27,169	40,287
Gains from other negotiable securities	2,228	3,658	2,444
Other income and related gains	2,952	28,128	16,345
Reversals of provisions and expense transfers			552
Foreign exchange gains			
Net gains on the disposal of marketable securities	41	253	167
FINANCIAL INCOME	**61,461**	**59,207**	**59,796**
Financial allowances for depreciation and impairment	103	35,064	
Interest and similar expense	59,110	38,137	27,633
Foreign exchange losses	1	6	
Net expenses on the disposal of marketable securities			
FINANCIAL EXPENSES	**59,214**	**73,207**	**27,633**
NET FINANCIAL INCOME (EXPENSE)	**2,247**	**(13,999)**	**32,163**
INCOME BEFORE NON-RECURRING ITEMS AND TAX	**7,786**	**(12,357)**	**30,142**
Non-recurring income from management transactions	12	1	
Non-recurring income from capital transactions	10,285	339,580	2,434
Reversals of provisions and expense transfers	35,952		
NON-RECURRING INCOME	**46,249**	**339,582**	**2,434**
Non-recurring expenses on management transactions	91		(20)
Non-recurring expenses on capital transactions	45,368	240,720	3
Non-recurring allowances for depreciation and impairment		1,619	
NON-RECURRING EXPENSES	**45,459**	**242,339**	**(17)**
NET NON-RECURRING ITEMS	**790**	**97,243**	**2,451**
Employee profit-sharing			
Income taxes	733	1,197	23
TOTAL INCOME	**163,856**	**435,471**	**93,549**
TOTAL EXPENSES	**156,014**	**351,782**	**60,980**
PROFIT (LOSS)	**7,843**	**83,689**	**32,569**

3.1.2. BALANCE SHEET

3.1.2.1. Assets

In € thousand	Gross	Depreciation, amortisation and impairment	31/12/2009	31/12/2008	31/12/2007
Intangible assets	**72**	**59**	**13**	**55**	
Concessions, patents & similar rights	72	59	13	55	
Commercial goodwill					
Property, plant and equipment	**330,803**	**36,467**	**294,336**	**288,621**	**297,521**
Land	61,877	7	61,870	62,020	62,020
Buildings	267,653	36,431	231,222	225,340	235,485
Other	104	28	75	56	
Property, plant and equipment in progress	1,169		1,169	1,205	16
Financial assets	**1,152,716**		**1,152,716**	**1,209,664**	**670,900**
Other participating interests	686,911		686,911	606,046	286,238
Advances to participating interests	350,420		350,420	502,824	305,698
Loans	115,282		115,282	98,705	77,016
Other non-current financial assets	103		103	2,088	1,948
NON-CURRENT ASSETS	**1,483,591**	**36,526**	**1,447,065**	**1,498,340**	**968,420**
Receivables	**29,073**	**895**	**28,178**	**20,266**	**79,603**
Trade receivables	22,495	895	21,600	14,910	7,494
Other	6,578		6,578	5,356	72,110
Other and cash	**8,372**	**835**	**7,537**	**16,346**	**2,811**
Treasury shares	6,029	835	5,194	9,023	2,581
Other marketable securities				6,131	
Cash	2,308		2,308	1,157	229
Prepaid expenses	35		35	35	
CURRENT ASSETS	**37,445**	**1,730**	**35,715**	**36,612**	**82,414**
TOTAL ASSETS	**1,521,036**	**38,256**	**1,482,780**	**1,534,952**	**1,050,834**

3.1.2.2. Equity and liabilities

In € thousand	31/12/2009	31/12/2008	31/12/2007
Share capital	155,541	155,850	121,653
Additional paid-in capital	607,580	605,301	261,718
Legal reserve	11,741	7,557	5,928
Statutory and contractual reserves	44,240	36,494	53,399
Retained earnings	408	408	278
Profit for the year	**7,843**	**83,689**	**32,569**
EQUITY	**827,352**	**889,298**	**475,546**
Provisions for liabilities	2,161	1,619	
PROVISIONS FOR LIABILITIES AND CHARGES	**2,161**	**1,619**	
Financial liabilities	**634,172**	**630,905**	**568,921**
Borrowings and financial liabilities vis-à-vis credit institutions	628,157	624,936	563,493
Other borrowings and financial liabilities	6,014	5,963	5,427
Advances and downpayments on orders in progress	1	5	
Operating payables	**7,998**	**8,416**	**6,246**
Trade payables and other accounts payable	5,437	6,485	5,077
Tax and social security payables	2,561	1,931	1,169
Other payables	**11,096**	**4,714**	**120**
Amounts due on non-current assets and related accounts	5,586	299	
Other payables	4,989	4,415	120
Prepayments and accrued income			
Prepaid income	522	1	
OTHER FINANCIAL LIABILITIES	**653,266**	**644,035**	**575,288**
TOTAL LIABILITIES AND EQUITY	**1,482,780**	**1,534,952**	**1,050,834**

3.1.3. NOTES TO THE INDIVIDUAL COMPANY FINANCIAL STATEMENTS

In accordance with Articles L.123-13 to L.123-21 and R.123-195 to R.123-198 of the French Commercial Code, Decree no. 83-1020 of 29 November 1983 and CRC regulation 99-03 approved by the decree of 22 June 1999.

This section contains the notes to the balance sheet and income statement for Altarea SCA, with figures at 31 December 2009:

In €	
Total assets	1,482,780,238
Total revenues	37,803,839
Net income	7,842,664

Altarea SCA is the parent company that acts as the Company consolidating the Altarea Group. Consolidated financial statements have been prepared for the financial year ended 31 December 2009.

Altarea SCA has been listed since 2004 in compartment A of the Paris Stock Exchange on Eurolist, the regulated market of Euronext Paris SA. Effective 1 January 2005, the Company elected to adopt SIIC status.

3.1.3.1. Key events of the financial year

- Capital increase through contribution in kind of shares:

On 26 June 2009, non-trading company ("société civile") Jouffroy 2 contributed to Altarea 2,620 shares in Foncière Altarea in exchange for the allocation by the Company of 31,850 shares.

Following the approval of this contribution, valued at €3,955 thousand, a €486 thousand capital increase was carried out, bringing the Company's share capital to €156,336 thousand. Additional paid-in capital amounted to €3,469 thousand.

- Capital reduction through cancellation of treasury shares:

On 26 June 2009, a €796 thousand capital reduction through the cancellation of 52,124 treasury shares was carried out, bringing the Company's share capital to €155,539 thousand. The difference between the amount of this capital reduction and the book value of the 52,124 shares was deducted from "Additional paid-in capital" in the amount of €1,188 thousand. At 31 December 2009, the Company no longer held any shares for the purpose of reducing its share capital.

- Significant changes in participating interests:
  - Contribution of Foncière Altarea shares by Jouffroy 2 in the amount of €3,955 thousand (see capital increase through contribution in kind of shares).
  - On 25 June 2009, the Company sold 120 Altareit shares to Altarea France for €25 thousand.
  - On 17 July 2009, the Company subscribed to the Altareit capital increase in the amount of €76,926 thousand by incorporation of its current account.
  - On 30 November 2009, the Company subscribed in the amount of €35,932 thousand to the SAS Alta Développement Russie capital increase by incorporation of its current account.
  - On 22 December 2009, the Company sold for €1 the 40,000 SAS Alta Développement Russie shares with a book value of €35,970 thousand to Alta Développement Espagne. This sale was subject to an earn-out clause.
  - The Company sold for €41,067 thousand the receivable held against Altarea España with a book value of €71,038 thousand to Alta Développement Espagne. This sale was subject to an earn-out clause in the event of improvement in the Company's financial position.

    The sale price takes account of the impairment of assets under development in Spain after a valuation conducted by independent appraisers.

- Foncière Altarea dividends:

An exceptional dividend deducted from reserves was paid by Foncière Altarea on 21 December 2009 in the amount of €38,313 thousand.

- Stock grant awards:
  - During 2009, 38,364 bonus shares were granted to employees. Since the grant becomes definitive after a period of two years, the shares delivered were subject to a two-year holding period.
  - New stock grant plans for certain employees were launched, representing 38,680 rights to stock grant awards (compared with 72,050 rights granted in 2008.)

- Shopping centres:
  - The southern extension to the Toulouse Occitania shopping centre was opened on 20 November 2009. The works carried out amounted to €17,232 thousand.
  - The Soisy-sous-Montmorency properties and offices in Vichy were sold on 17 June and 29 July 2009 for a total of €2,475 thousand, generating a capital gain of €942 thousand.

- Investigation by the French tax authorities:

The Company was subject to an investigation by the French tax authorities in respect of the years 2004 to 2006.

Total tax adjustments and penalties amounted to €1,653 thousand. The provision of €1,618 thousand booked in 2008 was fully written back.

A request for a tax loss carryback of €831 thousand was sent to and approved by the tax authorities in January 2010.

3.1.3.2. Comparability of the financial statements

No changes were made to the presentation of the financial statements or the measurement methods affecting the comparability of the financial statements at 31 December 2009 with those for the previous financial year.

3.1.3.3. Accounting principles, rules and methods

The annual financial statements were prepared in accordance with the provisions of Regulation 99-03 of the Comité de Réglementation Comptable (French accounting regulation committee), approved by the ministerial decree of 22 June 1999 concerning the overhaul of French GAAP in 1982.

The general accounting conventions used observe the principles of conservatism and consistency, with the financial statements being drawn up on a going concern basis, in accordance with the accrual principle and the general rules for preparing and presenting annual financial statements.

Elements in the financial statements are measured at historical cost.

Unless stated otherwise, the annual financial statements were drawn up and presented in thousands of euros.

The following sections describe the Company's primary accounting methods.

Intangible assets

Intangible assets are measured initially at acquisition cost. They may be written down when their carrying amount differs significantly from their value in use, as defined in French GAAP.

Software acquired is usually amortised on a straight-line basis over three years.

Property, plant and equipment

GROSS VALUE OF PROPERTY

Property is initially recorded at acquisition cost, which for contributed property is the contribution value excluding purchase costs and for new property is the construction or refurbishment cost. Purchase costs (transfer duties, expert fees, commissions, and stamp duties) are recognised as expenses.

The Company uses the component method to calculate the useful lives of its property, as recommended by the French Federation of Property and Land Companies (FSIF). The useful life of each property component is given in the following table.

Components	Useful lives (shopping centres)	Useful lives (business premises)
Structural work (structures, road and utilities works)	50 years	30 years
Facades, seals	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

PROPERTY DEPRECIATION

Property depreciation is calculated based on the following:

- the useful lives of the components. If the components have different useful lives, each component whose cost makes up a significant portion of the total cost is depreciated separately over its individual useful life; and
- the property's acquisition cost less its residual value, where the residual value is the estimated amount the Company would receive if it sold the property at current market prices, less any selling expenses, assuming the property was in the condition expected at the end of its useful life. In the light of the long useful lives used by the Company, the residual values of all components are assumed to be zero.

PROVISION FOR PROPERTY IMPAIRMENT

The Company's property is appraised twice per year by external appraisers, DTZ and Icade.

Because the Company recognises purchase costs as expenses, the current value of its property is essentially equal to the appraisal value excluding fees, after taking into account any probable near-term developments that are not included in the appraisal.

The Company recognises an impairment loss for the difference whenever the current value of a property asset falls significantly below its carrying amount.

OTHER PROPERTY, PLANT AND EQUIPMENT

Other property, plant, and equipment is initially recorded at acquisition cost.

Transport, office, and computer equipment is depreciated over five years.

Financial assets

The Company's financial assets include shares held in subsidiaries and participating interests, as well as loans and advances to the Company's indirect participating interests.

Financial assets are measured at acquisition cost or contribution value.

Financial assets may be impaired where their carrying amount falls substantially below their value in use as defined in French GAAP, where value in use is based on several criteria, such as equity, earnings and earnings outlook, long-term growth prospects and economic climate. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account.

Receivables

The Company's receivables are carried at nominal value. They consist of group receivables and trade receivables from shopping centres.

A provision for impairment of receivables is recognised when there is evidence that the Company will not be able to collect all amounts due. Provisions are calculated separately for each customer after subtracting the security deposit and accounting for the length that the receivable has remained outstanding, any progress made on collection efforts, and any guarantees that have been received.

Treasury shares

Treasury shares are recognised as either:

- Financial assets, if they are held for the purposes of a capital reduction; or
- Marketable securities, if they are held for the purposes of granting to employees or controlling fluctuations in the Company's share price.

Treasury shares are recognised at acquisition cost. The FIFO method is used to determine the value of treasury shares that are sold.

Treasury shares held to control fluctuations in the share price are classified as marketable securities. An impairment is recognised if the value of shares held for this purpose is lower than their acquisition cost.

The treasury shares held for grant to employees under stock option plans or stock grant awards made by the Company are classified by the Company under marketable securities. The expense incurred by the Company in granting these shares is passed on to the companies carrying the relevant employees. Impairment is only recognised in Altarea's financial statements in respect of these shares in relation to plans awarded to employees of Altarea SCA.

Other marketable securities

Marketable securities are stated in the balance sheet at cost. The FIFO method is used to determine the value of any investment fund holdings that are sold.

An impairment loss is recognised on marketable securities when their realisable value falls below the carrying amount.

Benefits payable at retirement

No impairment is recognised for benefits payable at retirement.

Loan arrangement costs

Loan arrangement costs are expensed.

Rental income and expenses

Rental income comprises income from the rental of property assets. The amounts invoiced are recognised over the relevant rental period.

Income is not recognised for any rent holidays granted to tenants over the period during which the rent holiday is in effect.

Initial lease fees paid by tenants are fully recognised in the financial year during which the tenant enters the property.

Marketing costs

Costs for marketing new and existing property, as well as remodelling costs, are recognised as expenses.

Financial instruments

The Company uses interest rate swaps and caps to hedge its credit lines and borrowings. The corresponding income and expenses are recognised in the income statement on a pro rata basis. Any premiums paid when contracts are entered into are expensed in full. The Company does not recognise unrealised gains and losses resulting from differences between the market value of the swaps and caps on their closing date and their nominal value.

Income tax

Since Altarea adopted SIIC status on 1 January 2005, the Company now has the following two separate tax units:

- An SIIC unit exempt from French corporate income tax, capital gains tax and tax on dividends received in accordance with SIIC requirements; and
- A taxable unit comprising all the Company's other operations.

Altarea must comply with the following three rules for dividend distributions in order to be exempt from French corporate income tax:

- It must pay out 85% of the earnings from property rentals during the financial year following the year in which the earnings were generated;
- It must pay out 50% of any gains on the sale of property, participating interests in tax transparent companies with the same corporate purpose as an SIIC, or interests in subsidiaries subject to French corporate income tax which have chosen SIIC status, before the end of the second financial year after the year in which the gains were generated; and

- It must pay out all dividends from subsidiaries that have chosen SIIC status during the financial year following the year in which the dividends were received.

In addition, in order to maintain SIIC status, no more than 20% of Altarea's operations can be activities that are not eligible.

3.1.3.4. Notes to the balance sheet - assets

Intangible assets

Intangible assets, gross

In € thousand	31/12/2008	Revaluation	Increase	Decrease	31/12/2009
Start-up costs, research and development					
Other intangible assets	72				72
Commercial goodwill					
TOTAL	**72**				**72**

Amortisation of intangible assets

In € thousand	31/12/2008	Allowances	Reversals	31/12/2009
Start-up costs, research and development				
Other intangible assets	18	42		59
TOTAL	**18**	**42**		**59**

Property, plant and equipment

Property, plant and equipment, gross

In € thousand	31/12/2008	Revaluation	Acquisition/ Contribution	Retirement/ Sale	31/12/2009
Land	**62,020**		**200**	**342**	**61,877**
Buildings	**251,739**		**17,282**	**1,369**	**267,653**
Structural work (structures, road and utilities works)	102,234		6,893	771	108,356
Facades, seals	25,012		1,723	137	26,598
Technical equipment	74,424		5,170	243	79,351
Fixtures and fittings	50,069		3,497	218	53,348
Other non-current assets	**66**		**38**		**104**
Technical installations, plant and industrial equipment					
General installations, various fittings					
Vehicles	56		35		91
Office and computer equipment, furniture	9		3		12
Recoverable packaging and related items	1				1
Property, plant and equipment in progress	**1,205**		**17,197**	**17,232**	**1,169**
Land	16		353	349	20
Buildings	18			18	
Other	1,170		16,844	16,865	1,149
TOTAL	**315,029**		**34,717**	**18,943**	**330,803**

Changes in assets in progress and the increase in buildings relate to the completion of the southern extension of the Toulouse Occitania shopping centre.

Disposals correspond to the disposals of the Soisy and Vichy office properties for €1,711 thousand.

At 31 December 2009, assets in progress of €1,169 thousand corresponded to works in progress on the eastern extension of the Toulouse Occitania shopping centre.

Depreciation in property, plant and equipment

In € thousand	31/12/2008	Allowances	Reversals	31/12/2009
Land		**7**		**7**
Buildings	**26,399**	**10,211**	**179**	**36,431**
Structural work (structures, road and utilities works)	5,376	2,059	71	7,364
Facades	2,598	1,003	14	3,588
Technical equipment	9,694	3,745	36	13,404
Fixtures and fittings	8,730	3,404	59	12,075
Other property, plant and equipment	**10**	**19**		**28**
Vehicles	8	16		25
Office and computer equipment, furniture	1	2		3
TOTAL	**26,408**	**10,237**	**179**	**36,467**

Financial assets

Financial assets, gross

In € thousand	31/12/2008	Increase	Decrease	31/12/2009
Participating interests	**606,084**	**116,816**	**35,989**	**686,911**
Of which:				
Foncière Altarea	575,553	3,955		579,507
Altareit	14,725	76,926	16	91,635
Alta Développement Italie	13,800			13,800
Alta Développement Espagne	1,500			1,500
Alta Développement Russie	38	35,935	35,973	
Altarea Management	10			10
Toulouse Gramont	457			457
Other	1			1
Advances	**637,912**	**571,161**	**743,268**	**465,805**
Advances to participating interests	**537,119**	**553,970**	**740,669**	**350,420**
Of which:				
Foncière Altarea	333,524	282,427	341,770	274,181
Altareit	85,498	211,087	285,888	10,697
Alta Développement Italie	2,217	7,296	2,206	7,307
Alta Développement Espagne	4,630	44,310		48,940
Alta Développement Russie	34,295	1,650	35,945	
Altarea Management		4,234	438	3,796
Toulouse Gramont	5,652	383	537	5,498
Altarea España	71,302	2,583	73,885	
Loans and other financial investments	**100,793**	**17,191**	**2,599**	**115,385**
Of which:				
Loan to Altalux Italy	75,454	1,469		76,923
Loan to Altarea Patrimae	23,107	307	307	23,107
Loans to Ori Alta		14,950		14,950
Treasury shares	1,985		1,985	
Deposits paid	103			103
Other	143	465	307	301
TOTAL GROSS	**1,243,997**	**687,977**	**779,257**	**1,152,716**

During 2009, the events described in the "Key events of the financial year" section account for the principal changes in the participating interests and related advances:

- contribution of Foncière Altarea shares by Jouffroy 2 in the amount of €3,955 thousand;
- subscription to the Altareit capital increase in the amount of €76,926 thousand;
- subscription to the Alta Développement Russie capital increase through incorporation of the current account followed by the sale of participating interests;
- sale of the receivable held against Altarea España of €71,038 thousand to Alta Développement Espagne;
- increase in the Altalux loan relating to accrued interest as at 31 December 2009;
- signature on 2 December 2009 of a loan agreement of a maximum of €20,000 thousand granted to Ori Alta.

Other financial assets (treasury shares and mutual funds)

In € thousand	31/12/2008	Increase	Decrease	Transfer	31/12/2009
Treasury shares	1,985		1,985		
Number of shares	52,124	0	52,124		0

The capital reduction by means of the cancellation of treasury shares as described in the "Key events of the financial year" section explains the reduction in treasury shares.

Impairment losses

		Increases during the year	Decreases during the year		
In € thousand	31/12/2008	Allowance	Provisions no longer required	Provisions used	31/12/2009
Impairment in participating interests	38			38	0
Impairment in advances to participating interests	34,295			34,295	0
TOTAL	**34,333**			**34,333**	**0**

Provisions for Alta Développement Russie and related loans and advances booked in 2008 were reversed on the sale of the Alta Développement Russie shares to Alta Développement Espagne.

Receivables

The Company's receivables are carried at nominal value.

They consist of group receivables and trade receivables from shopping centres.

An allowance for impairment of receivables is set aside when there is evidence that the Company will not be able to collect all amounts due.

Breakdown of receivables

In € thousand	Gross 2009	Provisions	Net 2009	Net 2008
Trade receivables	22,495	895	21,600	14,910
Other receivables	6,578		6,578	5,355
‣ Staff and related accounts	136		136	31
‣ Advances and downpayments	193		193	6
‣ Government, related authorities: value added tax	4,663		4,663	2,000
‣ Government, related authorities: miscellaneous receivables	921		921	90
‣ Group shareholders and partners	122		122	32
‣ Miscellaneous amounts payable	542		542	3,196
TOTAL	**29,073**	**895**	**28,178**	**20,266**

The principal changes in receivables are as follows:

- increase in trade receivables of €7,125 thousand, relating primarily to billings at the end of the year of management fees and rebillings of stock grant plans to Group companies;
- increase in deductible VAT on fixed assets, in relation to the increase in payables to suppliers of fixed assets;
- reduction in miscellaneous amounts payable relating to the amount of accrued income on swaps of €2,836 thousand at 31 December 2008.

Breakdown of receivables by maturity

In € thousand	Gross 2009	up to 1 year	from 1 year to 5 years	> 5 years
Trade receivables	22,495	22,495		
Staff and related accounts	136	136		
Advances and downpayments	193	193		
Government, related authorities: value added tax	4,663	4,663		
Government, related authorities: miscellaneous receivables	921	921		
Group shareholders and partners	122	122		
Miscellaneous amounts payable	542	542		
TOTAL	**29,073**	**29,073**		

Accrued income

In € thousand	31/12/2009	31/12/2008
Loans	1,845	3,279
State	921	90
Trade receivables	10,082	11,463
Other miscellaneous debtors	330	3,082
TOTAL	**13,179**	**17,915**

Marketable securities

Marketable securities consisted entirely of treasury shares in the amount of €5,194 thousand.

Marketable securities (treasury shares)

In € thousand	31/12/2008	Increase	Decrease	Transfer/other	Provisions	31/12/2009
Treasury shares	9,754	6,236	(3,829)	(6,133)	(835)	5,194
Marketable securities	6,131		(6,131)			
TOTAL	**15,885**	**6,236**	**(9,960)**	**(6,133)**	**(835)**	**5,194**
Number of shares	54,508	54,317	(21,957)	(38,364)		48,504
Number of mutual funds	282		(282)			

At 31 December 2009, treasury shares intended for providing liquidity for trading in the shares (37,912 shares) gave rise to an impairment loss of €835 thousand. Other treasury shares intended for use as part of stock grant awards or stock option plans were not impaired insofar as their cost will be passed on entirely to companies housing the employee beneficiaries.

Impairment losses

In € thousand	31/12/2008	Increases during the year	Decreases during the year		31/12/2009
		Allowance	Provisions no longer required	Provisions used	
Impairment in participating interests	38			38	
Impairment in advances to participating interests	34,295			34,295	
Impairment in trade receivables	460	490	13	42	895
Other allowances for impairment in marketable securities	731	103			835
TOTAL	**35,524**	**593**	**13**	**34,374**	**1,730**

The sale of Alta Développement Russie shares as described in the "Key events of the financial year" section explains the reversal of the provision of €34,295 thousand.

3.1.3.5. Notes to the balance sheet - Equity and liabilities

Equity

Statement of changes in equity

In € thousand	31/12/2008	Distribution Allocation	Reduction in capital, issuance costs	Increase in capital and contributions	2009 profit	31/12/2009
Share capital	155,850		(796)	487		155,541
Additional paid-in capital	595,934		(1,188)	3,468		598,213
Merger premiums	8,717					8,717
Share subscription warrants	650					650
Legal reserve	7,557	4,184				11,741
Available reserve	36,494	7,746				44,240
Retained earnings	408					408
Profit for the year	83,689	(83,689)			7,843	7,843
TOTAL	**889,298**	**(71,758)**	**(1,985)**	**3,955**	**7,843**	**827,352**

At the Ordinary General Meeting on 20 May 2009, shareholders approved a dividend payment of €7.00 for the financial year ended 31 December 2008, representing a total amount of €71,394 thousand, and the payment of a preferential dividend to the General Partner of €1,071 thousand.

A total of €4,184 was taken to the legal reserve. Remaining available income of €7,040 thousand and the payment of dividends of €706 thousand on treasury shares were allocated to reserves.

Other significant movements resulted from the transactions described in the "Key events of the financial year" section.

At 31 December 2009, share capital stood at €155,541 thousand, divided into 10,178,817 shares each with a par value of €15.28 compared with 10,199,091 shares at 31 December 2008 and 10 general partner shares with a par value of €100.

Provisions for liabilities and charges

Changes in provisions for liabilities and charges

		Increases during the year	Decreases during the year		
In € thousand	31/12/2008	Allowance	Provisions no longer required	Provisions used	31/12/2009
Provisions for litigation	1,619	1,520		1,619	1,520
Other provisions for liabilities and charges		641			641
TOTAL	**1,619**	**2,161**		**1,619**	**2,161**

A provision for risks of €1,520 thousand was booked at 31 December 2009 relating to a legal dispute between the Company and a tenant.

A provision of €641 thousand was booked in relation to the cost concerning stock grants to employees.

Borrowings and other financial liabilities

Breakdown of financial liabilities by maturity

In € thousand	31/12/2009	up to 1 year	from 1 year to 5 years	> 5 years	31/12/2008
Convertible bonds					
Bank loans	628,157	157	376,576	251,424	624,936
Deposits and security interests received	4,385			4,385	3,885
Other borrowings					
Trade payables and other accounts	2,928	2,928			4,824
Staff-related and social security liabilities	439	439			73
Social security and other labour bodies					
Government: income tax	16	16			25
Government: value added tax	2,005	2,005			1,769
Government: guaranteed bonds					
Government: other taxes and duties	101	101			64
Amounts due on non-current assets and related accounts	5,586	5,586			299
Group shareholders and partners	3,473	3,473			3,739
Other payables	5,654	5,654			4,420
Debt in the form of borrowed securities					
Prepaid income	522	522			1
TOTAL	**653,266**	**20,880**	**376,576**	**255,809**	**644,034**

Amounts payable on non-current assets comprise remaining residual costs relating to the extension to the Toulouse Occitania shopping centre.

"Other payables" relate partly to an accrued expense relating to premiums on cap contracts (€2,235 thousand) and interest charges on swap contracts (€2,235 thousand).

Accrued expenses on balance sheet items

In € thousand	31/12/2009	31/12/2008
Borrowings and financial liabilities	120	1,450
Trade payables and other accounts	9,588	3,831
Taxes other than on income and related payments	99	64
Miscellaneous items	5,018	4,389
TOTAL	**14,825**	**9,734**

Miscellaneous items correspond primarily to accrued expenses relating to financial instruments (€4,470 thousand).

3.1.3.6. Notes to the income statement

The Company's revenue consists of rental income and service charges and costs of works billed to tenants of shopping centres held in the portfolio and, secondly, rental income and income from expenses rebilled to Altarea Cogedim Group service companies.

Revenue

In € thousand	31/12/2009	31/12/2008
Rebilled rent and service charges	31,434	30,154
Initial lease fees	210	739
Intra-group rebillings	5,861	3,454
Other	299	206
TOTAL	**37,804**	**34,553**

The increase of 4.2% in rental income and service charges billed was attributable to the impact of the annual indexation of rent and asset management efforts.

In accordance with intra-group agreements, 80% of rebillings correspond to ordinary overhead costs incurred by the Company (staff costs, Statutory Auditors' fees, Manager's fees etc.).

Other operating income

The increase in other operating income was principally attributable to the capitalisation of expenses incurred on the extension of the Toulouse Occitania shopping centre completed on 20 November 2009.

Breakdown of other operating income

In € thousand	31/12/2009	31/12/2008
Capitalised production	17,247	1,215
Reversals of provisions	54	202
Intra-group rebillings and expense transfers	1,035	711
Other	6	1
TOTAL	**18,342**	**2,128**

Operating expenses

Operating expenses reflect the expense incurred by Altarea in respect of its owned property business (service charges, property taxes, depreciation) and in respect of its holding company activities.

Breakdown of operating expenses

In € thousand	31/12/2009	31/12/2008
Service and co-ownership costs [1]	5,578	5,550
Maintenance and repairs		
Insurance premiums	960	1,007
Sales commission and professional fees [2]	8,577	9,959
Advertising and public relations [3]	1,041	3,484
Banking services and related accounts	212	232
Taxes other than on income [4]	1,750	1,544
Staff costs [5]	1,614	209
Allowances for depreciation and impairment	12,930	10,625
Construction purchases [6]	17,247	1,215
Lessee termination and early termination fees	70	670
Other expenses	627	545
TOTAL OPERATING EXPENSES	**50,607**	**35,040**

(1) Service charges in almost their entirety are rebilled to tenants.

(2) Fees and commission notably include the fixed portion of the Altafinance 2 Manager's fee and a portion of its discretionary fee, rental management and shopping centre development fees, costs related to incomplete acquisition plans and management fees.

(3) Advertising and communication costs include expenses for financial reporting, external and internal communications, corporate patronage and sponsorship. The reduction compared with 2008 was attributable to a cost-cutting plan decided by the management and the recognition as a direct expense of expenses relating to trade fairs by the Group's service providers.

(4) Property taxes on shopping centres amounted to €1,562 thousand. These taxes in almost their entirety are rebilled to tenants.

(5) The increase in staff costs relates to the increase in the number of employees from one to five people as of 1 January 2009. Compensation paid to members of the Supervisory Board amounted to €364.2 thousand.

(6) Construction purchases related to the extension of the Toulouse Occitania shopping centre and were capitalised with a corresponding adjustment in production transferred to inventory in other operating income.

Net financial income (expense)

In € thousand	31/12/2009	31/12/2008
Financial income		
Dividends [1]	38,313	1,191
Interest on loans	2,206	3,658
Income from advances [2]	17,816	25,978
Fees on guarantees [3]	2,938	3,758
Income on financial instruments (swaps, caps) [4]		21,763
Income from other marketable securities and long-term receivables		
Transfers to subsidiaries	109	
Foreign exchange gains		
Net gains on the disposal of marketable securities	64	253
Other financial income	14	2,607
TOTAL	**61,461**	**59,207**
Financial expenses		
Financial allowances for depreciation and impairment	103	35,064
Losses on receivables relating to participating interests [5]	29,969	
Interest on external borrowings [6]	14,250	33,019
Expenses on advances	7	631
Expenses relating to financial instruments (swaps, caps) [4]	13,852	4,038
Bank interest expense	1	21
Transfers to subsidiaries	305	271
Foreign exchange losses	1	6
Net expenses on the disposal of marketable securities [7]	665	
Other financial expenses	61	157
TOTAL	**59,214**	**73,207**
NET FINANCIAL INCOME (EXPENSE)	**2,247**	**(13,999)**

(1) A dividend of €38,313 thousand was paid by Foncière Altarea on 21 December 2009.

(2) The reduction in interest income on advances relates primarily to the sale of Alta Faubourg shares to Altareit in December 2008, which in 2008 generated interest of €9,020 thousand.

(3) The reduction in fees on guarantees is mainly due to an adjustment in respect of a prior year of €557 thousand booked in 2008.

(4) Financial instruments generated a loss of €13,852 thousand in 2009 compared with income of €17,725 thousand in 2008.

(5) The loss on receivables relating to participating interests corresponds to the sale of the Altarea España receivable to Alta Développement Espagne (see "Key events").

(6) The reduction in interest rates explains the decrease in interest charges on the corporate bond.

(7) The loss relates to the capital loss on treasury shares in respect of providing liquidity for trading in the shares.

Net non-recurring items

In € thousand	31/12/2009	31/12/2008
Non-recurring income		
Non-recurring income from management transactions	12	1
Non-recurring income from capital transactions	10,285	339,580
▸ Of which income on sale of shares	25	30,029
▸ Of which income on sale of assets	2,475	
▸ Of which CRP/Foncière Altarea merger premium		307,496
▸ Of which rebilling of stock grants to employees	7,785	2,055
Reversals of provisions and expense transfers	35,952	
▸ Of which reversals of provisions for tax risks	1,619	
▸ Of which reversals of provisions for impairment	34,333	
TOTAL	**46,249**	**339,582**
Non-recurring expenses		
Non-recurring expenses on management transactions	91	
▸ Of which fines and penalties	91	
Non-recurring expenses on capital transactions	45,368	240,720
▸ Of which expenses on sale of shares	35,987	238,664
▸ Of which expenses on sale of assets	1,532	
▸ Of which cost of stock grants	7,849	2,055
Non-recurring allowances for depreciation and impairment		1,619
▸ Of which charge to provisions for tax risks		1,619
TOTAL	**45,459**	**242,339**
NET NON-RECURRING ITEMS	**790**	**97,243**

Exceptional items primarily reflected the following transactions:

- the €35,971 thousand loss on the sale of Alta Développement Russie shares, offset by the reversal of a provision of €34,333 thousand. The impairment loss on shares is included in exceptional items so as not to unbalance ordinary income and exceptional income ("Accounting principles" recommendations no. 1-18 of the Ordre des Experts Comptables);
- the €7,849 thousand capital loss on the sale of treasury shares intended for stock grant awards to employees, offset by the rebilling of €7,785 thousand to the Group's service providers;
- the capital gain on asset sales (see "Key events").

Tax

During 2005, the Altarea Group elected to adopt the special tax exemption granted to companies with *Sociétés d'Investissement Immobilières Cotées* (SIIC) status under Article 208 C of the French General Tax Code.

Breakdown of tax charge

	Income before tax			Tax			Net income		
In € thousand	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total
Income before non-recurring items	389	7,397	7,786	(721)	(13)	(733)	(332)	7,384	7,053
Net non-recurring items	950	(160)	790				950	(160)	790
TOTAL	**1,339**	**7,237**	**8,576**	**(721)**	**(13)**	**(733)**	**618**	**7,224**	**7,843**

The tax charge of €733 thousand corresponds to corrections by the French tax authorities in the amount of €1,653 thousand, minus the tax loss carryback of €831 thousand sent and accepted by the French tax authorities.

The Company is otherwise not liable for any tax for the financial year.

Increases and reductions in future tax liability

In € thousand	31/12/2008	Changes		31/12/2009
Tax reductions		+	-	
▸ Organic	(48)	(93)	48	(93)
▸ Tax loss	(250,198)	(31,282)		(281,480)
Total base	(250,246)	(31,375)	48	(281,573)
TAX OR TAX SAVING AT A RATE OF 33.33%	**83,407**	**10,457**	**(16)**	**93,848**

3.1.3.7. Other information

Related party transactions

Balance sheet line item *In € thousand*	**Amount**	**Of which related parties**
Assets		
Investments in associates and other participating interests	686,911	686,911
Advances to participating interests	350,420	350,420
Loans	115,282	114,980
Trade receivables	22,495	18,143
Other receivables	6,578	134
Cash and prepaid expenses	8,372	6,029
Depreciation, amortisation and impairment	(1,730)	
Liabilities		
Provisions for liabilities and charges	2,161	
Borrowings and financial liabilities	634,171	1,619
Trade payables	11,023	3,594
Tax and social security payables	2,561	
Other payables and prepaid income	5,510	1
Income statement line item *In € thousand*	**Net amount on the income statement**	**Of which related parties**
Operating income		
Sales of goods held for resale and properties		
Rental and services income	37,804	5,928
Reversals of provisions and expense transfers	1,089	1,035
Other income	6	
Operating expenses		
Other purchases and external expenses	34,029	5,946
Allowances for depreciation and impairment	12,930	
Other expenses	283	
Financial income		
Income from participating interests	56,239	56,239
Interest and other financial income	5,181	5,144
Reversals of provisions and expense transfers		
Financial expenses		
Share of losses from subsidiaries	305	305
Allowances for depreciation and impairment	103	
Interest and similar expense	58,805	29,975
Non-recurring income		
Non-recurring income from management transactions	12	
Non-recurring income from capital transactions	10,285	7,810
Reversals of provisions and expense transfers	35,952	34,333
Non-recurring expenses		
Non-recurring expenses on management transactions	91	
Non-recurring expenses on capital transactions	45,368	35,987
Non-recurring allowances for depreciation and impairment		

Off-balance sheet commitments

FINANCIAL INSTRUMENTS

Altarea holds a portfolio of swaps and caps to cover the interest rate risk on a portion of the current and future floating rate debt carried by itself and its subsidiaries.

In € thousand	2009	2008
Swaps/Total (Nominal)	575,000	908,750
Caps/Total (Nominal)	183,750	
TOTAL	**758,750**	**908,750**

Impact on the income statement

The fair value of the hedging instruments represented a negative amount of €23,205 thousand at 31 December 2009.

In € thousand	2009	2008
Interest income		9,909
Interest expense	(11,617)	
Swap termination		11,854
Premiums paid	(2,235)	(4,038)
TOTAL	**(13,852)**	**17,725**

Breakdown of swaps at 31 December

In € thousand	2009	20010	2011	2012	2013
Altarea Fixed-rate payer	608,750	525,000	570,000	450,000	150,000

The reference interest rate is 3-month Euribor.

The use of derivatives as hedging instruments could expose the Group to the risk of counterparty default. Altarea mitigates this risk by using only major financial institutions as counterparties in hedging transactions.

EMPLOYEE BENEFITS

Employee benefits relating to benefits payable at retirement are estimated at €42 thousand at 31 December 2009.

Commitments given

Tranche A (€266 million) of the Ixis loan is guaranteed by unregistered mortgages on assets held by Altarea SCA, as well as disposals of business receivables in respect of leases entered into or to be entered into. In addition, the guarantees are subject to covenants, of which the two principal criteria are an LTV ratio of below 65% and a net interest cover by EBITDA from recurring activities ratio of over 2.0x.

Altarea has granted Ixis bank a pledge of shares in SAS Foncière Altarea as collateral for a new Tranche B revolving loan initially amounting to €460 million (€362 million of which was drawn down), the final instalment of which is due to be repaid on 9 June 2013.

Altarea SCA has guaranteed loans to other Group companies in an amount of €564 million. These commitments primarily include a joint and several guarantee provided by Altarea SCA covering Cogedim SAS to Natixis in respect of the loan arranged for the acquisition of Cogedim in an amount of €250 million.

The principal other commitments given by the Company principally related to guarantees or joint and several guarantees in an amount of €102 million.

Commitments received

For acquisitions and buyouts of minority interests, Altarea secures guarantees, in particular covering potential tax liabilities. The representations and warranties provided by the Affine group for the sale of the controlling interest in Imaffine on 2 September 2004 were transferred as part of the merger, and so Altarea now directly holds a 10-year guarantee covering Imaffine's net assets before the merger.

In connection with the acquisition of Altareit, Altarea received a guarantee from seller Bongrain that it would be held fully harmless through a reduction in the selling price from any damage or loss originating from the business activities effectively suffered by Paul Renard with a cause or origin predating 20 March 2008 for a period of 10 years.

Subsequent events

No material events.

3.1.3.8. Table of subsidiaries and participating interests

Companies *In € thousand*	Share capital	Equity other than share capital	% held	Cost of shares, gross	Cost of shares, net	Loans and advances given	Loans and advances, net	Guarantees given	Earnings in the previous financial year	Dividends received by the Company	Revenue before taxes
Subsidiaries (over 50% owned)											
SAS FONCIÈRE ALTAREA – 353 900 699	6,287	270,259	99.99	579,507	579,507	274,181	274,181		(75,017)	38,313	
SCA ALTAREIT – 553 091 050	2,627	86,935	99.63	91,635	91,626	10,697	10,697		(3,633)		278
SNC TOULOUSE GRAMONT – 352 076 145	450	7	99.99	457	457	5,499	5,499		(305)		452
SNC ALTAREA MANAGEMENT – 509 105 537	10		99.99	10	10	3,796	3,796		109		4,737
SAS ALTA DÉVELOPPEMENT ESPAGNE – 490 874 907	150	1,365	100.00	1,500	1,500	48,940	48,940		(220)		
SAS ALTA DÉVELOPPEMENT ITALIE – 444 561 476	12,638	(1,442)	99.80	13,800	13,800	7,307	7,307		(183)		
SARL SOCOBAC – 352 781 389	8	145	100.00						8		
Participating interests (10-50%)											
Other securities											

3

3.1.4. STATUTORY AUDITORS' REPORT ON THE FULL-YEAR FINANCIAL STATEMENTS

(For the financial year ended 31 December 2009)

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended 31 December 2009 on:
- our audit of the accompanying financial statements of Altarea;
- justification of our assessments;
- specific verifications and information required by law.

These full-year financial statements have been approved by the Managers. Our responsibility is to express an opinion on these full-year financial statements based on our audit.

I. Opinion on the full-year financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion given below.

In our opinion, the financial statements give a true and fair view of the Company's operations during the financial year, as well as the Company's assets, liabilities, and financial position at 31 December 2009, in accordance with accounting principles generally accepted in France.

II. Justification of our assessment

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessment, we bring to your attention the following items:
- Under Note 3.3, "Accounting policies, rules and methods":
  - The note on "Property, plant, and equipment" discusses the accounting methods used for the measurement, depreciation, and impairment of these assets.
    We confirmed that these accounting methods are reasonable and have been applied appropriately.
  - The note on financial assets discusses the accounting methods used to measure the equity interests held by the Company and related receivables at the end of the financial year.
    We confirmed that these accounting methods and the information provided in the notes are appropriate, and that reasonable estimates have been used to determine the value-in-use of these financial assets and to justify the amount of related receivables.

These assessments were made as part of our audit of the full-year financial statements taken as a whole, and therefore contributed to our audit opinion expressed in the first part of this report.

III. Specific verifications and information required by law

We also carried out the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the true and fair nature and the consistency with the full-year financial statements of the information provided in the Management Report and documents sent to shareholders concerning the Company's financial position and the full-year financial statements.

As regards the information provided in accordance with Article L. 225-102-1 of the French Commercial Code concerning compensation and benefits paid to corporate officers, as well as commitments made in their favour, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the Company from the companies controlling it or controlled by it. On the basis of this work, we confirm the accuracy and sincerity of this information.

In accordance with the law, we have confirmed that the required information on acquisitions of the Company's shares and voting rights, along with the identities of the Company's shareholders and voting right holders, are disclosed in the management report.

Paris and Paris-La Défense, 27 April 2010

The Statutory Auditors

A.A.C.E. Ile-de-France	Ernst & Young Audit
Michel Riguelle	Marie-Henriette Joud

3.1.5. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

(For the financial year ended 31 December 2009)

To the Shareholders,

As the Statutory Auditors of your Company, we hereby present you with our report on regulated agreements.

Agreements authorised during the financial year

In accordance with Articles L. 226-10 and L. 225-40 of the French Commercial Code, we have been informed of the agreements authorised by the Board of Directors.

It is not our responsibility to determine the existence of any other agreements, but to report to you, based on the information provided to us, the main terms and conditions of the agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the Company's interest in entering into these agreements before deciding on whether to approve them.

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

With Alta Développement Espagne

On 9 November 2009, the Supervisory Board authorised the sale by the Company to subsidiary Alta Développement Espagne of:

- 40,000 actions representing 100% of Alta Développement Russie's share for a price of €1, with an earn-out payment capped at €35,970,779 representing 50% of the subsequent disposal price to a third party within two years. This disposal, which took place on 22 December 2009, was preceded by a €35.9 million capital increase by Alta Développement Russie, subscribed by the Company and offset by its current account advance;
- the €71.3 million receivable held against Altarea España for €41,067,000. This disposal, which took place on 22 December 2009, provides for an earn-out payment in the event of the debtor's financial situation improving, representing 75% of the repayment or sale of the receivable to a third party within five years of the initial sale by Altarea.

Person concerned by these agreements: Alain Taravella.

Agreements approved in prior years that remained in effect during this financial year

In accordance with the French Commercial Code, we have been informed that the following agreements approved in prior years remained in effect during the financial year ended 31 December 2009:

With Cogedim SAS:

The Company provided a guarantee for Ixis Corporate & Investment Bank, so that Cogedim SAS could obtain a €300 million loan from Ixis CIB. This loan was used to finance a portion of the acquisition of the former Cogedim.

The Company charged a commission for this guarantee of €1,100,000 in 2009.

With Altarea Patrimae:

The Company granted its Spanish subsidiary, Altarea Patrimae, a subordinated loan for €22,800,000 and a guarantee for a bank loan. This financing was used to purchase the San Cugat shopping centre.

The interest rate on the subordinated loan, granted on 25 July 2006, is 1.5% until 31 December 2007, 3% until 31 December 2009, and 6% until 31 December 2016.

The Company also pledged some of its receivables as a guarantee for Altarea Patrimae to obtain a €22,800,000 subordinated loan from Ixis Corporate & Investment Bank.

The Company recognised €684,000 of financial income from the subordinated loan in 2009.

With Mezzanine Paris Nord SA:

The Company provided a personal, divided guarantee for Credit Foncier de France (acting on behalf of Entenial) to obtain financing from Mezzanine Paris Nord SA. This guarantee consists of the following two parts:

- A €1,859,878 repayment for Tranche A of a loan which covers 20% of the total loan principal, €9,299,390, plus interest, fees, and other related costs; and
- A €990,919 payment to cover the remaining amount due for construction work and the initial royalty owed to SNCF, as part of a first-demand guarantee. The €990,919 payment covers 20% of the total loan principal, €4,954,593, plus a 19.60% VAT charge and the indexed increases set forth in the tenancy agreement.

The Company recognised €7,528 of financial income from commissions on this guarantee at a rate of 0.4% in 2009.

Paris and Paris-La Défense, 27 April 2010

The Statutory Auditors

A.A.C.E. Ile-de-France
Michel Riguelle

Ernst & Young Audit
Marie-Henriette Joud

3.2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

3.2.1. BALANCE SHEET

3.2.1.1. Assets

In € thousand	Note	31/12/2009	31/12/2008 [1]
NON-CURRENT ASSETS		**3,099,794**	**3,137,487**
Intangible assets	3.2.13.1.	216,332	229,615
Goodwill		*128,716*	*128,716*
Brands		*66,600*	*66,600*
Customer relationships		*16,161*	*29,507*
Other intangible assets		*4,855*	*4,792*
Property, plant and equipment	3.2.13.2.	15,557	10,694
Investment property	3.2.13.3.	2,721,977	2,738,816
Investment property at fair value		*2,523,032*	*2,221,875*
Investment property at cost		*198,945*	*516,940*
Investments in associated companies and other investments	3.2.13.4.	68,296	68,863
Receivables and other short-term investments	3.2.13.6.	14,841	25,817
Deferred tax assets	3.2.15.	62,790	63,682
CURRENT ASSETS		**1,011,186**	**1,087,230**
Assets held for sale	3.2.13.3.	87,238	1,582
Inventory and work in progress	3.2.13.7.	364,118	396,220
Trade and other receivables	3.2.13.7.	329,170	380,809
Income tax credits	3.2.15.	1,833	5,728
Receivables and other short-term investments	3.2.13.6.	8,062	1,595
Derivative financial instruments	3.2.13.13.	3,930	5,404
Cash and cash equivalents	3.2.16.	216,835	295,891
TOTAL ASSETS		**4,110,980**	**4,224,717**

(1) See Note 17.9 – Presentation of the financial statements to 31 December 2008 according to the format used in 2009.

3.2.1.2. Equity and liabilities

In € thousand	Note	31/12/2009	31/12/2008 [1]
EQUITY		**973,235**	**1,158,091**
Equity - Attributable to Group shareholders		**938,557**	**1,109,275**
Share capital	3.2.13.8.	120,506	120,815
Additional paid-in capital		609,051	606,772
Group reserves		317,454	778,744
Attributable profit for the year		(108,453)	(397,056)
Equity - Minority interests		**34,677**	**48,816**
Minority interests / equity		42,934	35,307
Minority interests / profit		(8,256)	13,509
NON-CURRENT LIABILITIES		**2,250,830**	**2,170,087**
Borrowings and financial liabilities	3.2.13.9.	2,183,995	2,097,195
of which participating loan		*24,781*	*24,843*
of which borrowings and financial liabilities vis-à-vis credit institutions		*2,131,883*	*2,033,598*
o/w borrowings secured against VAT receivables		*5,593*	*10,957*
o/w other borrowings and financial liabilities		*21,738*	*27,796*
Provisions for post-employment obligations	3.2.13.10.	4,070	3,524
Other non-current provisions	3.2.13.11.	16,222	15,871
Deposits and security interests received	3.2.13.12.	25,273	22,989
Deferred tax liability	3.2.15.	21,270	30,508
CURRENT LIABILITIES		**886,915**	**896,540**
Borrowings and financial liabilities	3.2.13.9.	158,362	183,223
o/w borrowings from credit institutions (excluding overdrafts)		*141,263*	*165,478*
o/w borrowings secured against VAT receivables		*2,209*	*1,216*
o/w bank overdrafts		*7,369*	*4,778*
o/w other borrowings and financial liabilities		*7,522*	*11,751*
Derivative financial instruments	3.2.13.13.	117,873	82,242
Current provisions	3.2.13.11.	205	7,236
Trade payables and other accounts payable	3.2.13.7.	606,882	621,947
Tax payable	3.2.15.	3,582	1,891
Amounts due to shareholders		10	-
TOTAL LIABILITIES AND EQUITY		**4,110,980**	**4,224,717**

(1) See Note 17.9 – Presentation of the financial statements to 31 December 2008 according to the format used in 2009.

3.2.2. INCOME STATEMENT

In € thousand	Note	31/12/2009	31/12/2008 (1)
Rental revenue		153,517	126,606
Expenses on land		(4,357)	(2,060)
Non-recovered service charges		(3,737)	(2,729)
Management fees		(266)	(248)
Net allowance to provisions		(4,337)	(4,312)
Net rental income	**3.2.14.1.**	**140,819**	**117,256**
Revenue		760,210	778,957
Cost of sales		(679,271)	(676,890)
Marketing expenses		(13,242)	(14,508)
Net allowance to provisions		548	(34,663)
Amortisation of customer relationships		(7,760)	(21,298)
Net property income	**3.2.14.2.**	**60,485**	**31,598**
External service providers		25,859	39,975
Capitalised production and change in inventories		71,996	70,243
Staff costs		(84,584)	(90,103)
Other overhead costs		(39,293)	(51,643)
Depreciation expense on operating assets		(3,644)	(3,237)
Net allowance to provisions		-	(81)
Amortisation of customer relationships		(5,586)	(14,593)
Net overhead costs	**3.2.14.3.**	**(35,253)**	**(49,439)**
Other income		6,546	8,685
Other expenses		(20,156)	(18,069)
Depreciation and amortisation		(1,145)	(262)
Other	**3.2.14.4.**	**(14,755)**	**(9,646)**
Net gain/(loss) on sale of investment assets		20,116	23,830
Carrying amount of assets sold		(20,216)	(23,491)
Net gain/(loss) on sale of investment assets	**3.2.14.4.**	**(100)**	**338**
Change in value of investment property at fair value	3.2.14.4.	(101,863)	(86,306)
of which Change in value of investment property delivered		*36,483*	*96,815*
of which Other changes in value of investment property		*(138,346)*	*(183,121)*
Net impairment losses on investment property at cost	3.2.14.4.	(36,224)	(17,488)
Net impairment losses on other non-current assets	3.2.14.4.	(12)	654
Net provisions for liabilities and charges	3.2.14.4.	198	(10,336)
Impairment of customer relationships	3.2.14.4.	-	(91,545)
Goodwill impairment	3.2.14.4.	-	(225,290)
OPERATING INCOME		**13,295**	**(340,204)**
Net cost of debt	3.2.14.5.	(79,082)	(75,158)
of which interest expense		*(86,322)*	*(104,696)*
of which interest income		*7,240*	*29,538*
Change in fair value and gain/loss on the sale of financial instruments	3.2.14.6.	(53,295)	(110,395)
Gain (loss) on sale of participating interests	3.2.14.6.	(722)	(157)
Share in income of associated companies	3.2.14.6.	967	(26,290)
Dividends	3.2.14.6.	31	0
Debt and receivable discounting	3.2.14.6.	(137)	(3,519)
INCOME BEFORE TAX		**(118,943)**	**(555,723)**
Tax	3.2.15.	2,234	172,176
NET INCOME		**(116,710)**	**(383,547)**
‣ o/w Net income attributable to equity holders		(108,453)	(397,056)
‣ o/w Net income attributable to minority interests		(8,256)	13,509
Attributable earnings per share (€)	3.2.17.1.	(10.73)	(44.17)
Fully diluted attributable earnings per share (€)	3.2.17.1.	(10.56)	(43.54)

(1) See Note 17.9 – Presentation of the financial statements to 31 December 2008 according to the format used in 2009.

Other items contributing to operating profit

In € thousand	31/12/2009	31/12/2008
NET INCOME	**(116,710)**	**(383,547)**
Translation adjustment	0	977
OTHER COMPREHENSIVE INCOME (EXPENSE)	**-**	**977**
TOTAL NET INCOME	**(116,710)**	**(382,570)**
o/w Net income attributable to minority interests	(8,256)	13,509
o/w Net income attributable to equity holders	(108,453)	(396,079)

Under "Net overhead costs", "Capitalised production and change in inventories" is presented separately and not deducted from "Staff costs" and "Other overhead costs".

Under "Net rental income", "Rental revenue" now comprises "Rental revenue" and "Other net income", while "Net allowance to provisions" is now separate from "Management fees".

3.2.3. CASH FLOW STATEMENT

In € thousand	Note	31/12/2009	31/12/2008 (1)
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated profit after tax		**(116,709)**	**(383,547)**
Elimination of income tax expense (income)		(2,234)	(172,176)
Elimination of net interest expense (income)		78,676	74,878
Profit before tax and before net interest expense (income)		**(40,267)**	**(480,844)**
Elimination of allowances for depreciation and impairment		50,109	381,006
Elimination of changes in fair value	3.2.16.	155,099	200,067
Elimination of gains (losses) on sales of assets		574	1,153
Elimination of share in earnings of equity-method associates	3.2.13.4.	(967)	26,290
Elimination of other non-cash income and expense (including gross charge on share-based payments)	3.2.13.8.	8,201	7,419
Elimination of dividend income		(31)	10
Cash flow		**172,717**	**135,102**
Tax paid		1,761	(7,876)
Impact of change in working capital requirement (WCR)	3.2.13.7.	50,617	109,113
TOTAL CASH FLOW FROM OPERATIONS		**225,096**	**236,339**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of non-current assets	3.2.16.	(234,644)	(337,159)
Acquisition of consolidated companies, net of cash acquired	3.2.16.	(4,166)	(272,023)
Increase in loans and advances	3.2.13.6.	(8,618)	(10,115)
Sale of non-current assets and repayment of advances and downpayments	3.2.16.	31,455	24,426
Reduction in loans and other financial investments	3.2.13.6.	4,470	7,363
Sale of consolidated companies, net of cash sold		(36)	24
Impact of other changes in scope of consolidation		-	587
Net change in investments and derivative financial instruments		(30,109)	11,690
Dividends received		3,003	2,164
Interest received		12,314	27,014
TOTAL CASH FLOW FROM INVESTING ACTIVITIES		**(226,331)**	**(546,026)**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/decrease in capital of the parent company net of costs		-	371,860
Increase/decrease in capital of minority interests		(5)	-
Dividends paid to Group shareholders	3.2.17.2.	(71,748)	(47,723)
Dividends paid to minority interests		3,057	1,090
Issuance of debt and other financial liabilities	3.2.13.9.	552,332	591,251
Repayment of borrowings and other financial liabilities	3.2.13.9.	(476,036)	(309,203)
Net sales (purchases) of own shares		(4,733)	(1,675)
Net change in security deposits received	3.2.13.12.	2,284	2,982
Interest paid		(85,563)	(100,504)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**(80,413)**	**508,077**
Effect of exchange differences and changes of accounting method		-	0
CHANGE IN CASH		**(81,648)**	**198,390**
Opening cash balance		291,114	92,724
Closing cash balance		209,466	291,114
Opening cash balance	**3.2.16.**		
Cash and cash equivalents		295,891	102,888
Bank overdraft		(4,778)	(10,164)
Closing cash balance	**3.2.16.**		
Cash and cash equivalents		216,835	295,891
Bank overdraft		(7,369)	(4,778)

(1) See Note 17.9 – Presentation of the financial statements to 31 December 2008 according to the format used in 2009.

3.2.4. STATEMENT OF CHANGES IN EQUITY

In € thousand	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Total equity attributable to Group shareholders	Minority interests	Total equity
At 1 January 2008	**86,617**	**263,190**	**(4,428)**	**838,647**	**1,184,026**	**30,556**	**1,214,582**
Profit for the year	-	-	-	(397,056)	(397,056)	13,509	(383,547)
Translation adjustment	-	-	-	977	977	-	977
Total income, expense and related movements over the period	-	-	-	(396,079)	(396,079)	13,509	(382,570)
Dividend distributions	-	-	-	(47,716)	(47,716)	1,090	(46,626)
Capital increase (Note 13.8)	34,197	346,225	(5,847)	1	374,576	1	374,577
Expenses of transactions with equity holders	-	(2,642)	-	-	(2,642)	-	(2,642)
Value of stock options and stock grants	-	-	-	6,209	6,209	23	6,232
Treasury shares (Note 13.8)	-	-	(1,464)	(211)	(1,675)	-	(1,675)
Transactions with minority investors [2]	-	-	-	(7,422)	(7,422)	2,224	(5,198)
Changes in the scope of consolidation (other)	-	-	-	-	-	1,414	1,414
Other	1	(1)	-	(2)	(2)	(1)	(3)
At 31 December 2008	**120,815**	**606,772**	**(11,739)**	**393,427**	**1,109,275**	**48,816**	**1,158,091**
Profit for the year				(108,453)	(108,453)	(8,256)	(116,709)
Translation adjustment				-	-	-	-
Total income, expense and related movements over the period				(108,453)	(108,453)	(8,256)	(116,709)
Dividend distributions				(71,758)	(71,758)	3,057	(68,701)
Capital increase (Note 13.8)	487	3,468		-	3,955	-	3,955
Expenses of transactions with equity holders				-	-	-	-
Value of stock options and stock grants				5,366	5,366	10	5,376
Treasury shares (Note 13.8)	(797)	(1,188)	5,696	(5,537)	(1,826)	-	(1,826)
Transactions with minority investors [1]				1,731	1,731	(8,908)	(7,177)
Changes in the scope of consolidation (other)				-	-	(22)	(22)
Other				267	267	(20)	247
AT 31 DECEMBER 2009	**120,505**	**609,052**	**(6,043)**	**215,043**	**938,557**	**34,677**	**973,234**

(1) *In 2009, transactions relating to minority interests concerned: the minority buyout of Foncière Altarea, increasing the percentage stake held in the Company - and its subsidiaries - from 99.33% to 100%; the minority buyout of Lille Grand Place, increasing the percentage stake held from 59% to 99%; the net accretive impact of the capital increase by Altareit, increasing the percentage stake held in the Company - and its subsidiaries - from 99.59% to 99.74%.*

(2) *In 2008, transactions relating to minority interests concerned primarily the effects of the merger between Foncière Altarea and Compagnie Retail Park (accretive effect on subsidiaries of Compagnie Retail Park and dilutive effect on subsidiaries of Foncière Altarea).*

3.2.5. COSTING-BASED PROFITABILITY ANALYSES

Under “Net overhead costs”, “Capitalised production and change in inventories” is presented separately and not deducted from “Staff costs” and “Other overhead costs”.

Under “Net rental income”, “Rental revenue” now comprises “Rental revenue” and “Other net income”, while “Net allowance to provisions” is now separate from “Management fees”.

The distinction between recurring and non-recurring items is explained in Note 7.29 “Operating segments” of the notes to the consolidated financial statements for the financial year ended 31 December 2009.

Costing-based profitability analysis to 31 December 2009

In € thousand	Shopping centres and other assets	Property development for third parties	Recurring items	Non-recurring items	Group total
Rental revenue	153,517	-	153,517	-	153,517
Expenses on land	(4,357)	-	(4,357)	-	(4,357)
Non-recovered service charges	(3,737)	-	(3,737)	-	(3,737)
Management fees	(266)	-	(266)	-	(266)
Net allowance to provisions	(4,337)	-	(4,337)	-	(4,337)
Net rental income	**140,819**	**-**	**140,819**	**-**	**140,819**
Revenue	-	684,782	684,782	75,428	760,210
Cost of sales	-	(605,826)	(605,826)	(73,444)	(679,271)
Marketing expenses	-	(12,406)	(12,406)	(836)	(13,242)
Net allowance to provisions	-	(344)	(344)	892	548
Amortisation of customer relationships	-	-	-	(7,760)	(7,760)
Net property income	**-**	**66,206**	**66,206**	**(5,721)**	**60,485**
External service providers	8,081	16,389	24,471	1,389	25,859
Capitalised production and change in inventories	(0)	44,768	44,768	27,228	71,996
Staff costs	(10,796)	(49,470)	(60,267)	(24,318)	(84,584)
Other overhead costs	(6,549)	(20,777)	(27,326)	(11,967)	(39,293)
Depreciation expense on operating assets	(510)	(2,317)	(2,827)	(817)	(3,644)
Net allowance to provisions	-	-	-	-	-
Amortisation of customer relationships	-	-	-	(5,586)	(5,586)
Net overhead costs	**(9,774)**	**(11,407)**	**(21,182)**	**(14,071)**	**(35,253)**
Other income	1,637	3,087	4,725	1,821	6,546
Other expenses	(4,679)	(5,556)	(10,235)	(9,921)	(20,156)
Depreciation and amortisation	(1,041)	(4)	(1,044)	(100)	(1,145)
Other	**(4,082)**	**(2,472)**	**(6,554)**	**(8,200)**	**(14,755)**
Net gain/(loss) on sale of investment assets	-	-	-	20,116	20,116
Carrying amount of assets sold	-	-	-	(20,216)	(20,216)
Net gain/(loss) on sale of investment assets	**-**	**-**	**-**	**(100)**	**(100)**
Change in value of investment property at fair value	-	-	-	(101,863)	(101,863)
‣ of which Change in value of investment property delivered	-	-	-	36,483	36,483
‣ of which Other changes in value of investment property	-	-	-	(138,346)	(138,346)
Net impairment losses on investment property at cost	-	-	-	(36,224)	(36,224)
Net impairment losses on other non-current assets	-	(12)	(12)	(0)	(12)
Net provisions for liabilities and charges	-	(536)	(536)	734	198
Impairment of customer relationships	-	-	-	-	-
Goodwill impairment	-	-	-	-	-
OPERATING INCOME	**126,963**	**51,778**	**178,741**	**(165,446)**	**13,295**
Net cost of debt	(55,374)	(17,478)	(72,852)	(6,230)	(79,082)
Change in fair value and gain/loss on the sale of financial instruments	0	-	0	(53,295)	(53,295)
Gain (loss) on sale of participating interests	-	-	-	(722)	(722)
Share in income of associated companies	7,089	(1,352)	5,737	(4,770)	967
Dividends	-	32	32	(1)	31
Debt and receivable discounting	-	-	-	(137)	(137)
INCOME BEFORE TAX	**78,677**	**32,980**	**111,658**	**(230,601)**	**(118,943)**
Tax	(193)	10	(183)	2,416	2,234
NET INCOME	**78,485**	**32,991**	**111,475**	**(228,185)**	**(116,710)**
‣ of which profit attributable to Group shareholders	76,854	31,688	108,541	(216,995)	(108,453)
‣ of which profit attributable to minority interests	1,631	1,303	2,934	(11,190)	(8,256)
Weighted average number of shares before dilution			10,106,047		10,106,047
Attributable earnings per share *(€)*			**10.74**		**(10.73)**
Weighted average number of shares after dilution			10,271,359		10,271,359
Fully diluted attributable earnings per share *(€)*			**10.57**		**(10.56)**

Costing-based profitability analysis to 31 December 2008

In € thousand	Shopping centres and other assets	Property development for third parties	Recurring items	Non-recurring items	Group total
Rental revenue	126,606	-	126,606	-	126,606
Expenses on land	(2,060)	-	(2,060)	-	(2,060)
Non-recovered service charges	(2,729)	-	(2,729)	-	(2,729)
Management fees	(248)	-	(248)	-	(248)
Net allowance to provisions	(4,312)	-	(4,312)	-	(4,312)
Net rental income	**117,256**	**-**	**117,256**	**-**	**117,256**
Revenue	-	739,619	739,619	39,339	778,957
Cost of sales	-	(639,234)	(639,234)	(37,656)	(676,890)
Marketing expenses	-	(14,027)	(14,027)	(481)	(14,508)
Net allowance to provisions	-	(10,755)	(10,755)	(23,908)	(34,663)
Amortisation of customer relationships	-	-	-	(21,298)	(21,298)
Net property income	**-**	**75,603**	**75,603**	**(44,005)**	**31,598**
External service providers	6,665	29,392	36,057	3,918	39,975
Capitalised production and change in inventories	0	38,182	38,182	32,060	70,243
Staff costs	(9,213)	(56,808)	(66,021)	(24,082)	(90,103)
Other overhead costs	(8,029)	(22,751)	(30,780)	(20,863)	(51,643)
Depreciation expense on operating assets	(391)	(2,150)	(2,541)	(695)	(3,237)
Net allowance to provisions	-	-	-	(81)	(81)
Amortisation of customer relationships	-	-	-	(14,593)	(14,593)
Net overhead costs	**(10,968)**	**(14,135)**	**(25,103)**	**(24,336)**	**(49,439)**
Other income	727	3,259	3,986	4,699	8,685
Other expenses	(3,177)	(6,895)	(10,072)	(7,997)	(18,069)
Depreciation and amortisation	(6)	(4)	(10)	(252)	(262)
Other	**(2,456)**	**(3,639)**	**(6,095)**	**(3,550)**	**(9,646)**
Net gain/(loss) on sale of investment assets	-	-	-	23,830	23,830
Carrying amount of assets sold	-	-	-	(23,491)	(23,491)
Net gain/(loss) on sale of investment assets	**-**	**-**	**-**	**338**	**338**
Change in value of investment property at fair value	-	-	-	(86,306)	(86,306)
‣ of which Change in value of investment property delivered	-	-	-	96,815	96,815
‣ of which Other changes in value of investment property	-	-	-	(183,121)	(183,121)
Net impairment losses on investment property at cost	-	-	-	(17,488)	(17,488)
Net impairment losses on other non-current assets	-	-	-	654	654
Net provisions for liabilities and charges	-	96	96	(10,432)	(10,336)
Impairment of customer relationships	-	-	-	(91,545)	(91,545)
Goodwill impairment	-	-	-	(225,290)	(225,290)
OPERATING INCOME	**103,832**	**57,924**	**161,756**	**(501,961)**	**(340,204)**
Net cost of debt	(43,643)	(24,093)	(67,736)	(7,422)	(75,158)
Change in fair value and gain/loss on the sale of financial instruments	-	-	-	(110,395)	(110,395)
Gain (loss) on sale of participating interests	-	-	-	(157)	(157)
Share in income of associated companies	4,400	613	5,014	(31,303)	(26,290)
Dividends	-	-	-	0	0
Debt and receivable discounting	-	-	-	(3,519)	(3,519)
INCOME BEFORE TAX	**64,590**	**34,444**	**99,034**	**(654,757)**	**(555,723)**
Tax	297	(1,062)	(765)	172,941	172,176
NET INCOME	**64,887**	**33,382**	**98,269**	**(481,816)**	**(383,547)**
‣ of which profit attributable to Group shareholders	62,422	31,308	93,730	(490,786)	(397,056)
‣ of which profit attributable to minority interests	2,465	2,074	4,538	8,970	13,509
Weighted average number of shares before dilution			8,989,981		8,989,981
Attributable earnings per share *(€)*			**10.43**		**(44.17)**
Weighted average number of shares after dilution			9,118,414		9,118,414
Fully diluted attributable earnings per share *(€)*			**10.28**		**(43.54)**

3.2.6. INFORMATION ABOUT THE COMPANY

Altarea is a partnership limited by shares (*Société en Commandite par Actions*, "SCA") whose shares are admitted to trading on the Eurolist regulated market of Euronext Paris SA (compartment A). Its head office is at 8, avenue Delcassé in Paris.

Altarea has had the status of a listed property investment company (*Société d'Investissement Immobilier Cotée*, "SIIC") since 1 January 2005.

Altarea and its subsidiaries ("Altarea" or "the Group") are in the business of owning shopping centre properties. This activity includes the asset and property management functions, which are performed internally within the Group.

Altarea is also active as a property developer in the shopping centre sector, and it is a significant player in property development for third parties. Altarea thus operates in all real estate asset classes (shopping centres, offices, hotels and housing). The shopping centre development business is conducted for its own account and is intended to sustain growth in its owned shopping centre property business.

Altarea enjoys a close relationship with local authorities.

Altarea controls the Company Altareit, whose shares are admitted to trading on the Eurolist regulated market of Euronext Paris SA (compartment C).

At its meeting on 15 March 2010, Altarea's Supervisory Board reviewed the consolidated financial statements for the year ended 31 December 2009 as drawn up by the Managers.

3.2.7. ACCOUNTING POLICIES

3.2.7.1. Declaration of compliance and accounting standards applied by the Group

The accounting principles adopted for preparation of the consolidated financial statements are in line with the IFRS standards and interpretations, as adopted by the European Union at 31 December 2009 and available at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm. These accounting principles are consistent with those used to prepare the consolidated financial statements for the financial year ended 31 December 2008 with the exception of the change of accounting method resulting from the amendment to IAS 40 relating to the valuation of investment property under construction and described in paragraph 7.2, as well as the adoption of IAS 1 as revised, the main changes to which are described in this paragraph.

Accounting standards and interpretations in force at 1 January 2009 with a material impact on accounting and valuation methods for the Group's consolidated financial statements

- IFRS 8 relating to operating segments adopted early by the Group at 31 December 2007.
- Application of IAS 1 as revised relating to the presentation of financial statements led to the Group adding to the consolidated income statement a statement presenting other items contributing to operating profit, i.e. income and expenses recognised directly as equity.
- Improvements to IFRS (May 2008):
  These improvements have not had a material impact on the Group's financial statements with the exception of the amendment to IAS 40 concerning the recognition of investment property under construction as detailed below (paragraph 7.2).

Accounting standards and interpretations in force at 1 January 2009 without a material impact on accounting and valuation methods for the Group's consolidated financial statements

- Amendments to IAS 23: Borrowing Costs - mandatory capitalisation of borrowing costs for assets that require a long period of preparation before they can be used or sold, an option already applied by the Group in the past.
- Amendments to IAS 32 and IAS 1: amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
- Amendments to IFRS 2: Vesting Conditions and Cancellations.
- IFRIC 11: Group and Treasury Share Transactions.
- IFRIC 12: Service Concession Arrangements.
- IFRIC 13: Customer Loyalty Programmes.
- IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

Accounting standards and interpretations not applied early and application of which is mandatory after 31 December 2009

- IAS 27R: Consolidated and Separate Financial Statements.
- IFRS 3R: Business Combinations (phase 2).

The Group does not anticipate any material impact on its consolidated financial statements on a like-for-like basis;

- IFRIC 15: Agreements for the Construction of Real Estate. The application of this interpretation should not have a material impact on the Company's consolidated financial statements.
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation.
- Amendments to IAS 39: Financial Instruments: Recognition and Measurement - Eligible Hedged Items.
- IFRIC 9, amendment to IAS 39: Embedded Derivatives.
- IFRIC 17: Distributions of Non-cash Assets to Owners.
- IFRIC 18: Transfers of Assets from Customers.
- Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation.

Accounting standards and interpretations not adopted by the European Union

- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments;
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement - Eligible Hedged Items.
- IFRS 1 as revised – First-time Adoption of International Financial Reporting Standards.
- Amendment to IFRS 1 – Additional Exemptions for First-time Adopters.
- Amendment to IFRS 2 – Share-based Payment.
- Amendment to IAS 32 – Classification of Rights Issues.
- IAS 24 as revised – Related Party Disclosures.
- IFRS 9 – Financial Instruments (phase 1: Classification and measurement of financial assets).

The process for determining the impact on the Group's consolidated financial statements is under way. At this stage, the Group does not anticipate the analysis of material impacts on the consolidated financial statements with the exception of IFRS 9.

3.2.7.2. Change of method for measuring investment property under construction ("IPUC") and changes to the presentation of the financial statements

Change of method for measuring investment property under construction ("IPUC")

The amendment to IAS 40 concerns the recognition of investment property under construction. These new requirements apply as of 1 January 2009 on a prospective basis.

Since 1 January 2009, investment property under construction (IPUC) has been brought within the scope of IAS 40 and is measured at fair value subject to fair value being reliably determinable. Investment property for which the fair value cannot be determined reliably will continue to be measured at cost until a fair value can be determined reliably or construction is complete.

The Group believes that a property under construction can be reliably measured at fair value if most of the uncertainties affecting the determination of fair value have been lifted. Furthermore, all development projects for which completion is close to the accounting date are systematically carried at fair value.

All three of the following conditions must be met in order to estimate reliably the fair value of a property under construction:

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

The difference between the market value of properties under construction and their value at cost is recognised in the income statement with a matching entry in "Investment property under construction" stated at fair value.

Properties valued at cost are tested for impairment in accordance with IAS 36. Any impairment is recognised in the income statement.

Changes to the presentation of the financial statements

The Company has changed the presentation of its financial statements in order to be consistent with the amendment to IAS 40 as described above and has made pure form changes that facilitates the reading of the financial statements and the notes to the financial statements. Transition statements between the old and new presentation formats are provided in Note 17.9.

3.2.7.3. Change of appraisers for the valuation of investment property

During the first half of 2009, management decided to rotate the appraisers in charge of valuing investment property. A tender invitation was therefore launched in accordance with the terms of the Fédération des Société Immobilières et Foncières (FSIF) Compliance Code (Chapter III - Part C "designation of appraisers and rotation of appraisers") for appraisers known to value properties.

An internal Steering Committee was set up to manage the selection process on the basis of a tender invitation. The selection of appraisers was presented to the Company's Audit Committee on 28 April 2009, which validated the choice made. In France, the contract with Cushman & Wakefield was therefore not renewed in favour of three separate firms:

- for the portfolio of shopping centres in France, the appraisers chosen are DTZ Eurexi and Icade Expertise;
- for other properties in the French portfolio (Hotel Wagram, Salle Wagram on Avenue de Wagram in Paris and serviced residences), the appraiser chosen in CBRE.

Savills remains the appraiser in Italy and in Spain the appraiser is DTZ (previously Cushman & Wakefield).

3.2.7.4. Estimates and assumptions affecting assets and liabilities

In preparing financial disclosures in accordance with generally accepted accounting principles, the Group's management must make estimates and use assumptions that affect not only the amounts presented as assets and liabilities, including contingent assets and liabilities at the disclosure date, but also the amounts presented as income and expense for the period.

2008 saw an economic and financial crisis. In 2009, economic activity held up thanks to government stimulus plans, particularly in the residential investment sector (effect of the "Loi Scellier" tax incentives) and the rental sector. However, it is still difficult to anticipate how the economy will develop over the coming months and years.

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

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

- Measurement of intangible items:
  - measurement of goodwill (see Notes 7.8 and 12.1) ;
  - measurement of the Cogedim brand (see Notes 7.9 and 12.2.).
- Measurements of other assets and liabilities:
  - measurement of investment property (see Notes 7.11 and 13.3);
  - measurement of customer relationships (see notes 7.9 and 12.4);
  - measurement of inventories (see note 7.14);
  - measurement of deferred tax assets (see note 7.21 and 15);
  - measurement of share-based payments (see Note 7.18);
  - measurement of financial instruments (see notes 7.16 and 13.13.) prepared with a forecast of the interest rate curve. The calculation relating to the interest rate curve was refined this year in accordance with market practice. All primary debt instruments and derivatives are calculated on the basis of Euribor curves based on the periodicity of the instrument (3 months, 6 months etc.).
- Operating profit estimates:
  - measurement of net property income and services using the percentage-of-completion method (see note 7.22.).

Property, plant and equipment and intangible assets (excluding goodwill) are tested for impairment at least once a year or more if there are external or internal indicators of impairment (see Note 12.3).

Uncertainties relating to the uncertain nature of economic recovery are continuing to make it difficult to value assets and liabilities or income and expenses based on the following assumptions:

- completion of the business plans used to conduct impairment tests for goodwill, intangible assets, including customer relationships and brands, properties under development measured at cost and the capitalisation of deferred taxes;
- determination of the market value of investment properties based on an analysis of transactions in a market in which transactions are fewer and further between;
- determination of the value of investment property under construction stated at cost or at fair value in a market in which few transactions are observed;

- achievement of the sale price and absorption rate assumptions underpinning the earnings projections for property development programmes for third parties;
- anticipation of yield curve movements in the measurement of financial instruments.

The assumptions adopted could be materially different if economic recovery comes late, as this would trigger strong upward or downward volatility in these measurements.

The full-year consolidated financial statements take account of all accounting entries for the end of the period that are considered significant by the Group's management in order to give a reliable view of the information presented.

3.2.7.5. Investment in jointly controlled entities

In accordance with IAS 31, a jointly controlled entity is operated under a contractual agreement (articles of association, shareholder pact, etc.) by which two or more parties agree to conduct an economic activity under joint control.

Joint control is presumed to exist whenever unanimous agreement of the joint owners is required for operational, strategic and financial decisions. Joint control is demonstrated by a contractual agreement.

The Group has elected for proportional consolidation of its jointly controlled entities (preferred method under IAS 31). This method consists in combining on a line-by-line basis the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity.

3.2.7.6. Investment in associates

In accordance with IAS 28, an associate is an entity over which the Group exercises significant influence on its financial and operating policies, without having control. Significant influence is presumed when the Group's interest in greater than or equal to 20% of voting rights.

Investments in associates are accounted for using the equity method. Under this method, the Group's interest in the associate is initially recognised at the acquisition cost of the Group's proportionate share of the entity's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method associates" line item in the income statement.

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

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

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

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

A draft amendment of IAS 1 is under discussion at the IASB. If adopted, this amendment would require the Group to break down trading instruments into current and non-current portions in the future.

3.2.7.8. Business combinations and goodwill

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

Business combinations are accounted for using the purchase method described in IFRS 3. Under this method, when the Group acquires control of an entity and consolidates it for the first time, the identifiable assets and liabilities, including contingent liabilities, are recognised at fair value on the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Under IFRS 3, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill.

Goodwill:

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

The standard allows a period of 12 months from the acquisition date for a definitive decision on how to account for the acquisition.

The Group conducts impairment testing of goodwill at the end of each financial year and each interim period (i.e. at least once a year) and more frequently where evidence of impairment exists. The principal signs of impairment for the property development for third parties business are a slower absorption rate for programmes or a contraction in margin levels.

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

3.2.7.9. Intangible assets

The Group's intangible assets consist essentially of software, a brand and customer relationships. In accordance with IAS 38:

- software is recognised at cost and amortised over its useful life, which is generally between 1 year and 3 years;
- the brand asset, which results from the identification of an intangible asset acquired in the Cogedim transaction (see notes 12.2 and 13.2), has an indeterminate life and is therefore not subject to amortisation;
- the customer relationship assets, which result from the identification of intangible assets acquired in the Cogedim transaction, are subject to amortisation at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options, at the rate at which development programmes are launched. They are classified under non-current assets.

The brand and customer relationship assets arising from the business combination with Cogedim have been assigned to the cash-generating units combined in the "Property development for third parties" operating segment and are tested for impairment at least once annually (see note 12).

3.2.7.10. Property, plant and equipment

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

3.2.7.11. Investment property

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

The investment properties held by the Group are primarily shopping centres and, to a lesser extent, offices and a hotel and reception complex.

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

For properties developed on a proprietary basis, the costs incurred including the cost of buying land for the development and construction of buildings are capitalised once the development project begins (prospecting, arrangement: replying to tenders and pre-letting, prior to the signature of preliminary sales agreements for land, administrative phase: obtaining authorisations with if necessary the signature of preliminary purchase agreements for land), once there is reasonable assurance that the administrative authorisations will be obtained. These costs are primarily:

- design and management fees, both internal and external to the Group);
- legal fees;
- demolition costs (if applicable);
- land order fees or guarantees;
- construction costs;
- finance costs in line with the revised IAS 23.

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

In accordance with IAS 40, Altarea has opted for the fair value model (and not for the alternative option of the cost model) and therefore measures its investment property at fair value whenever it can be determined reliably.

The fair value of investment property in operation is determined on the basis of primarily external appraisals that give values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. In France, such duties amount to 6.2% (same in 2008); in Italy, 4% (same in 2008); and in Spain 1.5% (same in 2008).

Since 30 June 2009, the Altarea Group's property portfolio valuation has been based on appraisals by DTZ Eurexi and Icade Expertise (for shopping centre properties in France and Spain), CBRE (for other properties such as Hotel Wagram) and Savills (for properties in Italy). They use two methods:

- a method based on discounting projected cash flow over 10 years, taking into account the resale value at the end of the period determined by capitalising net rental income. Amid the inefficient market conditions prevailing, appraisers have opted to use the results obtained using this method in many instances;
- a method based on the capitalisation of net rental income: the appraiser applies a yield based on the site's characteristics (surface area, competition, rental potential etc.) to rental income including guaranteed minimum rent, variable rent and the market rent of vacant premises, adjusted for all charges. The second method is used to validate the results obtained with the first method.

Rental income includes:

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

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

Investment property in operation

Investment property in operation is systematically measured at fair value.

The fair value of properties in operation is determined on the basis of independent appraisals.

At 31 December 2009, the entire portfolio of properties in operation underwent an external appraisal.

Investment property under development and construction

Investment property under development and construction is measured either at cost or at fair value in accordance with the following rules:

- property under development before land is purchased are measured at cost;
- land not yet built is measured at cost;
- property under construction is measured at cost or at fair value in accordance with the following rules:

  Since 1 January 2009, investment property under construction (IPUC) has been brought within the scope of IAS 40 and is measured at fair value subject to the criteria predefined by the Company being met. Investment property for which the fair value cannot be determined reliably will continue to be measured at cost until a fair value can be determined reliably;

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

  All three of the following conditions must be met in order to estimate reliably the fair value of a property under construction:
  - all of the administrative authorisations needed to carry out the development project have been obtained;
  - construction contracts have been signed and works have begun;
  - the letting rate is high and allows for a reasonable assessment of the value creation attached to the property under construction.

INVESTMENT PROPERTY UNDER DEVELOPMENT AND CONSTRUCTION MEASURED AT COST

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

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

These properties – recognised in the financial statements at cost – are tested for impairment once a year and where there are indications of impairment (increase in cost price, reduction in expected rental values, delay in marketing, increase in expected yields etc.).

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

INVESTMENT PROPERTY UNDER CONSTRUCTION MEASURED AT FAIR VALUE

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

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

The difference between the fair value of investment property under construction measured at fair value and their value at cost is recognised in the income statement under "Change in fair value of investment property under construction" with a matching entry in the balance sheet under "Investment property under construction measured at fair value".

The transfer to investment property in operation is made when the shopping centre is opened (specifically, when the Declaration of Completion and the compliance and safety certificates, generally issued by the municipal administrative departments, have been obtained).

When a shopping centre is delivered in stages, the opening date is determined based on the existence of assets that can be valued individually and independently or when more than half of the property has entered service.

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

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

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

Indications of a high probability of sale include the existence of a plan by the Group's management to sell the asset and an active programme to find a buyer and close a sale within the next 12 months. Management assesses the situations. Where there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

The asset is measured at fair value minus selling costs.

There are no discontinued activities to be noted in the financial year for the Group.

3.2.7.13. Remeasurement of non-current assets (other than financial assets and investment property) and impairment losses

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

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

The value of these assets on the balance sheet including goodwill is compared with the recoverable amount of the cash generating units (CGUs) or, if applicable, the groups of CGUs, defined as the higher of the sale price net of any costs that may be incurred for the sale and value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company's CGUs and groups of CGUs are presented in Note 12.

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

- the cash flows (before tax) are taken from five-year business plans drawn up by group management;
- the discount rate is determined on the basis of a weighted average cost of capital;
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalised cash flow and a growth rate for the activity concerned. The assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

The recoverable amount of the CGU or group of CGUs thus determined is then compared to the consolidation value of its assets (including goodwill) and liabilities.

An impairment loss is recognised, if applicable, if the value on the balance sheet is higher than the recoverable amount of the CGU or group of CGUs, and is written off in priority against goodwill, then against other property, plant and equipment and intangible assets on a pro rata basis for their book value. The impairment thus recognised is reversible, except for any portion charged to goodwill.

3.2.7.14. Inventories

Within the Altarea Group, inventories relate to the business of:

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

Inventories and work in progress consist of design and programme management fees, land valued at acquisition cost, work in progress (grading and construction) and finished goods valued at production cost.

Finance costs attributable to programmes are included in inventories as optionally allowed under the revised IAS 23.

"New Operations" correspond to programmes not yet developed. These programmes are stated at cost and include the cost of pre-launch design studies (design and management fees), as well as earnest and option deposits put down to acquire land. These outlays are capitalised if the probabilities of completing the transaction are high. If not, these costs are expensed as incurred. At the balance sheet date, a review is conducted of these "new transactions" and if completion of the transaction is uncertain, the costs incurred are expensed.

"Construction work in progress" transactions are carried at production cost less the portion of cost retired on a percentage-of-completion basis for off-plan sale (VEFA) or property development contract transactions (see also Note 7.24). Production cost includes the acquisition cost of land, the construction costs (inclusive of road and utilities works), technical and programme management fees, programme marketing fees and sales commissions, advertising expenses directly related to programmes and other related expenses. Management fees for services performed within the Group are reduced by the amount of the profit margin, which is eliminated on consolidation.

"Completed transactions" consist of lots remaining to be sold once the declaration of completion has been filed. An impairment loss is recognised whenever realisable value net of marketing costs is less than the carrying amount.

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

3.2.7.15. Trade receivables and other accounts receivable

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

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

- calls for funds issued but not yet settled by acquirers, for a completed percentage of work; and
- the "amounts to be invoiced", which correspond to calls for funds not yet issued under off-plan sale or property development contracts.

3.2.7.16. Financial instruments

The Altarea Group adopted IAS 32 and 39 on 1 January 2006 and IFRS 7 on 1 January 2007.

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

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

a) Measurement and recognition of financial assets

- The assets available for sale consist of equity securities of non-consolidated companies and are carried at fair value. If fair value cannot be determined reliably, the securities are carried at cost. Changes in fair value are recognised in equity, impairment losses in income and reversals in equity.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. The change in fair value of derivatives is recognised in the income statement.
- The Group has no held-to-maturity assets.
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in money-market funds that are redeemable or tradable in the very short term (i.e. initial maturity of less than three months) and carry no significant risk of loss through fluctuations in interest rates. These assets are carried on the balance sheet at fair value. Changes in the fair value of these instruments are recognised in income, with a corresponding adjustment to cash. Cash may be available immediately for the needs of the Group or its subsidiaries.

b) Measurement and recognition of financial liabilities

- All borrowings and interest-bearing liabilities are initially recognised at the fair value of the amount received less directly attributable transaction costs. Thereafter, they are carried at amortised cost using the effective interest rate method. For this purpose, no assumption of prepayment before maturity was made. The initial effective interest rates were determined by an actuary. The effective interest rates were not reviewed given the backdrop of a decline in interest rates because the impact on the effective interest rates was not material.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. Changes in the fair value of these instruments are recognised in the income statement if the requirements for hedge accounting are not met.
- The portion of borrowings and financial liabilities due in less than one year is shown under current liabilities.
- Security deposits paid by shopping centre tenants are not discounted.

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

Financial assets and liabilities are initially recognised at cost, which corresponds to the fair value of the price paid plus acquisition-related costs. After initial recognition, such assets and liabilities are recognised at fair value.

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

For other financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models. A mathematical model is used to bring together calculation methods based on recognised financial theories.

As a last resort, the Group measures financial assets and liabilities at cost less potential impairment.

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

3.2.7.17. Equity

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

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

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

3.2.7.18. Share-based payments

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

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

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

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

3.2.7.19. Employee benefits

Employee benefits are recognised in accordance with IAS 19 under "Staff costs" in the income statement.

a) Benefits payable at retirement

Benefits payable at retirement are paid to employees at the time of retirement based on length of service and final salary. These benefits belong to defined benefit plans. Accordingly, the method used to measure the amount of the Group's obligation for such benefits is the retrospective projected unit credit method prescribed by IAS 19.

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

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

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

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

- Discount rate: Rate of return on AA-rated corporate bonds (eurozone).
- Mortality table: TF and TH 2000-2002.
- Average age at retirement: 65 years.
- Turnover: actual average annual employee turnover rate over three years.
- Rate of salary increases.

The Group does not apply the corridor method to defer recognition of actuarial gains and losses in the income statement. Actuarial gains and losses are taken directly to income for the year.

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

The provisions of the 2008 French social security financing act (voluntary retirement beyond 65) did not have a material impact on the obligation.

b) Other post-employment benefits

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

c) Other long-term benefits

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

d) Severance pay

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

e) Short-term benefits

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

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

3.2.7.20. Provisions and contingent liabilities

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

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

Non-current provisions consist mainly of provisions arising from litigation between the Altarea Group and third parties.

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

3.2.7.21. Tax

Following its decision to adopt the SIIC tax status, the Altarea Group is subject to a specific tax regime. For tax purposes, the Group is divided into two sectors:

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

Income taxes are recognised in accordance with IAS 12.

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

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

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

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

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

3.2.7.22. Revenue and revenue-related expenses

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

a) Net rental income

Net rental income is rental revenues and other net rental income less land expenses, non-recovered service charges and management fees.

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

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

Land expenses correspond to amounts paid for fees and on very long-term land leases and construction leases, both of which are treated as operating leases.

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

Management fees include all other expenses associated with the rental business: rental management fees, letting fees with the exception of initial letting fees, which are included in the cost of production of the assets, and net impairment of doubtful receivables.

b) Net property income

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

It corresponds primarily to the profit margin on property development for third parties, plus the profit margin on sales of assets related to the shopping centre development business (hypermarket building shells, parking facilities, etc...).

- For the **property development activities**, net property income is recognised in Altarea's financial statements using the percentage-of-completion method.

This method is used for all off-plan sale (VEFA) and property development contract transactions.

Losses on "new transactions" are included in net property income.

For these programmes, revenues from sales effected via notarial closing are recognised, in accordance with IAS 18, "Revenue", in proportion to the percentage of completion of the programme, as measured by cumulative costs incurred as a percentage of the total forecast budget (updated at each balance sheet date) for costs directly related to construction (not including the cost of land) and to the percentage of sales realised, determined relative to budgeted total sales. The event that generates revenue recognition is the commencement of construction work combined with the signature of valid deeds of sale.

In other words, net property income on property development transactions is measured according to the percentage-of-completion method based on the following criteria:

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

Application of interpretation IFRIC 15 "Agreements for the Construction of Real Estate" should not lead to any material impact on the Group's consolidated financial statements.

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

c) Net overhead costs

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

INCOME

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

EXPENSE

Expense includes staff costs, overhead costs (miscellaneous fees, rent, etc.), as well as depreciation of operating assets.

d) Other income and expense

Other income and expense relates to Group companies that are not providers of services. It corresponds to overhead costs and miscellaneous management fee income. Amortisation of intangible assets and depreciation of tangible assets other than portfolio assets in operation are also included in this line item.

3.2.7.23. Leases

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

Leases in the financial statements with the Group as lessor

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

TREATMENT OF CONTINGENT RENT

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

TREATMENT OF INITIAL LEASE FEES

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

LESSEE TERMINATION FEES

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

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

EARLY TERMINATION FEES

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

a) Replacement of a tenant

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

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

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

Leases in the financial statements with the Group as lessee

Leases of land or buildings and construction leases are classified either as finance leases or as operating leases on the same basis as leases of other assets. If the lease does not provide for transfer of ownership to the lessee at the end of the lease term, it is presumed to be an operating lease. An upfront payment on such a lease represents prepaid rent that is recognised in prepaid expenses and then spread over the term of the lease. Each lease agreement requires a specific analysis of its terms.

In 2007, the Group acquired some commercial properties under finance leases.

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

The gain or loss on disposal of investment properties is the difference between the selling price received net of related costs and the fair value of the property on the closing balance sheet for the previous period.

3.2.7.25. Change in the fair value of and impairment of investment property

The change in fair value of each property measured at fair value is reflected in the income statement under "Changes in the fair value of investment property measured at fair value" and is determined as follows:

Market value at the end of the period (taking into account the impact of stepped rents and rent holidays as measured by the property appraiser)

minus

[Market value at the end of the previous period + amount of construction work and expenses eligible for capitalisation during the year + effect of deferral period for stepped rents and rent holidays net of the deferral of initial lease fees]

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

3.2.7.26. Borrowing costs or costs of interest-bearing liabilities

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

Finance costs attributable to programmes are capitalised as part of the cost of inventories or assets under development during the construction phase, except in certain cases.

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

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

3.2.7.27. Discounting of payables and receivables

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

3.2.7.28. Cash flow statement

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

3.2.7.29. Operating Segments (IFRS 8)

IFRS 8 "Operating Segments" requires the presentation of information for operating segments, chosen to conform to the Group's organisation and its internal reporting system, that is presented according to IFRS recognition and measurement principles. Operating segments as defined in the standard are those that are reviewed by the Group's Management on a regular basis and for which separate financial reporting is available.

The internal reporting system is based on the operating segments described below. Segment reporting is presented according to two analytical axes:
- Recurring Profit;
- Non-Recurring Profit and Net Asset Value.

Each segment receives services provided internally within the Group. The cost of these services is charged to each of the segments and recorded in overhead costs. It is therefore not presented under inter-segment services.

Reconciliation items make it possible to reconcile these reporting figures with the Group's IFRS income statement and balance sheet.

1. Recurring activities

These measure the creation of wealth available for distribution from Recurring Profit.

The two operating segments that constitute recurring activities are:
a) the owned shopping centre business;
b) the property development for third parties business.

These are the segments used in the Group's financial reporting.

The indicators used to monitor each of these segments are:
a) the owned shopping centre business: net rental income, operating profit (including net overhead costs as described in note 11.3) and net recurring profit (including the net cost of debt).
In France, the owned property business enjoys SIIC tax status;
b) the property development for third parties business: net property income, operating profit (including net overhead costs as described in note 11.3) and net recurring profit (including the net cost of debt and income taxes).

2. Non-recurring activities

These measure the value created by the Group during the period.

The relevant indicator for monitoring value is the change in net asset value inclusive of transfer taxes, which gives rise to Non-Recurring Profit. The NAV presented is a going-concern NAV after tax on unrealised capital gains. This indicator is presented in detail in the business review.

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

Prior year NAV

+ Non-Recurring Profit

+ Recurring Profit

- Dividends

+ Capital increase

+/- Other reconciliation items

= **Current year NAV**

Non-recurring activities are monitored as an operating segment and by means of stand-alone items in the reconciliation of operating segment results with the Group's income statement:

a) The own-account shopping centre development operating segment accounts for all of the non-capitalised development costs;

b) The other items of a non-recurring nature taken into account in the reconciliation with the Group-wide income statement consist mainly of the change in value of investment properties – the main indicator of portfolio value creation for the period – amortisation and impairment of the customer relationships acquired with the Cogedim purchase, impairments of the inventory of new transactions, the change in value of derivatives, the effect of discounting receivables and payables, the cost of the stock grant plan implemented following the acquisition of Cogedim (the cost of which depends on actual performance against the business plan presented by the management of that company when it was acquired) and the cost of the first demand guarantee on acquisition debt guaranteed by the shareholders.

3.2.8. KEY EVENTS OF THE FINANCIAL YEAR

3.2.8.1. 2009 financial year

The key events of the 2009 financial year were as follows:

Opening of new shopping centres

The following new shopping centres were opened during the financial year:

- a retail park in Crèches-sur-Saône (Saône-et-Loire);
- the Carré de Soie retail and leisure facility in Lyon;
- a Marriott-Renaissance hotel and a building comprising two performance halls on Avenue de Wagram, Paris.

The Group also opened an extension to the Toulouse Occitania shopping centre in the second half of 2009.

Acquisition of shopping centres

During the financial year, the Group purchased additional lots of the Ollioules shopping centre, allowing it to own the entire centre.

The Group also acquired a 50% stake in Ori Syma (renamed Ori Alta), whose main asset is land on which a retail complex is due to be developed in Villeneuve-la-Garenne, a region of Paris.

Sales of investment property

The following properties were sold during the financial year:

- sale of a property in Vichy on 8 July 2009;
- sale of a property in Boulazac on 28 July 2009;
- sale of a property in Bourg-Belé on 23 September 2009;
- sale of a property in Brétigny on 23 September 2009;
- sale of a ground-floor store in Troyes in January 2009 (last part of a complex sold in December 2008);
- sale of a property in Soisy-sous-Montmorency on 17 June 2009;
- sale of a property in Coignière on 2 April 2009.

In addition, at 31 December 2009, the Group was in advanced negotiations concerning the sale of the Espace Saint-Georges shopping centre in Toulouse (a preliminary agreement was signed on 9 February 2010).

Property development for third parties

2009 saw a significant rebound in house sales. Reservations increased sharply in 2009, up 59% compared with end-2008 and notably up 33% compared with end-2007, the year the industry reached its peak.

3.2.8.2. The 2008 financial

The key events of the 2008 financial year were as follows:

Merger of Altafinance into Altarea SCA

Altafinance was the vehicle shared by Altarea's founders and by Predica and Foncière des Régions; Prior to the merger, it owned close to 57.5% of Altarea's capital.

The merger of Altafinance into Altarea (shortly preceded by the merger of Altapar into Altafinance) was decided on 26 May 2008 at the Ordinary General Meeting and Extraordinary General Meeting of Altarea SCA's shareholders. This merger transaction went ahead with retrospective effect from 1 May 2008 from an accounting and tax perspective.

It represents another stage in the reorganisation of Altarea SCA's ownership structure to retain the benefit of the tax regime applicable to companies with SIIC status. Under the terms of the new regulations introduced by amended finance act for 2006, commonly known as "SIIC 4", with effect from 1 January 2009, no shareholder other than a SIIC may control more than 60% of Altarea's share capital and voting rights either alone or in concert.

Prior to these transactions, the founding shareholders transferred their shareholdings in Altarea to the Altafinance 2, Altapatrimoine and JN Holding holding companies. Alain Taravella controls the first two of these holding companies. Jacques Nicolet controls the third holding company.

Altafinance 2, a company that it is one of Altarea's managers, has full ownership of Altafi 2, which is in turn wholly-owned by Alain Taravella, the general partner of Altarea SCA.

This transaction had no impact on the Group's equity.

Upon completion of these transactions, the founding shareholders and their family held directly and indirectly 56.84% of Altarea's share capital and 48.45% of its voting rights.

Capital increase

The capital increase launched by Altarea on 16 June 2008 through an allotment of rights to buy shares to existing shareholders followed by a private placement raised €374.5 million, representing 97.7% of the shares offered for sale.

Upon completion of the issue, 2,203,044 new shares had been subscribed at €170 per share (including 1,533,626 shares following the exercise of the rights to buy shares and 669,418 through the placement). Settlement and delivery of the new shares created through exercise of the rights and their admission to trading in (compartment A of) the Euronext Paris market took place on 8 July 2008.

A new shareholder, namely the Dutch-registered pension fund Stichting Pensioenfonds ABP ("ABP"), acquired a stake in the share capital.

Altarea's share capital increased to 10,199,091 shares. The ownership structure of Altarea SCA's share capital and voting rights is presented in note 17.3. "Related parties".

As a result of the agreements signed by Altarea, Altafinance 2 and JN Holding, the €170 million owing to shareholders on the balance sheet at 30 June 2008 was set off against the increase in capital provided by these two Altarea holding companies for an equal amount.

Share issuance costs amounted to €3.0 million net of tax.

Acquisition of Fromageries Paul Renard, subsequently renamed Altareit

On 20 March 2008, Altarea took control of Fromageries Paul Renard, a company listed on Euronext Paris SA, following the acquisition of 99.59% of the latter's share capital and voting rights for €14,725 thousand.

Prior to this acquisition, Fromageries Paul Renard had sold all its industrial and commercial activities and its shareholdings.

On 20 May 2008, Altarea launched a simplified public tender offer. Following this offer, Altarea still owned 99.59% of the Company's share capital and voting rights. This transaction was the subject of an offer document ("note d'information") approved by the AMF and registered under number 208C0951.

At FPR's Combined General Meeting of 2 June 2008, the corporate name, corporate purpose, legal form (conversion into a partnership limited by shares) and Articles of Association were amended to permit the adoption of the tax regime reserved for companies with SIIC status. The Company's name was changed to Altareit.

Restructuring of the property development for third parties business

On 23 and 24 December 2008, Altarea restructured its property development business from an operational and corporate perspective around Cogedim while writing down Cogedim's value in its financial statements (see note 12 "Impairment of assets under IAS 36").

On 23 December 2008, Cogedim and Compagnie Altarea Habitation were merged into a single entity encompassing all the Group's property development activities. Following the merger, the combined entity was sold to Altareit, a company listed on Euronext Paris and 99.6%-owned by Altarea.

This streamlining of the Group's organisational structure marked the completion of Cogedim's operational integration into the Altarea Group, while also distinguishing its owned shopping centre activities from its property development for third parties business.

Buy-out of minority interests in Cogedim SAS by the Group

In January 2008, Altarea acquired 0.06% of Cogedim shares from the Cogedim mutual fund, thereby lifting its shareholding in Cogedim to 100%.

Opening of new shopping centres

In France, the Group opened the Gare de l'Est shopping mall during the first half of 2008, the shopping centre and hotel complex at the Aubette – Place Kleber – site in Strasbourg on 3 September and 15 October 2008, the "La Porte Jeune" shopping centre in Mulhouse on 15 October 2008, the "Les Portes de Guipavas" retail park east of Brest on 22 September 2008 and the Saint-Aunes retail park near Montpellier on 17 September 2008.

In Italy, the Group opened the Pinerolo (Piedmont) shopping centre during November 2008.

Acquisition of shopping centres

SHOPPING CENTRES IN OPERATION

Under the agreements signed in 2006, Altarea acquired on 29 April 2008 a 40% interest in the "Espace Chantereines" retail park in Gennevilliers from GE Real Estate. Altarea now has full ownership of this centre.

RETAIL PARK PROJECTS

On 15 February 2008, Altarea acquired full ownership of SCI Crêches Invest., which houses a retail park development project in the Saône-et-Loire department.

On 29 April 2008, Altarea acquired 75% of the shares in SCI Limoges Invest, which houses a retail park development project in the Haute-Vienne department.

Sales of investment property

- Sale of the Coulaines retail park in September 2008.
- Sale of the Falguière Vaugirard shopping mall on boulevard de Vaugirard in Paris on 21 July 2008: the Group relet the space ahead of the sale.
- Sale of four of the five ground floor properties located in central Troyes (the fifth, covered by a purchase option until 9 January 2009 was sold on this date) on 23 January 2008.

3.2.9. OPERATING SEGMENTS

3.2.9.1. Income statement items by operating segment

At 31 December 2009

In € thousand	Shopping centres and other investment properties	Property develop-ment for third parties	Recurring items	Develop-ment of shopping centres	Items included in recon-ciliation	Non-recurring items	Group total
Net rental income	**140,819**	**-**	**140,819**	**-**	**-**	**-**	**140,819**
‣ other rental revenue	153,517	-	153,517	-	-	-	153,517
Net property income	**-**	**66,206**	**66,206**	**2,039**	**(7,760)**	**(5,721)**	**60,485**
‣ of which Revenue	-	684,782	684,782	75,428	-	75,428	760,210
‣ of which net allowance to provisions	-	(344)	(344)	892	-	892	548
‣ of which amortisation of customer relationships	-	-	-	-	(7,760)	(7,760)	(7,760)
Net overhead costs	**(9,774)**	**(11,407)**	**(21,182)**	**(6,503)**	**(7,568)**	**(14,071)**	**(35,253)**
‣ of which services	8,081	16,389	24,471	1,389	-	1,389	25,859
‣ of which amortisation of customer relationships	-	-	-	-	(5,586)	(5,586)	(5,586)
‣ of which allowance for depreciation on operating assets	(510)	(2,317)	(2,827)	(817)	-	(817)	(3,644)
‣ of which allowances for impairment of current assets	-	-	-	-	-	-	-
Other income and expense	**(4,082)**	**(2,472)**	**(6,554)**	**(2,314)**	**(5,886)**	**(8,200)**	**(14,755)**
‣ of which allowance to depreciation and amortisation	(1,041)	(4)	(1,044)	(0)	(100)	(100)	(1,145)
Net gain/(loss) on sale of investment assets	**-**	**-**	**-**	**-**	**(100)**	**(100)**	**(100)**
Change in value of investment properties measured at fair value	-	-	-	-	(101,863)	(101,863)	(101,863)
‣ of which Change in value of investment properties delivered	-	-	-		36,483	36,483	36,483
‣ of which Other changes in value of investment properties	-	-	-	-	(138,346)	(138,346)	(138,346)
Other items contributing to operating profit	-	(548)	(548)	(37,646)	2,155	(35,490)	(36,039)
‣ of which Impairment losses on investment properties at cost	-	-	-	(36,224)	-	(36,224)	(36,224)
‣ of which Net impairment losses on other non-current assets	-	(12)	(12)	(0)	-	(0)	(12)
‣ of which Net allowance to provisions for liabilities	-	(536)	(536)	(1,421)	2,155	734	198
‣ of which goodwill impairment losses	-	-	-	-	-	-	-
‣ of which impairment of customer relationships	-	-	-	-	-	-	-
OPERATING PROFIT/(LOSS)	**126,963**	**51,778**	**178,741**	**(44,423)**	**(121,023)**	**(165,446)**	**13,295**
Cost of net debt	(55,374)	(17,478)	(72,852)	(5,813)	(417)	(6,230)	(79,082)
Other components of profit/(loss) before tax	7,089	(1,320)	5,769	(32)	(58,892)	(58,925)	(53,156)
‣ of which Change in fair value and gain/(loss) on the sale of financial instruments	-	-	-	-	(53,295)	(53,295)	(53,295)
‣ of which Gain /(loss) on sale of participating interests				(0)	(722)	(722)	(722)
‣ of which Share of earnings of equity-method associates	7,089	(1,352)	5,737	(32)	(4,738)	(4,770)	967
‣ of which discounting of payables and receivables	-	-	-	-	(137)	(137)	(137)
NET PROFIT/(LOSS) BEFORE TAX	**78,677**	**32,980**	**111,658**	**(50,268)**	**(180,333)**	**(230,601)**	**(118,943)**
Income tax	(193)	10	(183)	818	1,599	2,416	2,234
NET PROFIT/(LOSS)	**78,485**	**32,991**	**111,475**	**(49,451)**	**(178,734)**	**(228,185)**	**(116,710)**

(1) Aside from the amortization of customer relationships, net overhead costs incorporate the impact of stock grants which are conditional upon the achievement of the business plan implemented as part of the takeover of COGEDIM.

(2) Aside from depreciation and amortisation, the "Other income and expense" line item includes arrangement fees incurred in connection with the renegotiation of loans contracted for the acquisition of COGEDIM along with launch costs of centres put into operation during the period and appraisal fees for centres in operation. The cost of net debt net, including interest income on financial instruments and net proceeds from the sale of marketable securities, is assigned directly to each segment.

No one customer contributes alone 10% of the Group's revenue[1].

(1) See note 9.3 "Revenue by region"

At 31 December 2008

In € thousand	Shopping centres and other investment properties	Property develop-ment for third parties	Recurring items	Develop-ment of shopping centres	Items included in recon-ciliation	Non-recurring items	Group total
Net rental income	**117,256**	**-**	**117,256**	**-**	**-**	**-**	**117,256**
‣ other rental revenue	126,606	-	126,606	-	-	-	126,606
Net property income	**-**	**75,603**	**75,603**	**(935)**	**(43,069)**	**(44,005)**	**31,598**
‣ of which Revenue	-	739,619	739,619	39,339	-	39,339	778,957
‣ of which net allowance to provisions	-	(10,755)	(10,755)	(2,137)	(21,771)	(23,908)	(34,663)
‣ of which amortisation of customer relationships	-	-	-	-	(21,298)	(21,298)	(21,298)
Net overhead costs	**(10,968)**	**(14,135)**	**(25,103)**	**(8,958)**	**(15,378)** [1]	**(24,336)**	**(49,439)**
‣ of which services	6,665	29,392	36,057	3,918	-	3,918	39,975
‣ of which amortisation of customer relationships	-	-	-	-	(14,593)	(14,593)	(14,593)
‣ of which allowance for depreciation on operating assets	(391)	(2,150)	(2,541)	(695)		(695)	(3,237)
‣ of which net allowances for impairment of current assets	-	-	-	(81)		(81)	(81)
Other income and expense	**(2,456)**	**(3,639)**	**(6,095)**	**(2,427)**	**(1,124)** [2]	**(3,550)**	**(9,646)**
‣ of which allowance to depreciation and amortisation	(6)	(4)	(10)	(152)	(100)	(252)	(262)
Net gain/(loss) on sale of investment assets	**-**	**-**	**-**	**-**	**338**	**338**	**338**
Change in value of investment properties measured at fair value	(0)	-	(0)		(86,306)	(86,306)	(86,306)
‣ of which Change in value of investment properties delivered	-	-	-		96,815	96,815	96,815
‣ of which Other changes in value of investment properties	(0)	-	(0)		(183,121)	(183,121)	(183,121)
Other items contributing to operating profit	-	96	96	(20,547)	(323,554)	(344,102)	(344,006)
‣ of which Impairment losses on investment properties at cost	-	-	-	(17,488)	-	(17,488)	(17,488)
‣ of which Net impairment losses on other non-current assets	-	-	-	654	-	654	654
‣ of which Net allowance to provisions for liabilities	-	96	96	(3,713)	(6,719)	(10,432)	(10,336)
‣ of which impairment of customer relationships	-	-			(91,545)	(91,545)	(91,545)
‣ of which goodwill impairment losses	-	-	-	-	(225,290)	(225,290)	(225,290)
OPERATING PROFIT/(LOSS)	**103,832**	**57,924**	**161,756**	**(32,867)**	**(469,093)**	**(501,961)**	**(340,204)**
Net cost of debt	(43,643)	(24,093)	(67,736)	(5,987)	(1,434) [3]	(7,422)	(75,158)
Other components of profit before tax	4,400	613	5,014	(28,255)	(117,119)	(145,374)	(140,361)
‣ of which Change in fair value and gain/(loss) on the sale of financial instruments	(0)	-	(0)	-	(110,395)	(110,395)	(110,395)
‣ of which Share of earnings of equity-method associates	4,400	613	5,014	(28,700)	(2,604)	(31,303)	(26,290)
‣ of which discounting of payables and receivables	-	-	-	444	(3,963)	(3,519)	(3,519)
NET PROFIT/(LOSS) BEFORE TAX	**64,590**	**34,444**	**99,034**	**(67,110)**	**(587,646)**	**(654,757)**	**(555,723)**
Income tax	297	(1,062)	(765)	726	172,215	172,941	172,176
NET PROFIT/(LOSS)	**64,887**	**33,382**	**98,269**	**(66,384)**	**(415,431)**	**(481,816)**	**(383,547)**

(1) Aside from the amortization of customer relationships, net overhead costs incorporate the impact of stock grants which are conditional upon the achievement of the business plan implemented as part of the takeover of COGEDIM.

(2) Aside from depreciation and amortisation, the "Other income and expense" line item reflects launch and opening costs for centres opened during the year, appraisal fees for centres in operation, and the income and expense generated by recurring activities outside the normal course of business.

(3) The expense of €1.4 million relates entirely to the cost of the guarantee made by shareholders in connection with the COGEDIM acquisition. The cost of net debt, including interest income on financial instruments and net proceeds from sales of marketable securities, is assigned directly to each segment

No one customer contributes alone 10% of the Group's revenue.

3.2.9.2. Balance sheet items by operating segment

At 31 December 2009

	31/12/2009			
In € thousand	Shopping centres and other investment properties	Property development for third parties	Development of shopping centres	Group total
ASSETS				
Intangible assets	26	200,219	16,087	216,332
▸ of which Goodwill	-	113,028	15,688	128,716
▸ of which Brands	-	66,600	-	66,600
▸ of which Customer relationships	-	16,161	-	16,161
▸ of which Other intangible assets	26	4,430	399	4,855
Property, plant and equipment	6,742	6,718	2,097	15,557
Investment properties	2,237,415	-	484,563	2,721,977
▸ of which Investment properties measured at fair value	2,229,565	-	293,467	2,523,032
▸ of which Investment properties measured at cost	7,850	-	191,095	198,945
Investments in associated companies and other investments	67,813	436	47	68,296
TOTAL OPERATING ASSETS	**2,311,996**	**207,373**	**502,793**	**3,022,163**
Property, plant and equipment	5,417	347	348	6,111
Investment properties	59,125	-	196,180	255,304
▸ of which Investment properties measured at fair value	11,260	-	128,829	140,089
▸ of which Investment properties measured at cost	47,864	-	67,351	115,215
INCREASES OVER THE PERIOD	**64,541**	**347**	**196,528**	**261,416**

The goodwill and the brand relate primarily to the acquisition of control of COGEDIM (see note 12.1).

At 31 December 2008

	31/12/2008			
In € thousand	Shopping centres and other investment properties	Property development for third parties	Development of shopping centres	Group total
ASSETS				
Intangible assets	70	214,313	15,233	229,615
▸ of which Goodwill	-	113,716	15,000	128,716
▸ of which Brands	-	66,600	-	66,600
▸ of which Customer relationships	-	29,507	-	29,507
▸ of which Other intangible assets	70	4,490	233	4,792
Property, plant and equipment	2,688	7,136	871	10,694
Investment properties	2,231,339	249	507,228	2,738,816
▸ of which Investment properties measured at fair value	2,221,875	-	-	2,221,875
▸ of which Investment properties measured at cost	9,464	249	507,228	516,941
Investments in associated companies and other investments	67,338	1,478	47	68,863
TOTAL OPERATING ASSETS	**2,301,434**	**223,175**	**523,379**	**3,047,988**
Property, plant and equipment	852	2,643	230	3,725
Investment properties	126,517	249	263,321	390,087
▸ of which Investment properties measured at fair value	43,823	-		43,823
▸ of which Investment properties measured at cost	82,694	249	263,321	346,264
INCREASES OVER THE PERIOD	**127,369**	**2,892**	**263,551**	**393,812**

3.2.9.3. Revenue by region

At 31 December 2009

In € thousand	31/12/2009			
	France	Italy	Spain	Group total
SHOPPING CENTRES AND OTHER PROPERTY ASSETS BUSINESS				
Rental revenue	127,075	19,134	7,309	153,517
External services	7,825	-	257	8,081
Shopping centres and other property assets business	**134,899**	**19,134**	**7,566**	**161,598**
PROPERTY DEVELOPMENT FOR THIRD PARTIES BUSINESS				
Revenue	684,782	-	-	684,782
External services	16,389	-	-	16,389
Property development for third parties business	**701,171**	**-**	**-**	**701,171**
RECURRING ITEMS	**836,070**	**19,134**	**7,566**	**862,770**
NON-RECURRING ITEMS				
Revenue	75,428	-	-	75,428
External services	1,355	34	(0)	1,389
NON-RECURRING ITEMS	**76,782**	**34**	**(0)**	**76,816**
GROUP REVENUE	**912,852**	**19,168**	**7,565**	**939,586**

At 31 December 2008

In € thousand	31/12/2008			
	France	Italy	Spain	Group total
SHOPPING CENTRES AND OTHER PROPERTY ASSETS BUSINESS				
Rental revenue	102,249	17,045	7,312	126,606
External services	6,392	-	273	6,665
Shopping centres and other property assets business	**108,641**	**17,045**	**7,585**	**133,271**
PROPERTY DEVELOPMENT FOR THIRD PARTIES BUSINESS				
Revenue	739,619	-	-	739,619
External service providers	29,392	-	-	29,392
Property development for third parties business	**769,011**	**-**	**-**	**769,011**
RECURRING ITEMS	**877,652**	**17,045**	**7,585**	**902,281**
NON-RECURRING ITEMS				
Revenue	39,339	-	-	39,339
External services	3,146	772	-	3,918
NON-RECURRING ITEMS	**42,485**	**772**	**-**	**43,257**
GROUP REVENUE	**920,137**	**17,816**	**7,585**	**945,538**

3.2.10. SCOPE OF CONSOLIDATION

3.2.10.1. List of companies included in the consolidated financial statements

			31/12/2009			31/12/2008		
Company	**Siren**	**Country**	**Method**	**% Control**	**% Interest**	**Method**	**% Control**	**% Interest**
Owned shopping centres – France								
3 Communes SNC	352721435	France	Full	100.0	100.0	Full	100.0	100.0
Aix 2 SNC	512951617	France	Prop.	50.0	50.0	-	0.0	0.0
Alta Aubette SNC	452451362	France	Full	65.0	65.0	Full	65.0	64.6
Alta Berri SAS	444561385	France	Full	100.0	100.0	Full	100.0	99.3
Alta Ciné Investissement SAS	482277100	France	Full	100.0	99.7	Full	100.0	99.6
Alta Cité SAS	483543930	France	Full	65.0	65.0	Full	65.0	64.6
Alta CRP Aubergenville SNC	451226328	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Gennevilliers SNC	488541228	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Guipavas SNC	451282628	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Investissements SNC	484691084	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP La Vallette SNC	494539687	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Mantes-la-Jolie SNC	490886322	France	-	0.0	0.0	Full	100.0	99.6
Alta CRP Montmartre SAS	450042247	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Mougins SNC	453830663	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Noyon SNC	452506223	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Pontault-Combault SNC	484853882	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Puget SNC	492962949	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Rambouillet SNC	487897985	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Ris-Orangis SNC	452053382	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Ronchin SNC	484693841	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Ruaudin SNC	451248892	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Saint-Aunes SNC	494281850	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Valbonne SNC	484854443	France	Full	100.0	100.0	Full	100.0	99.3
Alta CRP Vivienne SAS	449877950	France	Full	100.0	100.0	Full	100.0	99.3
ALTA DÉVELOPPEMENT ESPAGNE SAS	490874807	France	Full	100.0	100.0	Full	100.0	100.0
ALTA DÉVELOPPEMENT ITALIE SAS [1]	444561476	France	Full	99.8	96.2	Full	99.8	96.2
ALTA DÉVELOPPEMENT RUSSIE SAS	477997712	France	Full	100.0	100.0	Full	100.0	100.0
Alta Drouot SAS	450042296	France	Full	100.0	100.0	Full	100.0	99.3
Alta Faubourg SAS	444560874	France	Full	100.0	99.7	Full	100.0	99.6
Alta Marigny Carré de Soie SNC	449231463	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Alta Matignon SNC	437575715	France	-	0.0	0.0	Full	100.0	99.3
Alta Mulhouse SNC	444985568	France	Full	65.0	65.0	Full	65.0	64.6
Alta Nouveau Port La Seyne SCI	501219109	France	Full	100.0	100.0	Full	100.0	99.3
Alta Ollioules 1 SASU	513813915	France	Full	100.0	100.0	-	0.0	0.0
Alta Ollioules 2 SASU	513813956	France	Full	100.0	100.0	-	0.0	0.0

(1) The percentage interest reported in SAS Alta Développement Italie and its subsidiaries represents the theoretical allocation rate of dividends for class A shares after payment of the preferential dividends on class B shares wholly-owned by the Group. The rights attached to these categories of shares are defined in the Company's articles of association.

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
Alta Penthièvre SAS	518991476	France	Full	100.0	99.7	-	0.0	0.0
Alta Pierrelaye SNC	478517204	France	Full	100.0	100.0	Full	100.0	99.3
Alta Rungis SAS	500539150	France	Full	100.0	99.7	Full	100.0	99.6
Alta Saint-Augustin SAS	518311725	France	Full	100.0	100.0	-	0.0	0.0
Alta Saint-Georges SCI	423905835	France	Full	100.0	100.0	Full	100.0	99.3
Alta Saint-Honoré SAS	430343855	France	Full	100.0	100.0	Full	100.0	99.3
Alta Thionville SNC	485047328	France	Full	65.0	65.0	Full	65.4	64.6
Alta Tourcoing SNC	485037535	France	Full	65.0	65.0	Full	65.4	64.6
Alta Troyes SNC	488795790	France	Full	65.4	65.0	Full	65.4	64.6
ALTAREA 2 SNC	428743231	France	Full	100.0	100.0	Full	100.0	99.3
ALTAREA France SAS	324814219	France	Full	100.0	99.7	Full	100.0	99.6
ALTAREA Les Tanneurs SNC	421752007	France	Full	100.0	100.0	Full	100.0	99.3
ALTAREA MANAGEMENT	509105375	France	Full	100.0	100.0	Full	100.0	100.0
ALTAREA Promotion Commerce SNC	420490948	France	Full	100.0	100.0	Full	100.0	99.3
ALTAREA SCA	335480877	France	Full	100.0	100.0	Full	100.0	100.0
ALTAREA SNC	431843424	France	Full	100.0	100.0	Full	100.0	99.3
ALTAREIT SCA	552091050	France	Full	99.7	99.7	Full	99.6	99.6
Alta Delcasse SAS	501705362	France	Full	100.0	99.7	Full	100.0	99.6
Alta Favart SCI	450042338	France	Full	100.0	99.7	Full	100.0	99.6
Aubergenville 2 SNC	493254015	France	Full	100.0	100.0	Full	100.0	99.3
Aubette Tourisme Résidence SNC	501162580	France	Full	100.0	65.0	Full	100.0	64.6
Avenue Fontainebleau SAS	423055169	France	Full	65.0	65.0	Full	65.0	64.6
Avenue Paul Langevin SNC	428272751	France	Full	100.0	100.0	Full	100.0	99.3
Bercy Village 2 SCI	419669064	France	Full	85.0	85.0	Full	85.0	84.4
Bercy Village SCI	384987517	France	Full	100.0	85.0	Full	100.0	84.4
Bordeaux Ste-Eulalie SNC	432969608	France	Full	100.0	100.0	Full	100.0	99.3
Centre commercial de Thiais SNC	479873234	France	Full	100.0	100.0	Full	100.0	99.3
Centre commercial de Valdoly SNC	440226298	France	Full	100.0	100.0	Full	100.0	99.3
Centre commercial du KB SNC	485045876	France	Full	65.0	65.0	Full	65.0	64.6
Centre d'affaire du KB SCI	502543259	France	Full	65.0	65.0	Full	65.0	64.6
Cib SCI	414394486	France	Eq. m.	49.0	49.0	Eq. m.	49.0	48.7
Cœur Chevilly SNC	491379624	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Collet Berger SNC	417934791	France	Full	100.0	100.0	Full	100.0	99.3
Crèches Invest SNC	488347352	France	Full	100.0	100.0	Full	100.0	99.3
CRPD - Compagnie Retail Park Développement SASU	447773672	France	Full	100.0	100.0	Full	100.0	99.3
Drouet d'Erlon SNC	412375602	France	Full	100.0	100.0	Full	100.0	99.3
Du 46 Bourg Bele SCI	334899457	France	-	0.0	0.0	Full	100.0	99.3
Espace Grand Rue SCI	429348733	France	Prop.	65.0	32.5	Prop.	65.0	32.3
Fernet SCI	404532475	France	-	0.0	0.0	Full	100.0	99.3
Foncière Cézanne Matignon SNC	348024050	France	Full	100.0	100.0	Full	100.0	99.3
FONCIÈRE ALTAREA SAS	353900699	France	Full	100.0	100.0	Full	99.3	99.3
Foncière Cézanne Mermoz SAS	445291404	France	Full	100.0	100.0	Full	100.0	99.3
Gennevilliers 2 SNC	452052988	France	Full	100.0	100.0	Full	100.0	99.3

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
Gm Marketing SCI	437664568	France	Full	100.0	99.7	Full	100.0	99.6
Grand Tour SNC	412781809	France	Full	100.0	100.0	Full	100.0	99.3
Hippodrome Carré de Soie SARL	493455810	France	Prop.	100.0	50.5	Prop.	100.0	50.2
Holding Lumière SAS	419446216	France	Eq. m.	34.0	33.9	Eq. m.	34.0	33.9
Jas de Bouffan SNC	508887619	France	Full	100.0	100.0	Full	100.0	99.3
Le Havre Centre commercial René Coty SNC	407943620	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Le Pré Long SNC	508630464	France	Full	100.0	100.0	Full	100.0	99.3
L'Empire SAS	428133276	France	Full	100.0	99.7	Full	100.0	99.6
Les Clausonnes Investissement SARL	411985468	France	Full	100.0	100.0	Full	100.0	99.3
Les Clausonnes SCI	331366682	France	Full	100.0	100.0	Full	100.0	99.3
Les Halles du Beffroi SAS	410336846	France	-	0.0	0.0	Full	100.0	99.6
Lille Grand Place SCI	350869244	France	Full	99.0	99.0	Full	59.0	58.6
Limoges Invest SCI	488237546	France	Full	75.0	75.0	Full	75.0	74.5
Mantes Gambetta – ex-Alta Coparts SNC	499108207	France	Full	100.0	100.0	Full	99.9	99.2
Massy Sep	424120178	France	Full	100.0	100.0	Full	100.0	99.3
Matignon Commerce SNC	433506490	France	Full	100.0	100.0	Full	100.0	99.3
Monnet Liberté SNC	410936397	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Nanterre Quartier de l'Université SAS	485049290	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Opec SARL	379873128	France	Full	100.0	99.7	Full	99.8	99.4
Ori Alta SNC	433806726	France	Prop.	50.0	50.0	-	0.0	0.0
Petit Menin SCI	481017952	France	Prop.	50.0	50.0	Prop.	50.0	49.7
Plaisir 1 SNC	420718348	France	Full	100.0	100.0	Full	100.0	99.3
Plaisir 2 SNC	420727711	France	Full	100.0	100.0	Full	100.0	99.3
Rue de l'Hôtel de Ville SCI	440848984	France	Prop.	40.0	96.2	Prop.	40.0	96.2
Reims Buirette SCI	352795702	France	Full	100.0	100.0	Full	100.0	99.3
Richelieu International SNC	450483821	France	Full	100.0	99.8	Full	100.0	99.8
Salle Wagram	424007425	France	Full	100.0	99.7	Full	100.0	99.6
SCI Cœur d'Orly Bureaux	504255118	France	Prop.	50.0	25.0	Prop.	50.0	24.8
SCI Holding Bureaux Cœur d'Orly	504017807	France	Prop.	50.0	50.0	Prop.	50.0	49.7
SCI Kléber Massy	433972924	France	Full	100.0	100.0	Full	100.0	99.3
SCI Lievin invest	444402887	France	Eq. m.	49.0	49.0	Eq. m.	49.0	48.7
Semmaris	662012491	France	Eq. m.	33.4	33.3	Eq. m.	33.3	33.2
Sillon 2 SNC	420718082	France	Full	100.0	100.0	Full	100.0	99.3
Sillon 3 SAS	422088815	France	Full	100.0	100.0	Full	100.0	99.3
SNC Alta Les Essarts ex-CC de Thiais SNC	480044981	France	Full	100.0	100.0	Full	100.0	99.3
SNC Cœur d'Orly Commerce	504831207	France	Prop.	50.0	25.0	Prop.	50.0	24.8
SNC Holding Commerce Cœur d'Orly	504142274	France	Prop.	50.0	50.0	Prop.	50.0	49.7
SNC TOULOUSE GRAMONT (ex-PPI)	352076145	France	Full	100.0	100.0	Full	100.0	100.0
SO.R.A.C. SNC	330996133	France	Full	100.0	100.0	Full	100.0	99.3
Société d'Aménagement de la Gare de l'Est SNC	481104420	France	Full	100.0	100.0	Full	100.0	99.3
Société du Centre commercial Massy SNC	950063040	France	Full	100.0	100.0	Full	100.0	99.3
SOCOBAC SARL	352781389	France	Full	100.0	100.0	Full	100.0	100.0

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
Sté Aménagement Mezzanine Paris Nord SA	422281766	France	Eq. m.	40.0	40.0	Eq. m.	40.0	39.7
Teci et Cie SNC	333784767	France	Full	100.0	100.0	Full	100.0	99.3
Wagram 39/41 SCI	345286231	France	Full	100.0	100.0	Full	100.0	99.3
Ssf III Zhivago Holding Ltd	06171337	Caiman Islands	Eq. m.	50.0	50.0	Eq. m.	50.0	50.0
Altalux Spain SARL	NA	Luxembourg	Full	100.0	100.0	Full	100.0	100.0
Altalux Italie SARL	NA	Luxembourg	Full	100.0	96.2	Full	100.0	96.2
Alta Spain Archibald BV	NA	Netherlands	Full	100.0	100.0	Full	100.0	100.0
Alta Spain Castellana BV	NA	Netherlands	Full	100.0	100.0	Full	100.0	100.0
Owned shopping centres – Italy								
Altabasilio SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altacasale SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altacentro SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altacerro SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altacorporate SRL	NA	Italy	-	0.0	0.0	Full	100.0	96.2
Altagamma SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altage SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altaimmo SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altainvest SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altapinerolo 1 SRL	NA	Italy	-	0.0	0.0	Full	100.0	96.2
Altapinerolo SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altapio SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altaponteparodi spa	NA	Italy	Full	95.0	91.4	Full	95.0	91.4
Altaporto SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altarag SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
ALTAREA Italia Progetti SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
ALTAREA Italia SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altarimi SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altaroma SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Altasigma SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Aurelia Trading SRL	NA	Italy	Full	100.0	96.2	Full	100.0	96.2
Owned shopping centres – Spain								
Altaoperae II S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
Altaoperae III S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
Altaoperae Salamanca S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
Altapatrimae II S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
ALTAREA España S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
ALTAREA Operae S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
ALTAREA Patrimae S.l	NA	Spain	Full	100.0	100.0	Full	100.0	100.0
Ortialtae S.l	NA	Spain	Prop.	50.0	50.0	Prop.	50.0	50.0

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
Property development for third parties								
SNC COGEDIM Patrimoine	420810475	France	Full	100.0	99.7	Full	100.0	99.6
SAS MB Transactions	425039138	France	Full	100.0	99.7	Full	100.0	99.6
SAS Claire Aulagnier	493108492	France	Full	95.0	94.8	Full	95.0	94.6
SNC COGEDIM Gestion	380375097	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Vente	309021277	France	Full	100.0	99.7	Full	100.0	99.6
Ric SA	379986730	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC COGEDIM Résidence	319293916	France	Full	100.0	99.7	Full	100.0	99.6
SNC Coresi	380373035	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Tradition	315105452	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Développement	318301439	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Citalis	450722483	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Entreprise	424932903	France	Full	100.0	99.7	Full	100.0	99.6
SNC Parc Industriel de Gennevilliers	480011816	France	Non Consol.	0.0	0.0	Full	80.0	79.7
SARL Asnières Aulagnier	487631996	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC COGEDIM Grand Lyon (ex-SNC COGEDIM ric)	300795358	France	Full	100.0	99.7	Full	100.0	99.6
SAS Brun Holding	394648984	France	Full	100.0	99.7	Full	100.0	99.6
Guy Brun Promotion SA	394648455	France	Full	100.0	99.7	Full	100.0	99.6
SARL Financière Bonnel	400570743	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Méditerranée	312347784	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Provence	442739413	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Valorisation	444660393	France	Full	100.0	99.7	Full	100.0	99.6
COGEDIM Midi-Pyrénées (ex-SNC COGEDIM Paul Mateu)	447553207	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Grenoble (ex-SNC COGEDIM RCI)	418868584	France	Full	100.0	99.7	Full	100.0	99.6
COGEDIM Savoies-Leman SNC (ex-COGEDIM JLC)	348145541	France	Full	100.0	99.7	Full	100.0	99.6
SAS Jl Coudurier Conseil	308340538	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC COGEDIM Efiprom	388620015	France	Full	100.0	99.7	Full	100.0	99.6
SNC COGEDIM Atlantique	501734669	France	Full	100.0	99.7	Full	100.0	99.6
SAS Arbitrages et Investissements	444533152	France	Full	100.0	99.7	Full	100.0	99.6
SAS Neuilly R3	444516090	France	Non Consol.	0.0	0.0	Prop.	50.0	49.8
SAS Aire	444515670	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SAS Nordmann Kleber	444516116	France	Non Consol.	0.0	0.0	Prop.	50.0	49.8
SAS Saint-Mandé Clément Ader	444515746	France	Non Consol.	0.0	0.0	Prop.	50.0	49.8
SAS Neuilly Édouard Nortier	450755277	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SAS Paris 8e 35 rue de Ponthieu	477630057	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Marseille 275/283 Prado	479898496	France	Full	100.0	99.7	Full	100.0	99.6
SNC Paris 11e Passage Saint-Ambroise	479985632	France	Full	100.0	99.7	Full	100.0	99.6
SAS Germain Roule	482598836	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SAS Arbitrages et Investissement 2	479815847	France	Full	100.0	99.7	Full	100.0	99.6
COGEDIM Office Partners SAS	491380101	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SAS cop Bagneux	491969952	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
SCI cop Bagneux	492452982	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
SAS cop Meridia	493279285	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
SCI cop Meridia	493367429	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
Cop Pajol SAS	493279269	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
Cop Pajol SCI	493367171	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
SAS Cop Newco 2	507633790	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
SCI Cop Newco 2	507693182	France	Eq. m.	10.0	10.0	Eq. m.	10.0	10.0
COGEDIM SAS	054500814	France	Full	100.0	99.7	Full	100.0	99.6
ALTAREA Investissement SNC	352320808	France	Full	100.0	99.7	Full	100.0	99.6
ALTAREA Habitation SNC	479108805	France	Full	100.0	99.7	Full	100.0	99.6
ALTAREA Residence SNC	420099517	France	Non Consol.	0.0	0.0	Full	100.0	99.6
A.G. Investissement SNC	342912094	France	Full	100.0	99.7	Full	100.0	99.6
La Buffa SNC	394940183	France	Prop.	50.0	49.9	Prop.	50.0	49.8
Alta Richelieu SAS	419671011	France	Full	100.0	99.7	Full	100.0	99.6
SCI Les Fontaines de Bénesse	479489817	France	Full	100.0	99.7	Full	100.0	99.6
SCI Les Hauts de Fortune	483855524	France	Full	100.0	99.7	Full	100.0	99.6
SCI Lehena	487506529	France	Full	100.0	99.7	Full	100.0	99.6
SCI Le Domaine de Peyhaute	491112801	France	Full	100.0	99.7	Full	100.0	99.6
SCI Le Bois Sacré	492998117	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Mérignac Churchill	498686856	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Pessac Madran	443702790	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Villenave Coin	501017008	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Haillan Meycat	501411995	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Bruges Grand Darnal	511302002	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Anglet Belay	512392325	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Vaugrenier	480392372	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC Alta CRP Mantes-la-Jolie	490886322	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV La Mole Village 1	488424250	France	Full	100.0	99.7	Full	100.0	99.6
SCCV La Mole Village 2	488423724	France	Full	100.0	99.7	Full	100.0	99.6
SCCV La Mole Village 3	488424185	France	Full	100.0	99.7	Full	100.0	99.6
SCCV La Mole Village 4	488423807	France	Full	100.0	99.7	Full	100.0	99.6
SCCV La Mole Village 5	488423310	France	Full	100.0	99.7	Full	100.0	99.6
SCCV La Mole Village 6	488423260	France	Full	100.0	99.7	Full	100.0	99.6
SCI 90 Rue Bobillot	421343252	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCCV Nice Gounod	499315448	France	Full	100.0	99.7	Full	100.0	99.6
SCI Les Villas de Vernouillet	449462472	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SAS Rouret Investissement	441581030	France	Full	100.0	99.7	Full	100.0	99.6
SNC Cœur d'Orly Promotion	504160078	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Les Romanesques	498640689	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Colombes Étienne d'Orves	479534885	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Nanterre-St-Maurice	481091288	France	Full	71.5	71.3	Full	71.5	71.2
SCI Asnières Aulagnier Ilots E, F Et H1	483537866	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Argenteuil Foch-Diane	484064134	France	Prop.	50.0	49.9	Prop.	50.0	49.8

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SCI Colombes Charles-de-Gaulle	489927996	France	Prop.	45.0	44.9	Prop.	45.0	44.8
SCCV Saint-Ouen Arago	493291843	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Montfermeil - Le Cèdre	503165508	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCCV Bagnolet Malmaison	517439402	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCI Chausson A/B	517868192	France	Prop.	50.0	49.9	Non Consol.	0.0	0.0
SNC Garches Le Cottage	562105569	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SNC Soisy Avenue Kellermann	497809541	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Levallois 3 Pompidou	378740690	France	Non Consol.	0.0	0.0	Full	85.0	84.7
SNC Issy 25 Camille Desmoulins	390030542	France	Full	100.0	99.7	Full	100.0	99.6
SCI Levallois Ilot 4.1	409853165	France	Full	50.0	49.9	Full	50.0	49.8
SCI Paris 14 Place Brancusi	342357167	France	Non Consol.	0.0	0.0	Full	70.0	69.7
SCI Levallois Anatole France Front de Seine	343926242	France	Full	85.0	84.8	Full	85.0	84.7
SNC Forum 11	434070066	France	Prop.	33.3	33.2	Prop.	33.3	33.2
SNC du Parc industriel de Saint-Priest	443204714	France	Full	80.0	79.8	Full	80.0	79.7
SCI Suresnes Écluses	443278932	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI du Parc d'activités de Wissous Montavas	449885458	France	Non Consol.	0.0	0.0	Full	80.0	79.7
SCI Axe Europe Lille	451016745	France	Prop.	45.0	44.9	Prop.	45.0	44.8
SCI Pi Port de Bonneuil/Messagerie	451749758	France	Non Consol.	0.0	0.0	Full	80.0	79.7
SNC Issy 11.3 Gallieni	492450168	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Clichy Entrée de ville	448747410	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCCV Lyon 3 - Labuire	491187019	France	Full	100.0	99.7	Full	100.0	99.6
SNC Euromed Center	504704248	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Issy Forum 10	434108767	France	Prop.	33.3	33.2	Prop.	33.3	33.2
SCI Clichy Europe	434060133	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Clichy Europe 3	435402755	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SARL Clichy Europe 4	442736963	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Issy Forum 13	481212357	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Lilas G	485122402	France	Prop.	40.0	39.9	Prop.	40.0	39.8
SNC Saint-Denis Landy 3	494342827	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Parc du Fort	450909148	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SARL Ilot Garibaldi Lyon 7	444678627	France	Non Consol.	0.0	0.0	Eq. m.	30.0	29.9
SCI Domaine de Médicis	450964465	France	Full	51.0	50.9	Full	51.0	50.8
SCI Le Frédéric	481199941	France	Full	100.0	99.7	Full	100.0	99.6
SCI Jardins des Poètes	481918969	France	Full	100.0	99.7	Full	100.0	99.6
SCI Daudet	444326797	France	Prop.	37.5	37.4	Prop.	25.0	24.9
SCI Le Clos Mélusine	487956591	France	Full	100.0	99.7	Full	100.0	99.6
SCI Le Hameau des Treilles	487955965	France	Full	100.0	99.7	Full	100.0	99.6
SCI L'Atrium	488802604	France	Full	100.0	99.7	Full	100.0	99.6
SNC Voreppe - Av. Stalingrad	490461423	France	Full	100.0	99.7	Full	100.0	99.6
SCCV - Espace St-Martin	493348007	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Wagram	500795034	France	Full	100.0	99.7	Full	100.0	99.6
SNC Vauban	501548952	France	Full	100.0	99.7	Full	100.0	99.6

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SNC Claudel	504308099	France	Full	100.0	99.7	Full	100.0	99.6
SNC Hébert	504145004	France	Full	100.0	99.7	Full	100.0	99.6
SCI Parc de Belledonne	482885761	France	Non Consol.	25.0	24.9	Prop.	25.0	24.9
SCI Square et Jardin	450680384	France	Eq. m.	25.0	24.9	Eq. m.	25.0	24.9
SCI Les Résidences du Parc	482404910	France	Non Consol.	25.0	24.9	Prop.	25.0	24.9
SCI Villa Dauphine	483192126	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Résidence Le Récital	498594571	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SAS Seine Aulagnier	504687013	France	Prop.	33.3	33.2	Eq. m.	33.3	33.2
SAS Life International COGEDIM	518333448	France	Prop.	50.0	49.9	Non Consol.	0.0	0.0
SCI Pénitentes	379799745	France	Full	100.0	99.7	Full	100.0	99.6
SCI Place Sébastopol	395276512	France	Full	100.0	99.7	Full	100.0	99.6
SNC Hespérides D. Johnston	380528299	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC Pau Hespérides C. Bosquet	348448143	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Le Clos des Lavandières	483286191	France	Full	79.8	79.6	Full	79.8	79.5
SCI Les Célestines	481888196	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Clef de Sol	491131819	France	Full	100.0	99.7	Full	100.0	99.6
SNC Les Aquarelles	492952635	France	Full	100.0	99.7	Full	100.0	99.6
SNC Baud Mont - Baud Rivage	501222038	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Art Chantant	501225387	France	Full	100.0	99.7	Full	100.0	99.6
SNC Verco	504664798	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Thonon - Clos Albert Bordeaux	512308404	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Douvaine - Les Fascines	514276369	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCI Les Harmonies	444616650	France	Eq. m.	33.0	32.9	Eq. m.	33.0	32.9
SCI Les Hauts du Chêne	483443586	France	Eq. m.	20.0	19.9	Eq. m.	20.0	19.9
SCI Le Hameau	432486694	France	Non Consol.	30.0	29.9	Eq. m.	30.0	29.9
SCI des Sablons	444656987	France	Non Consol.	10.0	10.0	Eq. m.	10.0	10.0
SCI Le Parc du Château	451424105	France	Non Consol.	36.5	36.4	Prop.	36.5	36.4
SNC Benoit Crepu Lyon	378935050	France	Full	100.0	99.7	Full	100.0	99.6
SCI Pierre Dupont n° 16 Lyon	428092118	France	Full	100.0	99.7	Full	100.0	99.6
SCI Les Opalines	413093170	France	Full	100.0	99.7	Full	100.0	99.6
SCI Villa Hadriana	352948301	France	Full	100.0	99.7	Full	100.0	99.6
SCI place Sainte-Anne	421203134	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI 123 av. Charles-de-Gaulle	420990889	France	Full	100.0	99.7	Full	100.0	99.6
SNC du Bois des Cotes	420980294	France	Full	100.0	99.7	Full	100.0	99.6
SCI 85bis à 89bis rue du Dauphiné	429641434	France	Full	100.0	99.7	Full	100.0	99.6
SNC Carnot	433906120	France	Full	100.0	99.7	Full	100.0	99.6
SCI Verre Dardilly	394636831	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Lyon 6 -145 rue de Créqui	442179826	France	Full	100.0	99.7	Full	100.0	99.6
SCI Villeurbanne - 84/90 bis É. Vaillant	443001763	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC République	443802392	France	Full	100.0	99.7	Full	100.0	99.6
SCI Lyon 4 - 9 rue Sabran	444040182	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC Villeurbanne 8 rue Louis Braille	449910371	France	Full	100.0	99.7	Full	100.0	99.6
SCI Abondance 41/43 - Lyon 3	450531256	France	Full	100.0	99.7	Full	100.0	99.6
SCI Parc du Centre 2/4 - Villeurbanne	451260798	France	Prop.	50.0	49.9	Prop.	50.0	49.8

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SCI 65 Lacassagne - Lyon 3	451783732	France	Full	71.5	71.3	Full	71.5	71.2
SCCV Tuileries - Lyon 9	452819725	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Zola 276 - Villeurbanne	453440695	France	Full	75.0	74.8	Full	75.0	74.7
SCI Léon Blum - Villeurbanne	479544876	France	Full	100.0	99.7	Full	100.0	99.6
SNC Novel Genève - Lyon 6	481997609	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Danube	483158382	France	Full	100.0	99.7	Full	100.0	99.6
SCI Caluire - 49 Margnolles	483674891	France	Full	100.0	99.7	Full	100.0	99.6
SCI Francheville-Bochu	488154329	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV rue Jean Novel - Lyon 6	490160785	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Saint-Étienne - Ilot Gruner	493509723	France	Full	100.0	99.7	Full	90.0	89.6
SNC d'Alsace	493674196	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Hanoi Guérin	499516151	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Clément Marot	499877264	France	Non Consol.	0.0	0.0	Prop.	50.0	49.8
SCCV Tassin Constellation	499796159	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC du Maine	502513013	France	Full	100.0	99.7	Full	100.0	99.6
SNC Villeurbanne Cambon Colin	508138740	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Lyon 7 - Girondins	509685996	France	Full	100.0	99.7	Full	100.0	99.6
SCI Le Clos Pascal à Villeurbanne 69	500649207	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Les Célestins à Oullins 69	500797121	France	Eq. m.	40.0	39.9	Eq. m.	40.0	39.8
SNC Gerland 1	503964629	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Gerland 2	503964702	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Cannes 152/156 boulevard Gazagnaire	419700786	France	Prop.	49.0	48.9	Prop.	49.0	48.8
SCI St-Jean-Cap-Ferrat 14 avenue Vignon	419790795	France	Non Consol.	0.0	0.0	Full	99.0	98.6
SCI Victoria Cimiez	420745820	France	Full	50.0	49.9	Full	50.0	49.8
SNC Prestige	439921198	France	Full	100.0	99.7	Full	100.0	99.6
SNC Vaugrenier 1214 V. Loubet	434342648	France	Full	100.0	99.7	Full	100.0	99.6
SCI du Rio d'auron	443924774	France	Full	60.0	59.8	Full	60.0	59.8
SCI Mont Alban	309284909	France	Non Consol.	0.0	0.0	Full	50.0	49.8
SNC Mougins Les Bastides du Golf	381440916	France	Full	50.0	49.9	Full	50.0	49.8
SNC Antibes 38 Albert 1er	440521995	France	Full	100.0	99.7	Full	100.0	99.6
SNC du Golf	448867473	France	Full	100.0	99.7	Full	100.0	99.6
SCI Mimosas	451063499	France	Full	100.0	99.7	Full	100.0	99.6
SNC Antibes 3 avenue Salvy	453009102	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Cannes 2 av. St-Nicolas	482524758	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Phocéens	483115404	France	Full	100.0	99.7	Full	100.0	99.6
SCI du Parc industriel de la Roque	482807070	France	Non Consol.	0.0	0.0	Full	80.0	79.7
SNC Riviera	483334405	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Phoenix	487776551	France	Full	100.0	99.7	Full	100.0	99.6
SCCV L'Esterel	489868125	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Cœur de la Bouverie	490874021	France	Full	100.0	99.7	Full	100.0	99.6
SNC Pluton/Nice Pastorelli	494925662	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Sainte-Marguerite	501662233	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Robini	501765382	France	Prop.	50.0	49.9	Prop.	50.0	49.8

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SCCV Terra Méditerranée	503423782	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Saint-Herblain Plaisance	498619444	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Nantes Cadeniers	500650981	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Nantes Noire	501030209	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Nantes Russeil	514480557	France	Prop.	50.0	49.9	Non Consol.	0.0	0.0
SCI Côté Parc	447789595	France	Full	58.0	57.8	Full	58.0	57.8
SNC Aix La Visitation	452701824	France	Full	80.0	79.8	Full	80.0	79.7
SCI Cogimmo	480601509	France	Full	100.0	99.7	Full	100.0	99.6
SCI Marseille 514 Madrague Ville	482119567	France	Full	100.0	99.7	Full	100.0	99.6
SCI Marseille 2e Évêché Schumann	482568235	France	Full	75.0	74.8	Full	75.0	74.7
SCCV Riou	490579224	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Frioul/St-Musse	493464440	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Rives d'Allauch	494440464	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Clos Laurent Martin	495041212	France	Non Consol.	0.0	0.0	Full	51.0	50.8
SCI Salon-de-Provence - Pilon Blanc	488793381	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Le Château	440258234	France	Full	99.0	98.7	Full	99.0	98.6
SNC Provence L'Étoile	501552947	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Provence Borelly	503396582	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Marseille La Pommeraie	502223522	France	Full	80.0	79.8	Full	80.0	79.7
SCCV L'Ile Verte	509642005	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SNC Dulac - Roumanille	513406942	France	Full	99.0	98.7	Non Consol.	0.0	0.0
SCI L'Orée du Port	487558124	France	Non Consol.	0.0	0.0	Full	70.0	69.7
SCI Rimbaud	493564660	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Jacques Kable Nogent	434987764	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC Cherche Midi 118 Paris 6e	423192962	France	Full	100.0	99.7	Full	100.0	99.6
SCI Chatenay Hanovre 1	424831717	France	Full	100.0	99.7	Full	100.0	99.6
SCI Chatenay Hanovre 3	424832061	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Villa Haussmann Rive Sud	437674955	France	Full	60.0	59.8	Full	60.0	59.8
SCI Ilot 6 bd Gallieni Forum Seine	433735479	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Villa des Vignes	422901348	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SNC 36 rue Rivay Levallois	343760385	France	Full	100.0	99.7	Full	100.0	99.6
SNC 12 rue Oudinot Paris 7e	378484653	France	Full	51.0	50.9	Full	51.0	50.8
SCI Vaugirard Meudon	441990926	France	Full	100.0	99.7	Full	100.0	99.6
SCI Serris Quartier du Parc	444639926	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI St-Cloud 9/11 rue de Garches	444734669	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Maisons Alfort Villa Mansart	443937040	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI St-Cloud 76 quai M. Dassault	450139647	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Courbevoie St-Denis Ferry	479626475	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Garches 82 Grande Rue	481785814	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Pastourelle Charlot Paris III	422782268	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Courbevoie - Hudri	483107819	France	Full	80.0	79.8	Full	80.0	79.7
SCI Le Chesnay La Ferme	485387286	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Brillat-Savarin 86 Paris XIII	487504300	France	Prop.	50.0	49.9	Prop.	50.0	49.8

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SCCV Bourdon Chauveau Neuilly	489104125	France	Full	70.0	69.8	Full	70.0	69.7
SCI Vanves Marcheron	484740295	France	Prop.	37.5	37.4	Prop.	37.5	37.3
SCCV Jean Moulin 23 Les Lilas	490158839	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Bourdon 74 Neuilly	492900741	France	Full	70.0	69.8	Full	70.0	69.7
SNC Murat Varize	492650288	France	Full	100.0	99.7	Full	100.0	99.6
SCCV 121-125 rue Henri Barbusse	494577455	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Levallois Marceau	501580583	France	Full	80.0	79.8	Full	80.0	79.7
SCCV Massy Colcoge	504685884	France	Full	80.0	79.8	Eq. m.	35.0	34.9
SCCV Suresnes 111 Verdun	507385003	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV 66 Chauveau Neuilly	507552040	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Vanves Bleuzen	513178830	France	Prop.	50.0	49.9	Non Consol.	0.0	0.0
SCCV Malakoff Larousse	514145119	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Massy Cogfin	515231215	France	Prop.	50.0	49.9	Non Consol.	0.0	0.0
SNC Charenton Gabriel Péri	518405188	France	Full	60.0	59.8	Non Consol.	0.0	0.0
SAS Quartier Anatole France	428711709	France	Prop.	33.3	33.2	Prop.	33.3	33.2
SCI Rotonde de Puteaux	429674021	France	Prop.	33.3	33.2	Prop.	33.3	33.2
SCI Boussingault 28/30	452167554	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Issy Corentin Celton	452369705	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Bagatelle 5 Neuilly	479223356	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Neuilly Résidence	479120180	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SNC Rueil Charles Floquet	481339224	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Le Chesnay 3/9 rue Caruel	483129821	France	Prop.	30.0	29.9	Prop.	30.0	29.9
SNC Carles Vernet Sèvres	485288450	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Plessis-Robinson	490892627	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Paris XIII Champ de l'Alouette	484883160	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCI Job Garonne	445378672	France	Full	100.0	99.7	Full	100.0	99.6
SCI Albi Gare	445377740	France	Full	100.0	99.7	Full	100.0	99.6
SCI Marengo Periole	445378847	France	Full	100.0	99.7	Full	100.0	99.6
SCI Castelginest Centre	445378052	France	Full	100.0	99.7	Full	100.0	99.6
SCI Pamiers Lestrade	445378532	France	Full	100.0	99.7	Full	100.0	99.6
SNC Léguevin Lengel	445378110	France	Full	100.0	99.7	Full	100.0	99.6
SCI Saint-Jean Pyrénées	445378094	France	Full	100.0	99.7	Full	100.0	99.6
SCI Zac de Cornebarrieu	445378987	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Les Hauts de Ramonville	445378078	France	Full	100.0	99.7	Full	100.0	99.6
SCI Muret Centre	445378730	France	Full	100.0	99.7	Full	100.0	99.6
SCI Les Hauts de Baziège	447481375	France	Full	100.0	99.7	Full	100.0	99.6
SNC Rodez Saint-Félix	445377625	France	Full	100.0	99.7	Full	100.0	99.6
SCI Bon Repos Aussonnelle	447480765	France	Full	100.0	99.7	Full	100.0	99.6
SNC Roseraie Luchet	484639919	France	Full	100.0	99.7	Full	100.0	99.6
SNC 136 route d'Albi	484643150	France	Full	100.0	99.7	Full	100.0	99.6
SNC Tournefeuille Hautes Rives	484639471	France	Full	100.0	99.7	Full	100.0	99.6
SNC Marengo Libre Échange	484664818	France	Full	100.0	99.7	Full	100.0	99.6
SNC Fontaines d'Arènes	484663349	France	Full	100.0	99.7	Full	100.0	99.6

			31/12/2009			31/12/2008		
Company	Siren	Country	Method	% Control	% Interest	Method	% Control	% Interest
SCCV Brunhes Magnolia	490050176	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Labège Malepere	490050523	France	Full	100.0	99.7	Full	100.0	99.6
SNC Toulouse Bertillon	494423312	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Sainte-Anne	499514420	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Blagnac Galilée	501180160	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Toulouse Haraucourt	501635437	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Toulouse Bourrassol Wagner	503431116	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Toulouse Carré Saint-Michel	501982763	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Toulouse Busca	511512071	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Toulouse Guilhemery	512568007	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Toulouse Les Argoulets	513822601	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCCV Saint-Orens Le Clos	515347953	France	Full	100.0	99.7	Non Consol.	0.0	0.0
SCI Bruges Ausone	484149802	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Gujan République	489346106	France	Full	100.0	99.7	Full	100.0	99.6
SCCV Cauderan Leclerc	490049970	France	Full	100.0	99.7	Full	100.0	99.6
SCCV 236 avenue Thiers	493589550	France	Full	55.0	54.9	Full	55.0	54.8
SCI Port Saint-Sauveur	445148141	France	Non Consol.	0.0	0.0	Full	100.0	99.6
SCI Le Parc de Borderouge	442379244	France	Prop.	40.0	39.9	Prop.	40.0	39.8
SCCV Toulouse Grand Sud	499468510	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SCCV Toulouse Heredia	507489375	France	Prop.	50.0	49.9	Prop.	50.0	49.8
SAS Levallois 41-43 Camille Pelletan	489473249	France	Full	100.0	99.7	Full	100.0	99.6
Foncière Iles d'Or SNC	4999385094	France	Full	100.0	99.7	Full	100.0	99.6
Foncière Seaview SCI	493297642	France	Eq. m.	20.0	19.9	Eq. m.	20.0	19.9
Foncière Glatz SCI	498493576	France	Eq. m.	20.0	19.9	Eq. m.	20.0	19.9
Foncière Saône Gillet SCI	499854510	France	Eq. m.	20.0	19.9	Eq. m.	20.0	19.9

3.2.10.2. Changes in scope of consolidation

Changes in scope of consolidation during 2009

The scope of consolidation included 434 companies at 31 December 2009, compared with 455 companies at 31 December 2008.

A total of 25 companies were consolidated for the first time in 2009. This included 23 newly formed entities and two entities which were acquired during the period (the general partnership SNC Débat Thérapeutique, a company included in the property development for third parties business, whose principal asset is a land parcel; and a non-trading property investment company included in the owned shopping centre business, SCI Ori-Syma, which was transformed into a general partnership, SNC Ori-Alta, and whose principal asset is a land parcel with planning permission).

46 companies were deconsolidated during the period following the completion of the property development programs undertaken by them. This included 16 entities which were wound up, 26 which were merged into larger companies and four which were divested.

Furthermore, ALTAREA SCA acquired 2,620 shares of the FONCIÈRE ALTAREA company, increasing its shareholding from 99.33% to 100%. This transaction had an accretive effect on FONCIÈRE ALTAREA and its subsidiaries.

Furthermore, ALTAREA completed the acquisition of the 40% minority interest in the capital of the Lille Grand Place company, increasing its shareholding to 99% of the outstanding shares.

Finally, the ALTAREIT company completed a share capital increase during the period which had an accretive effect on ALTAREA's ownership interest, increasing its shareholding from 99.59% to 99.74%.

These three transactions were accounted for as transactions with minority shareholders and their impact was recorded directly in equity.

Changes in scope of consolidation in 2008

The scope of consolidation included 455 companies at 31 December 2008, compared with 464 companies at 31 December 2007.

A total of 47 companies were consolidated for the first time in 2008, including 35 belonging to the property development for third parties business and 10 to the owned property development and operation business (nine in France and one in Italy), with two being central units and holding companies (acquisition of ALTAREIT and incorporation of Alta-management).

56 companies were deconsolidated, including four which were sold, 26 merged into larger companies and 26 wound up.

3.2.11. BUSINESS COMBINATIONS

2009

None.

2008

ACQUISITION OF ALTAREIT (FORMERLY FROMAGERIES PAUL RENARD)

The cost of this acquisition came to €14,725 thousand.

This acquisition was accounted for in accordance with the principles defined in IFRS 3 and led to the determination of the fair value of identifiable assets and liabilities at the acquisition date.

The details of the valuation at the acquisition date were as follows:

In € thousand	Fair value	Carrying amount
Non-current assets	0	0
Current assets	12,736	12,736
Total assets	**12,736**	**12,736**
Non-current liabilities	0	0
Current liabilities	0	0
Total liabilities	**-**	**-**
ACQUIRED ASSETS, NET	**12,736**	**12,736**
Ownership interest	99.59%	99.59%
NET ASSETS ATTRIB. TO GROUP SHAREHOLDERS	**12,684**	**12,684**
Goodwill recognised	2,041	
VALUE OF EQUITY INTEREST AT DATE OF ACQUISITION	**14,725**	

The acquisition consists in a listed company possessing a non-interest-bearing current account, without any investments. The goodwill recognised was written off in full in the financial statements at 31 December 2008.

3.2.12. IMPAIRMENT OF ASSETS UNDER IAS 36

3.2.12.1. Goodwill on Cogedim

At 31 December 2009

2009 saw a strong recovery in sales of housing programmes (reservations net of cancellations), which increased sharply over the year: they rose 59% on end-2008 and more significantly 33% on end-2007. The commercial property market remained depressed.

At 31 December 2009, an impairment test was carried out on the basis of an independent valuation (conducted by the Accuracy consultancy) for all Cash Generating Units (CGUs: i.e. the programmes) grouped into "Property development for third parties" on the one hand and "Large urban mixed-use projects" with the "Development of shopping centres" segment on the other hand. The methodology used in 2009 is based on a Discounted Cash Flow model taking information from the business plan prepared by the management in the final quarter of the year and making assumptions on operational prospects and long-term growth to determine the terminal value looking beyond the horizon of the business plan. The business plan covers the period from 2010 to 2014.

The impairment test consists of comparing the carrying value of Cogedim, including the value of intangible assets attached to GGU groupings (goodwill, brands net of deferred tax, client relationships net of deferred tax) to the net value of Cogedim assets assessed by the independent valuer.

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

- a discount rate of 10.8%;
- free cash flow over the period of the business plan is based on assumptions regarding business volumes and the level of operating margin which take account of economic and market forecasts in place at the time of preparation;

- the terminal value of Cogedim was determined using a growth rate from 2014 of 1.5% and a return on capital employed (ROCE) of between 13.8% and 17.8%.

At 31 December 2009, on the basis of the assumptions described above, the fair net asset value of Cogedim was greater than its carrying value on the same date, irrespective of the ROCE rate used. No impairment charge was recognised.

Changes to the assumptions used that the management considered reasonable, namely a growth rate of 1% instead of 1.5% and a discount rate of 11.8% instead of 10.8% would still result in the valuation of Cogedim's net assets at more than their carrying value at 31 December 2009, based on an ROCE rate of between 13.8% and 17.8%.

Therefore the goodwill recognised on the acquisition of Cogedim at 31 December 2009 remained at €128 million.

At 31 December 2008

The impairment testing for the property development for third parties cash-generating unit was carried out using the discounted cash flow model, based on the business plan prepared by management in the final quarter of 2008 over a period running from 2009 to 2013.

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

- free cash flows were determined based on the above business plan predicated on business volume and operating margin assumptions factoring in the economic and financial crisis;
- the growth rate projected from 2013 onwards is equal to 0% (vs. a projected growth rate of 1% at 31 December 2007);
- the discount rate applied ranges between 10.60% and 11.60% (vs. a discount rate of between 8.6% and 9.3% at 31 December 2007).

The recoverable amount adopted is the value in use calculated based on low assumptions (discount rate of 11.60% and growth rate of 0%). An impairment loss of €149.1 million was recognised.

The impairment testing for the retail development/major mixed-use urban projects cash-generating unit was carried out using the discounted cash flow method. The principal operating assumption used related to business volumes, which take into account the deferral and cancellation of some business volumes in view of the economic and financial crisis. The value in use adopted (€15 million) lies in the range determined using capitalisation rates of between 6.25% and 6.55% and discount rates of between 7.50% and 9.75 %. An impairment loss of €74.1 million was recognised.

The goodwill recognised on the acquisition of Cogedim at 31 December 2008 stood at €128 million, breaking down by segment as follows:

In € thousand	31/12/2008	31/12/2007
Property development for third parties	113,028	240,222
‣ of which Residential Property Development	113,028	122,260
‣ of which Commercial Property Development		117,962
Retail Development – GPUM [1]	15,000	111,056
TOTAL GOODWILL ON COGEDIM	**128,028**	**351,278**

(1) Large Urban Mixed-Use Projects.

3.2.12.2. Brand

A valuation of the Cogedim brand at the acquisition date was conducted by an independent valuation expert. The brand was tested individually and together with the property development for third parties cash-generating unit, (see preceding section).

3.2.12.3. Investment assets under development and construction valued at cost

Investment assets under development and construction valued at cost relate to the shopping centre development business.

The principal uncertainties surrounding the development and construction of these assets are linked to the award of administrative permits, to delays in the start-up or marketing of projects when economic conditions become less favourable.

Investment assets under development and construction are monitored by the Group according to the various phases of the project. These phases are the design stage, the so-called "secured" phase (when the project is fully "secured", a purchase option has been obtained on the land), the phase when all administrative authorisations have been obtained (business and land use authorisations and building permits) and lastly, the construction and marketing phase.

At 31 December 2009

At the closure of accounts on 31 December 2009, the Valdemoro and Puerto Real projects in Spain were subject to an external valuation due to uncertainty over their future. The expert valuation resulted in a lower value. An impairment loss was recognised.

Other assets in France and Italy were subject to impairment tests and required the recognition of impairment losses.

See note 13.3.

At 31 December 2008

At the balance sheet date, 31 December 2008, management had decided to delay the Valdemoro and Puerto Real development projects in Spain owing to the difficulty in raising funding and the highly depressed economic conditions in Spain. Insofar as it is likely that these projects will have to be reviewed concerning their suitability in the economic conditions, management decided to write off all the internal and external professional fees and capitalised financial expense at the balance sheet date.

At the balance sheet date, no impairment had been identified on these projects other than what had previously been recognised. The production cost of these projects is below the projected value of the properties. The projected value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The method used is capitalisation of rental revenues. The capitalisation rates used to determine property values correspond to the capitalisation rates observed in the market.

3.2.12.4. Customer relationships

The customer relationships are those acquired with the Cogedim acquisition on 17 July 2007.

Two types of acquired customer relationship assets are distinguished, i.e. the order backlog (property development and services provided to the delegated project manager) and the portfolio of sale contracts.

These items are amortised in line with the percentage of completion of construction and marketing of the relevant programmes.

At each balance sheet date, customer relationships undergo a detailed review by management on a programme by programme basis.

At 31 December 2009, no impairment was recognised due to the normal operation of the programmes on margins in line with expectations.

At 31 December 2008, the contraction in margins on property development programmes for third parties, higher cancellation rates on bookings than those projected upon the initial assessment and the impact of abandoning operations led to the recognition of impairment losses during 2008: see note 13.1.

3.2.13. BALANCE SHEET

3.2.13.1. Intangible fixed assets

Gross *In € thousand*	Goodwill	Brand	Customer relationships	Other intangible assets: Software	Other intangible assets: Leasehold right	Other intangible assets: Other	Other intangible assets: Total	Total
AT 1 JANUARY 2008	**368,157**	**66,600**	**181,570**	**5,830**	**2,783**	**13**	**8,626**	**624,952**
Acquisitions	-	-	-	1,650	-	-	1,650	1,650
Disposals	-	-	-	(15)	-	-	(15)	(15)
Transfers	-	-		(5)	(421)	-	(426)	(426)
Changes in scope of consolidation	1,335	-	-	-	-	-	-	1,335
AT 31 DECEMBER 2008	**369,491**	**66,600**	**181,570**	**7,461**	**2,361**	**13**	**9,835**	**627,497**
Acquisitions	-	-	-	1,349	-	-	1,349	1,349
Disposals	-	-	-	(91)	-	-	(91)	(91)
Transfers	-	-	-	257	-	-	257	257
AT 31 DECEMBER 2009	**369,491**	**66,600**	**181,570**	**8,976**	**2,361**	**13**	**11,350**	**629,012**

Amortisation *In € thousand*	Goodwill	Brand	Customer relationships	Other intangible assets: Software	Other intangible assets: Leasehold right	Other intangible assets: Other	Other intangible assets: Total	Total
AT 1 JANUARY 2008	**(15,485)**	**-**	**(24,627)**	**(3,433)**	**(178)**	**(13)**	**(3,624)**	**(43,736)**
Allowance for amortisation	-	-	(35,891)	(1,211)	(239)	(12)	(1)	(37,353)
Impairment losses	(225,290)	-	(91,545)	-	-	-	-	(316)
Reversals/disposals	-	-	-	15	12	-	26	26
Transfer	(0)	-	-	5	-	-	5	5
Changes in scope of consolidation	-	-	-	-	-	12	12	12
AT 31 DECEMBER 2008	**(240,775)**	**-**	**(152,063)**	**(4,624)**	**(405)**	**(13)**	**(5,042)**	**(397,881)**
Allowance for amortisation	-	-	(13,346)	(1,243)	(258)	-	(1,501)	(14,847)
Reversal	-	-	-	42	-	-	42	42
Transfer	-	-	-	-	7	-	7	7
AT 31 DECEMBER 2009	**(240,775)**	**-**	**(165,409)**	**(5,826)**	**(656)**	**(13)**	**(6,494)**	**(412,678)**

In € thousand	Goodwill	Brand	Customer relationships	Other intangible assets: Software	Other intangible assets: Leasehold right	Other intangible assets: Other	Other intangible assets: Total	Total
Net value at 1 January 2008	352,672	66,600	156,943	2,397	2,604	0	5,002	581,216
Net value at 31 December 2008	128,716	66,600	29,507	2,836	1,956	1	4,792	229,615
Net value at 31 December 2009	128,716	66,600	16,161	3,150	1,705	1	4,855	216,332

Goodwill concerns Altarea France for €688,000 and Cogedim SAS for €128,028,000. The impairment losses on goodwill recognised in 2008 correspond to the amortisation of goodwill on Cogedim and Altareit.

Brands and customer relationship assets were recognised in connection with the acquisition of Cogedim on 17 July 2007. They have been subject to amortisation or impairment.

3.2.13.2. Property, plant and equipment other than investment property

In € thousand	Land	Buildings	Other non-current assets	Total, gross	Depreciation	Net
AT 1 JANUARY 2008	**2,375**	**681**	**11,667**	**14,722**	**(6,374)**	**8,349**
Acquisitions/allowances			3,725	3,725	(2,148)	1,576
Disposals/reversals		(8)	(539)	(548)	1,113	565
Transfers			211	211	-	211
Changes in scope of consolidation	0		5	5	(13)	(7)
AT 31 DECEMBER 2008	**2,375**	**673**	**15,069**	**18,116**	**(7,422)**	**10,694**
Acquisitions/allowances	-	-	6,111	6,111	(3,268)	2,844
Disposals/reversals	1	0	(814)	(814)	676	(138)
Transfers	(1)	(0)	1,677	1,676	481	2,157
AT 31 DECEMBER 2009	**2,375**	**672**	**22,042**	**25,090**	**(9,533)**	**15,557**

Other non-current assets consist of improvements to the Group's headquarters, notably at the Avenue Delcassé (Paris 8th arrondissement), together with assets relating to the Wagram development invested in 2009.

3.2.13.3. Investment properties and assets held for sale

In € thousand	Investment property at fair value	Investment property at cost	Assets held for sale	Total investment properties and assets held for sale
AT 1 JANUARY 2008	**2,075,996**	**399,197**	**282**	**2,475,476**
Investment	37,158	299,925		337,083
Later expenditures capitalised	6,665	46,339		53,004
Disposals/repayment of deposits paid	(23,845)	(295)		(24,140)
Net impairment/project discontinuation	-	(17)		(17)
Change of accounting method	-	(155)		(155)
Transfers to assets held for sale	(1,466)		1,466	0
Deliveries of centres over the period	203,539	(203,539)		-
Transfers from other categories	9,516	(6,976)		2,540
Change in smoothing of incentives to buyers	452			452
Change in fair value	(86,141)	-	(166)	(86,306)
AT 31 DECEMBER 2008	**2,221,875**	**516,940**	**1,582**	**2,740,398**
Investment	121,630	92,731		214,361
Later expenditures capitalised	18,459	22,485		40,943
Disposals/repayment of deposits received	(2,331)	(10,856)	(17,311)	(30,498)
Net impairment/project discontinuation	-	(39,518)		(39,518)
Transfers to assets held for sale	(104,403)	-	104,403	-
Deliveries of centres over the period	187,429	(187,429)		-
Transfers from other categories	175,711	(195,407)		(19,696)
Change in smoothing of incentives to buyers	5,088			5,088
Change in fair value	(100,427)		(1,437)	(101,863)
AT 31 DECEMBER 2009	**2,523,032**	**198,945**	**87,238**	**2,809,215**

In 2009, transfers to categories other than those presented related mainly to reallocations to the heading of debts on acquisitions of assets and inventories.

Assets under development (IPUC) have fallen within the scope of application of IAS 40 since 1 January 2009 (See *Accounting methods and principles*, note 7.11.).

Investment properties at fair value

THE 2009 FINANCIAL

At 31 December 2009, investment properties at their fair value consisted primarily of:

- in-town or edge-of-town shopping centres, shopping malls in France, Italy and Spain, hotel real estate and two event venues (Salle Wagram and Salle Montenotte);
- two assets under construction (a mixed project of offices and shops at Kremlin-Bicêtre near Paris and the "le Due Torri" shopping centre in Stezzano, Italy). These two assets will be delivered during the first half of 2010.

Investment mainly concerned works over the course of the year on the Kremlin-Bicêtre and Stezzano programmes, together with the additional purchase of ownership shares in a shopping centre in the south of France.

Disposals mainly consisted of the sale of a commercial property at Soisy-sous-Montmorency on 17 June 2009.

Transfers from other categories relate to investments completed (and previously recognised as Assets under development) in relation to buildings that entered operation during the financial year: Carré de Soie (Lyon), Crèches-sur-Saône (Saône-et-Loire), the Marriott Renaissance hotel building and street-level shops and the Salle Wagram building (complex on Avenue de Wagram in Paris) as well as the extension of a shopping centre in Toulouse.

The weighted average capitalisation rate [1] on values excluding transfer duties was 6.59% at 31 December 2009, compared to 6.09% at 31 December 2008 (5.76% including duties; see management report for more detail).

Based on a weighted average capitalisation rate of 6.58%, a 0.25 point increase in capitalisation rates would lead to a reduction of €90.3 million in the value of investment properties (-4.05%), while a 0.25 point fall in capitalisation rates would increase the value of investment properties by €95.8 million (4.30%).

THE 2008 FINANCIAL

At 31 December 2008, the investment property consisted primarily of in-town or edge-of-town shopping centres, as well as shopping malls in France, Italy and Spain.

The investments carried out during 2008 included the acquisition of new investment properties at Pinerolo (Piedmont) and 40% of the undivided ownership units of a building in Gennevilliers, increasing the Group's ownership of this asset to 100%.

Disposals and decreases primarily reflect the following events:

- the sale of the shopping mall on boulevard de Vaugirard in Paris on 22 July 2008;
- the sale of the Coulaines retail asset on 22 September 2008;
- the sale of four ground-floor properties (out of the five held) in Troyes on 22 December 2008.

Transfers from other categories relate to investments completed (and previously recognised as assets under development) in relation to buildings that entered operation during the financial year: Guipavas (Brest), Porte Jeune (Mulhouse), Aubette (Strasbourg), Gare de l'Est (Paris) and Pinerolo (Piedmont).

The average capitalisation rate was 5.76% at 31 December 2008, from 5.11% at 31 December 2007 (see section 2.2 of the management report for more details)

Based on a weighted average capitalisation rate of 5.76%, a 0.25 point increase in capitalisation rates would lead to a reduction of €96.7 million in the value of investment properties (-4.0%), while a 0.25 point fall in capitalisation rates would increase the value of investment properties by €105.7 million (4.3%).

Investment properties valued at cost

THE 2009 FINANCIAL

Assets under development and construction recognised at cost mainly concerned:

- land at Valdemoro and Puerto Real in Spain;
- the shopping centre projects at Villeneuve-la-Garenne, Limoges, Tourcoing and Thionville.

In 2009, €15,485 thousand in finance costs were capitalised in respect of projects under development and construction.

Disposals/repayments of deposits paid for a total of (€10,856) thousand concerned mainly the repayment by the developer of an advance paid, following the cancellation of the Sedriano project in Italy.

(1) The capitalisation rate is the rental yield relative to the appraisal value excluding transfer duties.

Impairment tests on investment properties valued at cost resulted in the recognition of impairment losses, mainly on land in Spain and town-centre shopping centre projects in France.

In addition, a provision for losses on completion of €3,250 thousand made in 2008 was reclassified from the heading "Provisions for risks and costs" to the heading "Net depreciation/cancellation of projects".

THE 2008 FINANCIAL

At 31 December 2008, investment properties valued at cost consisted primarily of:

- the Le Due Torri shopping centre project in Stezzano (Bergamo);
- the shopping centre and office development at Kremlin-Bicêtre;
- the property complex project on Avenue de Wagram (Paris);
- the Marigny Carré de Soie property complex project (Lyon);
- the Valdemoro and Puerto Real shopping centre projects in Spain.

Investments during the financial year ended 31 December 2008 primarily included the Kremlin-Bicêtre, Stezzano, Guipavas (Brest), Carré de Soie (Lyon), Wagram (Paris), Porte Jeune (Mulhouse) and Aubette (Strasbourg) shopping centres.

In 2008, €20,497 thousand in finance costs were capitalised in respect of projects under development.

The costs capitalised in respect of projects in Spain, the development of which was delayed, were written off in full given the problems encountered since October 2008 in raising funds in this country as a result of the financial crisis.

Assets held for sale

At 31 December 2009, assets held for sale consisted solely of the Espace Saint-Georges shopping centre in Toulouse.

3.2.13.4. Investments in associated companies and other investments

Investment in associates

CHANGE IN THE FAIR VALUE OF INVESTMENTS IN ASSOCIATES

In € thousand	**Equity method associates**
AT 1 JANUARY 2008	**92,298**
Dividends	(2,174)
Share of earnings	(26,290)
Capital increases	2,568
Translation differences	977
Change in scope of consolidation	1,220
AT 31 DECEMBER 2008	**68,599**
Dividends	(2,982)
Share of earnings	967
Reclassifications	1,576
Change in scope of consolidation	(6)
AT 31 DECEMBER 2009	**68,153**

Over the course of 2009, dividends for a total of €2,982 thousand were paid, primarily by the following companies: Garibaldi, Semmaris, Liévin and Société d'Aménagement Mezzanine Paris Nord (Gare du Nord).

Where the value of holdings in associates becomes negative following cumulative losses at these companies, provisions are written.

The amount of accumulated losses reclassified in provisions for risks and costs was €1,576 thousand at 31 December 2009.

At 31 December 2009, the holding in Semmaris, valued at fair value on the acquisition date and including an element of goodwill, was subject to an independent valuation by Accuracy, prepared in January 2010. The appraisal was conducted based on a business plan drawn up by management for the period from 2009 to 2034, which is when the concession ends. The discount rate used was in a range from 6.5% to 5.5%. An impairment loss of €3.4 million was recognised based on a comparison with the range of values determined using this method.

At 31 December 2008, the holding in Semmaris, valued at fair value on the acquisition date and including an element of goodwill, was subject to an independent valuation by Accuracy, prepared in October 2008. The appraisal was conducted based on a business plan drawn up by management for the period from 2008 to 2034, which is when the concession ends. The discount rate used was in a range from 6.8% to 5.8%. No impairment loss was recognised based on a comparison with the range of values determined using this method.

PRINCIPAL EQUITY-METHOD ASSOCIATES

	Percentage ownership		Net value of equity-method associates	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Sté Aménagement Mezzanine Paris Nord	40.0%	40.0%	5,617	5,835
Holding Lumières	34.0%	34.0%	-	(140)
SSF III Zhivago Holding LTD	50.0%	50.0%	-	-
CIB SCI	49.0%	49.0%	563	675
SCI Liévin Invest	49.0%	49.0%	12,724	13,648
Semmaris	33.3%	33.3%	48,894	47,306
Investments in Cogedim associates:				
SARL Garibaldi (Lyon 7 - Palais Pharos Opac)	0.0%	30.0%	-	1,793
L'Isle d'Abeau - Les Hauts du Chêne	20.0%	20.0%	8	(11)
Cogedim Office Partners	10.0%	10.0%	250	38
SAS Foncière Saône Gillet	20.0%	20.0%	8	(89)
Foncière Glatz	20.0%	20.0%	56	176
Antibes Seaview	20.0%	20.0%	8	56
SCI Les Célestins à Oullins 69	40.0%	40.0%	1	(586)
SCI Les Harmonies	33.0%	33.0%	1	(13)
SCI Square et Côté Jardin	25.0%	25.0%	23	14
SAS Seine Aulanier	33.0%	33.0%		11
Other	-	-		(114)
TOTAL			**68,153**	**68,599**

PRINCIPAL BALANCE SHEET AND INCOME STATEMENT ITEMS OF EQUITY-METHOD ASSOCIATES

In € thousand	31/12/2009	31/12/2008
Non-current assets	79,021	84,475
Current assets	42,973	43,238
TOTAL ASSETS	**121,995**	**127,713**
Shareholders' equity	47,895	49,971
Non-current liabilities	28,324	35,183
Current liabilities	45,776	42,560
TOTAL LIABILITIES AND EQUITY	**121,995**	**127,713**

In € thousand	31/12/2009	31/12/2008
Rental revenue	31,613	30,584
Development revenue	3,995	12,092
Services	1,827	1,704
Revenue	**37,435**	**44,379**
PROFIT	**966**	**(26,290)**

Other long-term investments

In € thousand	31/12/2009	31/12/2008
Restauration Bercy	157	157
SNC Sèvres Manufacture Aménagement		107
Other companies being wound up	51	60
Portimmo	28	28
Artois Développement	30	31
SNC du Grand Argenteuil, parcels 2A, 2B	17	16
Other	17	22
GROSS	**300**	**421**
Impairment of participating interests [1]	(157)	(157)
NET	**143**	**264**

(1) Impairment of €157 thousand relates to the Group's holding in Restauration Bercy.

3.2.13.5. Investment in jointly controlled entities

Share in balance sheet of jointly controlled entities *In € thousand*	31/12/2009	31/12/2008
Non-current assets	112,576	72,329
Current assets	123,828	154,744
TOTAL ASSETS	**236,404**	**227,072**
Shareholders' equity	72,915	57,701
Non-current liabilities	98,642	85,552
Current liabilities	64,848	83,820
TOTAL LIABILITIES AND EQUITY	**236,404**	**227,072**

Share in income statement of jointly controlled entities *In € thousand*	31/12/2009	31/12/2008
Net rental income	5,974	1,268
Net property income	18,126	30,643
Other income and expense	(1,043)	(623)
Change in the fair value of investment properties	10,085	(832)
Allowance for provisions	257	213
Operating profit	**32,940**	**29,325**
Net cost of debt	(1,734)	(792)
Change in fair value of financial instruments	(1,661)	(209)
Profit before tax	**29,545**	**28,325**
Tax	**2,867**	**(4,142)**
PROFIT	**32,412**	**24,182**

In 2009, two companies were consolidated for the first time: SNC Ori-Alta and SNC Aix 2.

The change in value related primarily to the impact of the delivery over the course of the year of Alta Marigny Carré de Soie.

In 2008, five companies were consolidated for the first time: SCI Cœur d'Orly Bureaux, SCI Holding Cœur d'Orly Bureaux, SNC Cœur d'Orly Commerces, SNC Holding Cœur d'Orly Commerces and SNC Cœur d'Orly Promotion.

3.2.13.6. Receivables and other short-term and non-current investments

Change in receivables and other financial assets

In € thousand	Accounts receivable from participating interests	Loans and other financial receivables	Deposits and advances paid	Sub-total: loans and advances	Other financial assets	Assets at fair value through profit and loss (listed securities)	Total receivables and other gross assets	Impairment	Net
AT 1 JANUARY 2008	**15,432**	**6,788**	**3,906**	**26,127**	**17**	**273**	**26,417**	**(801)**	**25,616**
Increases/allowances	6,851	1,848	1,416	10,115	-	-	10,115	(9)	10,106
Reductions/reversals	(4,403)	(760)	(2,202)	(7,364)	(0)	-	(7,365)	529	(6,836)
Revaluation	-	-	-	-	-	(117)	(117)	-	(117)
Transfers/reclassification	(96)	(1,733)	202	(1,627)	(7)	-	(1,634)	-	(1,634)
Changes in scope of consolidation	856	(5)	7	859	0	-	859	(581)	278
AT 31 DECEMBER 2008	**18,641**	**6,138**	**3,329**	**28,108**	**10**	**156**	**28,274**	**(862)**	**27,412**
Increases/allowances	8,159	316	144	8,618	15	-	8,633	-	8,633
Reductions/reversals	(610)	(3,700)	(159)	(4,470)	-	(115)	(4,585)	(12)	(4,597)
Revaluations	-	-	-	-	-	(41)	(41)	-	(41)
Transfers/reclassification	(9,167)	0	(298)	(9,464)	-	-	(9,464)	-	(9,464)
Changes in scope of consolidation	985	(23)	(0)	962	(2)	-	960	-	960
AT 31 DECEMBER 2009	**18,008**	**2,731**	**3,016**	**23,755**	**23**	**-**	**23,778**	**(875)**	**22,903**
‣ of which non-current at 31 December 2008	17,227	6,115	3,329	26,671	8		26,679	(862)	25,817
‣ of which current at 31 December 2008	1,414	24		1,438	2	156	1,595	-	1,595
‣ of which non-current at 31 December 2009	9,959	2,730	3,016	15,705	11		15,716	(875)	14,841
‣ of which current at 31 December 2009	8,049	1		8,050	12	-	8,062	-	8,062

Accounts receivable from participating interests

Accounts receivable from participating interests relate mainly to advances made to partners of consolidated companies or advances to companies in which interests are not consolidated.

Reclassifications for the period relate mainly to transfers to current accounts.

Loans

Loans consist mainly of loans to 1% construction' organisations, employee loans and loans as part of development operations.

Deposits and guarantees paid

The balance of this item of €3,016 thousand relates primarily to security and deposits paid on projects, the counterparty of security deposits paid into escrow accounts by tenants in shopping centres and security deposits paid on buildings occupied by the Group.

Assets at fair value through profit and loss

Assets at fair value through profit and loss relate mainly to securities listed on Euronext Paris. These securities were sold over the course of the year.

3.2.13.7. Working capital requirement

Summary of components of working capital requirement

In € thousand	Net inventories and work in progress	Trade receivables	Other operating receivables [1]	Trade and other operating receivables	Trade payables	Other operating payables	Trade and other operating payables	Operational working capital requirement
AT 1 JANUARY 2008	**525,941**	**98,828**	**209,424**	**308,252**	**(152,006)**	**(288,170)**	**(440,175)**	**394,017**
Change	(97,457)	59,437	9,264	68,701	(79,740)	8,125	(71,615)	(100,371)
Net impairment	(7,695)	(1,680)	631	(1,048)	-	-	-	(8,743)
Discounting	-	-	-	-	-	-	-	-
Transfers	(24,221)	411	7,319	7,730	(6,851)	27	(6,825)	(23,316)
Change of accounting method	-	(188)	(30)	(219)	240	581	822	603
Changes in scope of consolidation	(349)	(1,112)	(2,102)	(3,214)	289	5,051	5,340	1,777
AT 31 DECEMBER 2008	**396,220**	**155,695**	**224,506**	**380,202**	**(238,068)**	**(274,386)**	**(512,453)**	**263,968**
Changes	(39,511)	(22,609)	(16,193)	(38,801)	30,913	(3,589)	27,324	(50,989)
Net impairment	4,079	(4,068)	360	(3,708)	-	-	-	371
Discounting	-	-	-	-	-	-	-	-
Transfers	4,102	(5,099)	(2,080)	(7,179)	2,607	(1,085)	1,522	(1,556)
Changes in scope of consolidation	(771)	21	(1,369)	(1,348)	(181)	346	164	(1,955)
AT 31 DECEMBER 2009	**364,118**	**123,940**	**205,225**	**329,166**	**(204,729)**	**(278,714)**	**(483,443)**	**209,840**
Change in WCR 31 December 2009	**35,432**	**26,677**	**15,832**	**42,509**	**30,913**	**(3,589)**	**27,324**	**50,617**
Change in WCR 31 December 2008	**105,152**	**(57,757)**	**(9,896)**	**(67,653)**	**(79,740)**	**8,125**	**(71,615)**	**109,114**

(1) Excluding receivables on the disposal of property assets.

Summary of components of investment and fiscal working capital requirement

In € thousand	Receivables on sale of assets	Payables on acquisitions of assets	Investment WCR	Tax receivables	Tax payables	Tax charge for the period	Tax WCR
AT 1 JANUARY 2008	**38**	**(102,529)**	**(102,491)**	**4,843**	**(6,940)**		
Changes	569	(5,973)	(5,404)	916	5,683	(1,277)	7,876
Net impairment	-	-	-				
Discounting	-	(244)	(244)		19		
Transfers	-	252	252	(28)	(443)		
Change of accounting method	-	-	-	-	-		
Changes in scope of consolidation	0	(1,000)	(1,000)	(3)	(209)		
AT 31 DECEMBER 2008	**607**	**(109,494)**	**(108,886)**	**5,728**	**(1,891)**		
Changes	(603)	(26,622)	(27,224)	(4,199)	(1,708)	(4,146)	(1,761)
Net impairment	-	-	-				
Discounting	-	(118)	(118)		(18)		
Transfers	-	12,533	12,533	-	34		
Changes in scope of consolidation	-	261	261	303	-		
AT 31 DECEMBER 2009	**4**	**(123,439)**	**(123,435)**	**1,833**	**(3,582)**		
Change in WCR 31 December 2009	**603**	**26,622**	**27,224**	**4,199**	**1,708**	**(4,146)**	**1,761**
Change in WCR 31 December 2008	**(569)**	**5,973**	**5,404**	**(916)**	**(5,683)**	**(1,277)**	**(7,876)**

Inventories and work in progress

In € thousand	Gross inventories	Inventories - Impairment	Net
AT 1 JANUARY 2008	**527,101**	**(1,160)**	**525,941**
Change	(97,457)		(97,457)
Increases	-	(8,292)	(8,292)
Reversals	-	596	596
Reclassification	(24,221)		(24,221)
Changes in scope of consolidation	(414)	66	(348)
AT 31 DECEMBER 2008	**405,009**	**(8,790)**	**396,219**
Change	(39,511)		(39,511)
Increases	-	(1,361)	(1,361)
Reversals	-	5,440	5,440
Reclassification	4,272	(170)	4,102
Changes in scope of consolidation	(771)		(771)
AT 31 DECEMBER 2009	**368,998**	**(4,882)**	**364,117**

3

At 31 December 2009, changes in the scope of consolidation related mainly to the change in the method of consolidation of SCCV Massy Colcoge (from the equity method to full consolidation) and the removal of ZAC de Cornebarrieu following its disposal.

In 2008, a reclassification of €21.5 million was made from the "Inventories" heading to "Assets under development" relating to the "Mixed programme offices" element of the Kremlin-Bicêtre project (as this part of the programme was intended to be retained in the asset portfolio).

BREAKDOWN OF NET INVENTORY BY STAGE OF COMPLETION

"New transactions" correspond to programmes identified for which land has not been acquired.

"Transactions at land stage" correspond to programmes for which land has been acquired but construction work has not yet begun.

"Transactions in progress" correspond to programmes for which land has been acquired and construction work has begun.

"Completed transactions" correspond to programmes for which construction work has finished.

"Dealer transactions" correspond to properties acquired for resale as they are.

The reduction in the inventory of dealer transactions and interior works relates mainly to the sale of a programme in the south-east of France.

In € thousand	31/12/2009	31/12/2008
New transactions	16,871	12,021
Transactions at land stage	64,001	51,320
Transactions in progress	263,486	298,921
Transactions completed	3,840	9,302
Dealer transactions and interior work	15,919	24,656
TOTAL	**364,117**	**396,220**

Trade receivables and other accounts receivable

In € thousand	31/12/2009	31/12/2008
Property development clients	91,141	121,935
Land clients	42,773	39,666
Gross trade receivables	**133,914**	**161,601**
Impairment at 31 December 2008	(5,906)	(4,226)
Increases	(5,324)	(4,632)
Reversals	1,256	2,952
Impairment at 31 December 2009	(9,974)	(5,906)
NET TRADE RECEIVABLES	**123,940**	**155,695**
Advances and downpayments paid	18,354	27,610
VAT receivables	124,632	152,675
Miscellaneous amounts payable	37,912	20,663
Prepaid costs	14,825	14,982
Principal accounts in debit	9,841	9,190
Total other operating receivables	**205,563**	**225,120**
Opening impairment	(613)	(1,244)
Increases	-	(176)
Reclassification	(85)	
Reversals	360	807
Closing impairment	(338)	(613)
NET OPERATING RECEIVABLES	**205,225**	**224,506**
TRADE AND OTHER RECEIVABLES	**329,166**	**380,202**
Receivables on acquisition of assets	4	607
TRADE AND OTHER RECEIVABLES	**329,170**	**380,809**

TRADE RECEIVABLES

Receivables on off-plan sales (VEFA) are recorded inclusive of all taxes and represent revenues on a percentage of completion basis less receipts received from customers

Changes in receivables from development clients are mainly related to the delivery in 2009 of an office development programme (Lyon-La Buire) which generated a payment on completion.

Trade receivables due

In € thousand	31/12/2009
Total trade receivables, gross	**133,914**
Impairment of trade receivables	(9,974)
TOTAL TRADE RECEIVABLES, NET	**123,940**
Trade accounts to be invoiced	(8,253)
Restatements, stepped rents and holidays	(8,798)
Advances on trade receivables	(17,217)
TRADE ACCOUNTS RECEIVABLE DUE	**89,672**

In € thousand	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivable due	89,672	5,121	48,377	12,250	6,391	17,533

ADVANCES AND DOWNPAYMENTS PAID

Advances and downpayments correspond primarily to indemnities paid by Cogedim to the vendors of land at the time of the signature of sale contracts as part of its development business. They are offset against the price to be paid on completion of the purchase.

MISCELLANEOUS AMOUNTS PAYABLE

The "Miscellaneous amounts payable" heading mainly includes bonuses to be received from delegated project management activities.

Trade payables and other accounts payable

In € thousand	31/12/2009	31/12/2008
Trade payables	204,729	238,068
TRADE PAYABLES	**204,729**	**238,068**
VAT collected	53,495	76,472
Other tax and social security payables	23,651	26,685
Trade receivables – advances	143,071	121,726
Advances and downpayments received	18,603	12,873
Other payables	30,055	27,440
Principal accounts in credit	9,841	9,190
OTHER TRADE PAYABLES	**278,714**	**274,386**
Amounts payable on non-current assets	123,439	109,494
TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE	**606,882**	**621,947**

TRADE RECEIVABLES – ADVANCES

Trade receivables – advances represent the excess of amounts received from trade customers, inclusive of taxes, over the revenue recognised on a percentage-of-completion basis, inclusive of taxes.

ADVANCES AND DOWNPAYMENTS RECEIVED

This heading includes mainly indemnities received on off-plan sales in the development business and contractual advances paid by tenants of shopping centres under development in Italy.

PAYABLES ON ACQUISITION OF ASSETS

Payables on acquisition of assets correspond mainly to debts to suppliers for shopping centres under development and in construction.

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

Share capital

In number of shares and euros	Number of shares	Nominal amount	Issued capital
NUMBER OF FREE SHARES OUTSTANDING AT 1 JANUARY 2008	**7,961,047**	**15.28**	**121,651,945**
Net issue of shares as part of the merger with Altafinance [1]	35,000	15.28	534,832
Reclassification as share capital [2]	-		1,000
Capital increases [3]	2,203,044	15.28	33,662,511
NUMBER OF FREE SHARES OUTSTANDING AT 31 DECEMBER 2008	**10,199,091**	**15.28**	**155,850,288**
Issue of shares in payment for the injection of Foncière Altarea shares [4]	31,850	15.28	486,668
Cancellation of treasury shares [5]	(52,124)	15.28	(796,454)
NUMBER OF FREE SHARES OUTSTANDING AT 31 DECEMBER 2009	**10,178,817**	**15.28**	**155,540,502**

(1) Issue of 5,707,453 shares in payment for the transfer to Altarea SCA of Altafinance (whose assets consist mainly of 5,707,453 Altarea SCA shares) and the cancellation of 5,672,453 of the resulting treasury shares.

(2) The general partner's share was previously accounted for under the share premium account.

(3) Capital increase made in July 2008.

(4) Issue of 31,850 Altarea SCA shares in payment for the transfer to Altarea SCA of 2,620 Foncière Altarea shares by Jouffroy 2 (management decision of 26 June 2009).

(5) Cancellation of 52,124 treasury shares (management decision of 26 June 2009).

Owing to the reverse acquisition between Imaffine and Altarea on 24 December 2004, the share capital presented in the consolidated balance sheet is the share capital of what was, from a legal standpoint, the absorbed entity in that transaction.

Capital management

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

The Group measures its capital in terms of net asset value (NAV) including unrealised gains and loan-to-value (LTV) ratio.

The Group's objective is an LTV ratio of less than 55%. Banking covenants on corporate loans require an LTV ratio of less than 65%.

Share-based payments

3 new free share allocation plans were introduced over the course of the year.

The gross cost recorded on the income statement for share-based payments was €8.2 million in 2009, compared to €7.4 million in 2008.

ASSUMPTIONS USED TO VALUE THE PLANS

	31/12/2009	31/12/2008
Expected dividend payout rate	2.00%	2.00%
Expected volatility	16% to 48%	16% to 48%
Risk-free interest rate	1.5% to 4.9%	2.6% to 4.9%
Model used	Cox Ross Rubinstein binomial model	

STOCK OPTION PLAN

Stock option plan	Number of options attributed	Number of beneficiaries on date of attribution	Option strike price (€)	Exercise dates	Options outstanding at 31/12/2008	Attribution	Options exercised	Options cancelled	Options outstanding at 31/12/2009
Stock option plans on Altarea shares									
23 November 2004	9,240	1	32.90	23/11/2008 - 23/11/2011	9,240		(9,240)		0
Additional options - capital increase	2,640	1	170.00	23/11/2008 - 23/11/2011	2,640				2,640
4 January 2005	28,500	1	38.25	04/01/2009 - 04/01/2012	3,000		(3,000)		0
Additional options - capital increase	857	1	170.00	04/01/2009 - 04/01/2012	857				857
13 March 2006	1,950	6	119.02	13/03/2010 - 13/03/2013	1,750			(800)	950
Additional options - capital increase	557	6	170.00	13/03/2010 - 13/03/2013	500			(230)	270
30 January 2007	3,800	14	175.81	30/01/2011 - 30/01/2014	2,600			(1)	1,450
Additional options - capital increase	1,086	14	170.00	30/01/2011 - 30/01/2014	742			(330)	412
TOTAL	**48,630**				**21,329**	**0**	**(12,240)**	**(2,510)**	**6,579**

SHARE SUBSCRIPTION WARRANTS

Share subscription warrants	Number of options attributed	Number of beneficiaries on date of attribution	Option strike price (€)	Exercise dates	Warrants outstanding at 31/12/2008	Attribution	Warrants exercised	Warrants cancelled	Warrants outstanding at 31/12/2009
24 December 2007	65,000 [1]	1	275.00	01/01/2011 - 31/01/2011	65,000				65,000
TOTAL	**65,000**	**1**			**65,000**	**0**	**0**	**0**	**65,000**

(1) Holders subscribed to these warrants at a unit price of €10, representing a total amount of €650,000.

STOCK GRANT AWARDS

Free allocation of existing shares	Number of rights awarded	Number of beneficiaries on date of attribution	Attribution dates	Rights in issue at 31 December 2008	Attri-bution	Auto-matic capital adjust-ment	Rights exercised	Rights cancelled [3]	Rights in issue at 31 December 2009
Stock grant plans on Altarea shares									
30 January 2007	19,540	102	30 July 2009	20,921			(20,237)	(684)	0
23 July 2007	16,525	626	23 July 2009	15,935			(14,583)	(1,352)	0
23 July 2007	3,350 [1]	21	23 July 2009	4,848			(3,343)	(1,505)	0
23 July 2007	330	10	23 July 2009	370			(201)	(169)	0
23 July 2007	62,500 [1]	46	31 March 2010	68,933				(45,046)	23,887
22 July 2008	25,490	208	22 July 2010	25,490				(2,265)	23,225
22 July 2008	7,900 [1]	8	22 July 2010	7,900				(5,140)	2,760
26 September 2008	14,128 [2]	16	27 September 2008	14,128				-	14,128
18 December 2008	12,932	66	18 December 2010	12,932				(486)	12,446
31 December 2008	6,100	2	31 December 2010	6,100					6,100
31 December 2008	2,500	1	30 September 2011	2,500					2,500
31 December 2008	3,000 [1]	1	31 December 2010	3,000					3,000
17 July 2009	17,680	659	17 July 2011		17,680			(575)	17,105
17 July 2009	10,000	1	17 July 2010		10,000				10,000
15 September 2009	11,000	2	15 September 2011		11,000				11,000
TOTAL	**212,975**			**183,057**	**38,680**	**0**	**(38,364)**	**(57,222)**	**126,151**

(1) Attribution of rights is conditioned by the respect of performance conditions which are assumed to have been met.

(2) If rights have been acquired at the time of attribution, additional employment conditions apply.

(3) Rights cancelled for reasons of departure or due to lack of certainty on performance conditions being met.

EMPLOYEE INVESTMENT MUTUAL FUND (FCPE)

Employee investment mutual fund (FCPE)	Number of shares	Number of beneficiaries	Subscription price (€)	End of the lock-up period
Fund invested in Altarea shares				
24 June 2005	6,740	106	77.47	24/06/2010
13 March 2006	5,000	184	95.22	13/03/2011
10 July 2007	3,318	158	140.65	10/07/2012
24 December 2007	4,350	420	165.15	24/12/2012
TOTAL	**19,408**	**868**		

Treasury shares

The acquisition cost of treasury shares was €6,043 thousand at 31 December 2009 for 48,701 shares, compared with €11,739 thousand at 31 December 2008 for 106,632 shares.

The acquisition cost and the proceeds from sales of treasury shares are recognised in equity.

A net loss on sales of treasury shares was recognised directly in equity for a gross amount of €8,441 thousand at 31 December 2009 (€5,537 thousand net of tax).

The acquisition cost of treasury shares sold net of acquisitions was recorded directly in equity for a total of €5,696 thousand.

Lastly, the cancellation of 52,124 treasury shares on 26 June 2009 resulted in a balancing reduction in share capital and issue premium of €1,985 thousand, without any impact on the Group's equity as these shares had previously been neutralised.

3.2.13.9. Financial liabilities

Current and non-current borrowings and financial liabilities

In € thousand	Financial liabilities guaranteed by shareholders	Participating loan	Borrowings from lending establishments	Leasing debts	Borrowings from lending establishments	Bank overdrafts	Borrowings and financial debt from lending establishments (1)	Borrowings and bank liabilities matching VAT receivables	Current accounts	Other financial debt	Total borrowings and financial debt excluding interest and overdraft (1)	Bank overdraft (cash liabilities)	Accrued interest on borrowings from lending establishments	Accrued interest on other debts	Total borrowings and financial debts
AT 1 JANUARY 2008	**232,030**	**24,888**	**1,690,182**	**4,560**	**1,694,742**	**227,619**	**1,922,361**	**3,319**	**23,884**	**70**	**2,206,553**	**10,164**	**15,046**	**1,360**	**2,233,123**
Increase	-	672	557,151	-	557,151	-	557,151	12,798	20,519	110	591,251	-	4,439	2,183	597,872
Discounting	3,294				-	-	-	-		-	3,294	-	-	-	3,294
Decrease	(235,324)	(718)	(257,367)	(553)	(257,919)	(39,079)	(296)	(3,944)	(7,444)	(100)	(544,527)	(4,542)	(3,862)	-	(552,930)
Reclassifications	-	-	3,191	-	3,191	(4,776)	(1,585)	-	(4,552)	-	(6,137)	(840)	1,573	-	(5,403)
Change of accounting method	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Spreading of issue costs	-	-	951	-	951	-	951	-		-	951	-	-	-	951
Change in scope of consolidation	-	-	-	-	-	-	-	-	3,517	-	3,517	(6)	(0)	-	3,511
AT 31 DECEMBER 2008	**-**	**24,843**	**1,994,109**	**4,007**	**1,998,116**	**183,764**	**2,181,880**	**12,173**	**35,925**	**81**	**2,254,902**	**4,778**	**17,196**	**3,543**	**2,280,419**
Increase	-	-	423,495	47,062	470,556	74,287	544,844	5,845	1,600	43	552,332	2,640	1,344	1,439	557,755
Discounting/Unwinding of discounting	-	-			-	-	-	-	-	-	-	-	-	-	-
Decrease	-	(61)	(329,008)	(2,501)	(331,509)	(130,482)	(461,992)	(10,217)	(3,766)	-	(476,036)	-	(12,912)	(1,043)	(489,992)
Reclassifications	-	-	(4,605)	607	(3,999)	4,418	420	-	(9,218)	-	(8,798)	-	-	-	(8,798)
Spreading of issue costs	-	-	2,329	-	2,329	-	2,329	-	-	-	2,329	-	-	-	2,329
Change in scope of consolidation	-	-	38	-	38	-	38	-	655	-	693	(48)	0	-	645
AT 31 DECEMBER 2009	**-**	**24,781**	**2,086,357**	**49,175**	**2,135,532**	**131,987**	**2,267,518**	**7,802**	**25,196**	**124**	**2,325,421**	**7,369**	**5,628**	**3,940**	**2,342,358**
▸ of which non-current at 31 December 2008	-	24,843	1,946,660	3,395	1,950,055	83,544	2,033,598	10,957	27,716	81	2,097,195	-	-	-	2,097,195
▸ of which non-current at 31 December 2009	-	24,781	2,014,486	47,466	2,061,952	69,931	2,131,883	5,593	21,614	124	2,183,995	-	-	-	2,183,995
▸ of which current at 31 December 2008	-	-	47,449	613	48,062	100,220	148,282	1,216	8,209	-	157,707	4,778	17,196	3,543	183,224
▸ of which current at 31 December 2009	-	-	71,871	1,708	73,579	62,056	135,635	2,209	3,582	-	141,426	7,369	5,628	3,940	158,362

(1) excluding accrued interest presented in a separate column on the right-hand side of the table.

BORROWINGS FROM CREDIT INSTITUTIONS

Over the course of 2009, the main changes in borrowings were:

- financing of the Kremlin-Bicêtre, Carré de Soie and Mulhouse projects in France resulted in drawings of €53.2 million, €24.0 million and €10.8 million respectively over the year, taking total borrowings to €124.1 million, €57.1 million and €42.4 million respectively;
- the refinancing by lease of the Guipavas (Brest) project was subscribed for €48 million, partly repayable in quarterly instalments between July 2009 and July 2021 with the balance (€20 million tranche) to be repaid in a single payment on 21 July 2021;
- a loan of €12 million was taken out to finance the Crèches-sur-Saône project, repayable in fixed quarterly instalments between October 2009 and July 2024;
- a loan of €90 million, of which €42 million was drawn down during the period, was taken out to finance the Stezzano programme in Italy;
- the B tranche of the IXIS loan taken out by the parent company, Altarea SCA, was drawn down (in the amount of €250 million) and then repaid (in the amount of €246 million) taking the outstanding amount to €625.3 million;
- following the restructuring of the debt as part of a renegotiation of covenants, partial early repayment of €50 million was made on the loan for the acquisition of Cogedim in the first half. (see note 13.13. – § *Liquidity risk*)

During 2008, increases and decreases in loans related primarily to:

- additional drawing on the IXIS loan of €61.4 million, taking the outstanding amount to €624 million;
- a first mortgage loan of €45 million with pledge of ownership units, on which €45 million was drawn during the period, to finance the acquisition of the Gennevilliers Espace Chanteraines shopping centre;
- a first mortgage loan of €100 million with pledge of ownership units, on which €53.1 million was drawn during the period, to finance the Kremlin-Bicêtre shopping centre programme;
- a first mortgage loan of €75 million with pledge of ownership units, on which €20.4 million was drawn during the period, to finance the Kremlin-Bicêtre business centre programme;
- a first mortgage loan of €35 million with pledge of ownership units, on which €27.8 million was drawn during the period, to finance the Aubette programme in Strasbourg (including €2.9 million in liabilities matching VAT receivables);
- a mortgage loan of €17 million, fully drawn down over the period, €8 million of which was devoted to the repayment of the previous loan to finance the Eulalie programme in Bordeaux;
- a first mortgage loan of €42.9 million with pledge of ownership units arranged in 2007, on which €21.2 million was drawn during the period, to finance the Porte Jeune programme in Mulhouse;
- a first mortgage loan of €58.2 million (proportionately consolidated amount) with pledge of ownership units arranged in 2007, €27.6 million of which (proportionately consolidated amount) was drawn down to finance the Lyon Carré de Soie programme (including €4.8 million in liabilities matching VAT receivables);
- following the sale of assets held by SCI Troyenne in late December 2008, the outstanding balance of the loan of €3.52 million was repaid early;
- two VAT credit repayments were made during the financial year in an amount of €1.3 million for the Aubette programme in Strasbourg and €2.2 million for the Lyon Carré de Soie programme respectively;
- on 17 October 2008 and 21 November 2008, a €32 million loan (€10 million, then €22 million) was arranged with ING Real Estate as financing for the Pinerolo project (Piedmont);
- during 2008, an additional €7.2 million was drawn down for the Ragusa centre, €6 million of which was for liabilities matching VAT receivables (€5.6 million in non-current borrowings and €0.4 million in borrowings due in less than one year).

BANK FACILITIES (LIABILITIES)

Bank financing for development transactions is set up by arranging a credit facility with an authorised overdraft ceiling for a given period (generally for duration of the construction work); these facilities are classified as due in less than or more than one year depending on the expiry date; they are guaranteed by mortgage commitments on the assets and undertakings not to sell or assign the ownership units.

During 2009, the €51.8 million reduction in this heading was due to the completion of major property development for third party programmes (primarily Lyon La Buire, Bagneux Porte Sud and Londes Les Maures).

FINANCIAL LIABILITIES GUARANTEED BY SHAREHOLDERS

The debt with Natixis for the acquisition of Cogedim was fully repaid during 2008, following the capital increase by Altarea SCA on 8 July 2008.

PARTICIPATING LOANS

Participating loans remained stable; they represent the share of minority associates or stable partners in the financing of fully consolidated projects, most notably Kremlin-Bicêtre, Aubette and Mulhouse for CDC.

CURRENT ACCOUNTS

These are advances and current accounts made as a normal part of business by associates in subsidiaries of the Company which house shopping centres under development or in operation together with programmes relating to property development for third parties.

Net financial debt

In € thousand	Borrowings and financial liabilities vis-à-vis credit institutions	Accrued interest on borrowings from lending establishments	Bank borrowings excluding cash liabilities and debts backed by VAT receivables	Cash and cash equivalents (balance sheet)	Bank facilities (overdrafts)	Net cash	Bank borrowings excluding debts backed by VAT receivables	Borrowings and bank liabilities backed by VAT receivables	Bank borrowings including debts backed by VAT receivables	Participating loan	Current accounts	Other financial liabilities	Accrued interest on other debt	Net financial debt
Cash assets			-	(295,891)		(295,891)	(295,891)		(295,891)					(295,891)
Non-current financial liabilities	2,033,598		2,033,598			-	2,033,598	10,957	2,044,556	24,843	27,716	81		2,097,195
Current financial liabilities	148,282	17,196	165,478		4,778	4,778	170,256	1,216	171,472	-	8,208	-	3,543	183,223
AT 31 DECEMBER 2008	**2,181,880**	**17,196**	**2,199,077**	**(295,891)**	**4,778**	**(291,114)**	**1,907,963**	**12,173**	**1,920,136**	**24,843**	**35,925**	**81**	**3,543**	**1,984,528**
Cash assets			-	(216,835)		(216,835)	(216,835)		(216,835)					(216,835)
Non-current financial liabilities	2,131,883		2,131,883			-	2,131,883	5,593	2,137,476	24,781	21,614	124		2,183,995
Current financial liabilities	135,635	5,628	141,263		7,369	7,369	148,632	2,209	150,841	-	3,582	-	3,940	158,362
AT 31 DECEMBER 2009	**2,267,518**	**5,628**	**2,273,146**	**(216,835)**	**7,369**	**(209,466)**	**2,063,680**	**7,802**	**2,071,482**	**24,781**	**25,196**	**124**	**3,940**	**2,125,522**

Outstanding maturity of borrowings and liabilities vis-à-vis credit institutions

Borrowings and other liabilities to lending establishments correspond to gross bank debts set out in the table above and therefore include cash liabilities and debts backed by VAT receivables.

AT 31 DECEMBER 2009

In € thousand	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	2 years	3 years	4 years	5 years	Over 5 years	IAS 32-39	31/12/2009
Gross bank debt	22,978	67,618	16,586	44,214	49,917	151,158	362,099	245,534	1,345,298	(17,085)	2,288,317

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The IAS 32 39 column shows the balance of debt issuance costs not yet amortised under the amortised cost method. Trends in exchange rates have not required a change in the calculation of the effective interest rate.

AT 31 DECEMBER 2008

In € thousand	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	2 years	3 years	4 years	5 years	Over 5 years	IAS 32-39	31/12/2008
Gross bank debt	33,289	62,052	45,967	30,304	73,806	40,687	126,841	409,277	1,410,535	(16,731)	2,216,027

Breakdown of borrowings and liabilities vis-à-vis credit institutions by guarantee

AT 31 DECEMBER 2009

In € thousand	Mortgages	Mortgage commitments	Money-lender lien	Mortgage without real collateral	Solidarity guarantee by Altarea SCA	Exclusive guarantees through transfers of tax receivables	Not guaranteed	Total
Gross bank debt	1,432,102	96,127	5,202	612,000	101,364	7,802	33,720	2,288,317

Mortgages without real collateral are backed by securities, including €362 million on shares in Foncière Altarea given as security against the Ixis tranche B loan and €250 million on shares in Cogedim given as security on the loan taken out for the acquisition of Cogedim, which is also backed by a solidarity guarantee from Altarea SCA.

AT 31 DECEMBER 2008

In € thousand	Mortgages	Mortgage commitments	Money-lender lien	Mortgage without real collateral	Solidarity guarantee by Altarea SCA	Exclusive guarantees through transfers of tax receivables	Not guaranteed	Total
Gross bank debt	1,151,866	142,388	63,127	658,000	100,000	5,365	95,281	2,216,027

Breakdown of borrowings and liabilities vis-à-vis credit institutions by interest rate

AT 31 DECEMBER 2009

In € thousand	Rate floating	Rate fixed	Total
Gross bank debt	2,288,317	-	2,288,317

Virtually all of the Group's debt bears interest at floating rates linked to 3-month Euribor.

AT 31 DECEMBER 2008

In € thousand	Rate floating	Rate fixed	Total
Gross bank debt	2,214,522	1,505	2,216,027

Average cost of debt

The average cost of debt was 4.21% in 2009 from 4.68% in 2008.

Schedule of future interest expenses

These future interest expenses relate to borrowings from lending establishments, including interest flows on financial instruments calculated using forecast interest rate curves as at the closing date.

AT 31 DECEMBER 2009

In € thousand	less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	2 years	3 years	4 years	5 years
Future interest expenses	22,645	23,275	23,470	23,506	93,346	93,792	80,284	67,852

AT 31 DECEMBER 2008

In € thousand	less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	2 years	3 years	4 years	5 years
Future interest expenses	23,721	23,783	23,371	23,206	90,518	88,827	86,273	73,761

3.2.13.10. Pension obligations

At 31 December 2009 and 31 December 2008, the Group engaged an outside actuary to calculate the post-employment benefits of employees.

Weighted-average assumptions used to calculate pension expense

	2009	2008
Age at retirement	65 years old	65 years old
Discount rate	4.85%	5.76%
Expected return on investments	4.24%	4.24%
Average rate of salary increase	3% to 6%	3% to 6%
Altarea France employee turnover	5.75%	6.77%
Altarea Italy employee turnover	4.00%	4.00%
Cogedim employee turnover	5.17%	5.00%

The discount rate used is equivalent to the iboxx rate (rate of return on AA-rated euro zone corporate bonds with a residual life of more than 10 years). The restated iboxx rate (including only senior debt elements) at 31 December 2009 was 4.85% (4.89% before restatement). This rate is comparable to that used in 2008, which also included only senior debt elements.

The expected return on investments of 4.24% corresponds to the average annual return over the last three years of the insurance policy taken out.

A change of plus or minus 25 basis points in the discount rate would not have a significant effect on the obligations or expenses for the period.

A change of plus or minus 25 basis points in the expected investment return would not have a significant effect on the value of plan assets.

Trends in retirement obligations

In € thousand	2009	2008
GROSS LIABILITY AT BEGINNING OF THE YEAR	**5,840**	**6,020**
Rights vested during the year	484	496
Interest expense	283	365
Service cost	(1,363)	(186)
Transfer	6	6
‣ Actuarial differences observed	(163)	(801)
‣ Actuarial differences assumed	384	(60)
Actuarial differences	221	(860)
GROSS LIABILITY AT END OF THE YEAR (A)	**5,471**	**5,840**
PLAN ASSETS AT BEGINNING OF THE YEAR	**2,316**	**2,138**
Employer contributions	-	
Withdrawal of funds for payment purposes	(1,012)	(248)
Return on assets	87	426
Actuarial differences	11	
PLAN ASSETS AT END OF THE YEAR (B)	**1,402**	**2,316**
NET PROVISIONS AT BEGINNING OF THE YEAR	**3,524**	**3,882**
NET PROVISIONS AT END OF THE YEAR (A)-(B)	**4,070**	**3,524**
(EXPENSE)/INCOME FOR THE PERIOD	**(546)**	**358**

The figure for actuarial differences observed in accounts to 31 December 2008 relates primarily to the impact on the obligation of the employment protection plan introduced in 2008 in the Property development for third parties division.

Breakdown of the provision

In € thousand	2009	2008
Current value of unfunded obligation	1,097	1,215
Current value of funded obligation	4,374	4,626
Market value of invested assets	(1,402)	(2,316)
DEFICIT	**4,070**	**3,524**
Unrecognised past service costs		
PROVISIONS ESTABLISHED AT END OF THE YEAR	**4,070**	**3,524**

Historical obligation data

In € thousand	2009	2008	2007	2006
Obligation	5,471	5,840	6,020	528
Financial assets	(1,402)	(2,316)	(2,138)	
FINANCIAL COVER	**4,070**	**3,524**	**3,882**	**528**
Actuarial (losses) and gains recognised in profit and loss on obligation	221	(860)	252	
Actuarial (losses) and gains recognised in profit and loss on assets	(11)	-	-	

Detail of invested assets

In € thousand	2009	2008
Cash	5	11
Equities	87	177
Government bonds	701	1,430
Corporate bonds	24	48
Real estate	62	125
Insurance policies	523	524
DETAIL OF INVESTED ASSETS	**1,402**	**2,316**

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

Projected future cash outflows

In € thousand

2010	2011	2012	2013	2014	Beyond	Total
393	250	30	511	481	25,684	27,350

3.2.13.11. Other provisions

Other non-current provisions

Breakdown by category *In € thousand*	Provisions for litigation	Provisions for liabilities	Provisions for expenses	Tax provisions	Total
AT 1 JANUARY 2008	**4,022**	**8,328**	**-**	**178**	**12,527**
Increases	2,103	956	3,250	18	6,326
Reversals utilised	(296)	(124)	(153)	-	(573)
Reversals of unused provisions	(378)	(2,054)	-	-	(2,432)
Transfers to another heading	(526)	502	-	(4)	(28)
Change in scope of consolidation	(103)	-	153	-	50
AT 31 DECEMBER 2008	**4,822**	**7,607**	**3,250**	**191**	**15,871**
Increases	814	3,566	-	-	4,380
Reversals utilised	(543)	(1,368)	-	(18)	(1,928)
Reversals of unused provisions	(587)	(30)	-	-	(617)
Transfers to another heading	75	1,733	(3,250)	-	(1,442)
Change in scope of consolidation	(40)	21	-	(24)	(42)
AT 31 DECEMBER 2009	**4,542**	**11,530**	**-**	**150**	**16,222**

PROVISIONS FOR LITIGATION

Provisions for litigation cover mainly disputes with clients or suppliers. There are no significant individual claims.

PROVISIONS FOR LIABILITIES

Provisions for liabilities cover mainly the risk of disputes arising from construction operations, the risk of the failure of certain partners and miscellaneous other risks.

The reclassification of €1,733 thousand corresponds mainly to a provision for negative net assets of certain associate undertakings (see note 13.4.1 - Investment in associates).

The reclassification of an amount of €3,350 thousand corresponds to the transfer to assets of a provision for a loss on completion of a programme under development.

Other current provisions

Breakdown by category *In € thousand*	Provisions for litigation with suppliers	Provisions for loss to completion	Provisions for expenses	Provisions for liabilities	Total
AT 1 JANUARY 2008	**130**	**261**	**-**	**-**	**391**
Increases	108	205	400	6,524	7,236
Reversals utilised	(391)	-	-	-	(391)
Transfers to another heading	261	(261)	-	-	-
AT 31 DECEMBER 2008	**108**	**205**	**400**	**6,524**	**7,236**
Increases	-	-	-	-	-
Reversals utilised	-	-	(190)	(6,210)	(6,400)
Reversals of unused provisions	-	-	(210)	(67)	(277)
Transfers to another heading	(108)	-	-	(247)	(354)
AT 31 DECEMBER 2009	**-**	**205**	**-**	**-**	**205**

The reversal of €6,210 thousand was the sum of a reversal of €4,658 thousand in provisions to cover the cost of the employment protection plan introduced at the end of 2008 in the Property development for third parties division (matching the costs of this plan in 2009) and a €1,552 thousand utilised share of a provision created at the time of a tax inspection.

A €400,000 provision for office refurbishment costs was fully reversed over the period.

3.2.13.12. Deposits and security interests received

In € thousand	Deposits and security interests received
AT 1 JANUARY 2008	**20,007**
Changes	2,982
AT 31 DECEMBER 2008	**22,989**
Changes	2,284
AT 31 DECEMBER 2009	**25,273**

Deposits and security interest received relate to the deposits and security interests paid by tenants of shopping centres against future rent. Also included in this item are funds received from tenants as advances on service charges.

3.2.13.13. Financial instruments and market risks

As part of its operational and financing activities, the Group is exposed to the following risks: interest rate risk, liquidity risk, counterparty risk, currency risk.

To reduce and manage its exposure to changes in interest rates, Altarea uses derivatives accounted for at fair value.

Financial instruments by category

AT 31 DECEMBER 2009

	31/12/2009				
In € thousand	**Total carrying amount**	**Other liabilities**	**Assets available for sale**	**Assets and liabilities at fair value through profit and loss**	**Loans and advances**
NON-CURRENT ASSETS					
Investments in associated companies and other investments	68,296	-	68,296	-	-
Receivables and other non-current investments	14,841	-	-	-	14,841
CURRENT ASSETS					
Trade and other receivables	329,170	-	-	-	329,170
Receivables and other short-term investments	8,062	-	-	-	8,062
Derivative financial instruments	3,930	-	-	3,930	-
Cash and cash equivalents	216,835	-	-	137,430	79,405
NON-CURRENT LIABILITIES					
Borrowings and financial liabilities	2,183,995	2,183,995	-	-	-
▸ of which participating loan	24,781	24,781	-	-	-
▸ of which borrowings and financial liabilities vis-à-vis credit institutions	2,131,883	2,131,883	-	-	-
▸ of which borrowings and bank liabilities matching VAT receivables	5,593	5,593	-	-	-
▸ of which other borrowings and debt	21,738	21,738	-	-	-
Deposits and security interests received	25,273	25,273	-	-	-
CURRENT LIABILITIES					
Borrowings and financial liabilities	158,362	158,362	-	-	-
▸ of which borrowings from credit institutions (excluding overdrafts)	141,263	141,263	-	-	-
▸ of which borrowings and bank liabilities matching VAT receivables	2,209	2,209	-	-	-
▸ of which bank overdrafts	7,369	7,369	-	-	-
▸ of which other borrowings and financial liabilities	7,522	7,522	-	-	-
Derivative financial instruments	117,873	-	-	117,873	-
Trade payables and other accounts payable	606,882	606,882	-	-	-
Amounts due to shareholders	10	-	-	-	10

AT 31 DECEMBER 2008

	31/12/2008				
In € thousand	**Total carrying amount**	**Other liabilities**	**Assets available for sale**	**Assets and liabilities at fair value through profit and loss**	**Loans and advances**
NON-CURRENT ASSETS					
Investments in associated companies and other investments	68,863	-	68,863	-	0
Receivables and other non-current investments	25,817	-	-	-	25,817
CURRENT ASSETS					
Trade and other receivables	380,809	-	-	-	380,809
Receivables and other short-term investments	1,595	-	-	156	1,439
Derivative financial instruments	5,404	-	-	5,404	-
Cash and cash equivalents	295,891	-	-	219,198	76,693
NON-CURRENT LIABILITIES					
Borrowings and financial liabilities	2,097,195	2,097,195	-	-	-
‣ of which participating loan	24,843	24,843	-	-	-
‣ of which borrowings and financial liabilities vis-à-vis credit institutions	2,033,598	2,033,598	-	-	-
‣ of which borrowings and bank liabilities matching VAT receivables	10,957	10,957	-	-	-
‣ of which other borrowings and debt	27,796	27,796	-	-	-
Deposits and security interests received	22,989	22,989	-	-	-
CURRENT LIABILITIES					
Borrowings and financial liabilities	183,223	183,223	-	-	-
‣ of which borrowings from credit institutions (excluding overdrafts)	165,478	165,478	-	-	-
‣ of which borrowings and bank liabilities matching VAT receivables	1,216	1,216	-	-	-
‣ of which bank overdrafts	4,778	4,778	-	-	-
‣ of which other borrowings and financial liabilities	11,751	11,751	-	-	-
Derivative financial instruments	82,242	-	-	82,242	-
Trade payables and other accounts payable	621,947	621,947	-	-	-

Marking to fair value of borrowings and financial liabilities

	Carrying amount		Fair value	
In € thousand	31/12/2009	31/12/2008	31/12/2009	31/12/2008
FINANCIAL ASSETS				
Receivables and other short-term investments	8,062	1,595	8,062	1,595
Derivative financial instruments	3,930	5,404	3,930	5,404
Cash and cash equivalents	216,835	295,891	216,835	295,891
FINANCIAL LIABILITIES				
Financial liabilities guaranteed by shareholders	0	0	0	0
Participating loan	24,781	24,843	24,781	24,843
Borrowings and financial liabilities vis-à-vis credit institutions	2,288,317	2,216,028	2,305,401	2,232,866
‣ of which fixed-rate borrowings		1,505		1,504
‣ of which floating-rate borrowings	2,288,317	2,214,523	2,305,401	2,231,362
Other borrowings and financial liabilities	29,260	39,548	29,260	39,548
Derivative financial instruments	117,873	82,242	117,873	82,242

Position in derivative financial instruments

	At 31 December 2009		At 31 December 2008	
In € thousand	Assets	Liabilities	Assets	Liabilities
Interest-rate swaps	8	110,553	4,377	75,949
Interest-rate collars	-	7,321	-	6,293
Interest-rate caps	3,922	-	1,027	-
TOTAL	**3,930**	**117,873**	**5,404**	**82,242**

Maturity of derivative financial instruments (notional amounts)

AT 31 DECEMBER 2009

In € thousand	December 2009	December 2010	December 2011	December 2012	December 2013	December 2014
Altarea - pay fixed - swap	1,568,533	1,583,641	1,688,785	1,537,389	1,036,589	853,507
Altarea - pay fixed - collar	61,054	109,446	57,704	55,560	-	-
Altarea - pay fixed - cap	627,421	432,840	310,949	263,248	259,838	38,869
TOTAL	**2,257,008**	**2,125,927**	**2,057,439**	**1,856,197**	**1,296,427**	**892,376**
Average hedge ratio	3.94%	3.88%	3.91%	4.17%	4.22%	4.12%

At 31 December 2009, the notional amount of interest rate hedges stood at €2,257 million; in addition, Altarea holds deferred start hedges for a nominal amount of €540 million.

AT 31 DECEMBER 2008

In € thousand	December 2008	December 2009	December 2010	December 2011	December 2012	December 2013
Altarea - pay fixed - swap	1,898,113	1,859,633	1,760,338	1,632,222	1,481,554	981,554
Altarea - pay fixed - collar	62,260	61,054	59,446	57,704	55,560	-
Altarea - pay fixed - cap	193,750	162,850	29,100	29,100	29,100	29,100
TOTAL	**2,154,123**	**2,083,537**	**1,848,884**	**1,719,026**	**1,566,214**	**1,010,654**
Average hedge ratio	3.99%	4.07%	4.09%	4.14%	4.20%	4.27%

Interest rate risk

Altarea holds a portfolio of swaps, caps and collars designed to protect against interest rate risk on its floating rate debts.

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

Management position:

AT 31 DECEMBER 2009

In € thousand	December 2009	December 2010	December 2011	December 2012	December 2013	December 2014
Floating rate borrowings and bank loans	(2,288,317)	(2,136,921)	(2,087,004)	(1,935,847)	(1,573,747)	(1,328,214)
Net cash	209,466					
NET POSITION BEFORE HEDGING	**(2,078,850)**	**(2,136,921)**	**(2,087,004)**	**(1,935,847)**	**(1,573,747)**	**(1,328,214)**
Swaps	1,568,533	1,583,641	1,688,785	1,537,389	1,036,589	853,507
Collars	61,054	109,446	57,704	55,560	-	-
Caps	627,421	432,840	310,949	263,248	259,838	38,869
NET POSITION AFTER HEDGING	**178,157**	**(10,994)**	**(29,565)**	**(79,649)**	**(277,320)**	**(435,838)**

AT 31 DECEMBER 2008

In € thousand	December 2008	December 2009	December 2010	December 2011	December 2012	December 2013
Floating rate borrowings and bank loans	(2,214,523)	(2,001,753)	(1,925,230)	(1,883,305)	(1,638,486)	(1,380,287)
Net cash	291,256					
NET POSITION BEFORE HEDGING	**(1,923,267)**	**(2,001,753)**	**(1,925,230)**	**(1,883,305)**	**(1,638,486)**	**(1,380,287)**
Swaps	1,898,113	1,859,633	1,760,338	1,632,222	1,481,554	981,554
Collars	62,260	61,054	59,446	57,704	55,560	
Caps	193,750	162,850	29,100	29,100	29,100	29,100
NET POSITION AFTER HEDGING	**230,856**	**81,784**	**(76,346)**	**(164,279)**	**(72,272)**	**(369,633)**

ANALYSIS OF INTEREST-RATE SENSITIVITY

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit institutions and derivative instruments.

	Increase/Decrease in interest rates	Impact of the gain or loss on profit before tax
31 December 2009	+50	-€1.9 million
	-50	+€1.7 million
31 December 2008	+100	-€0.7 million
	-100	+€0.7 million

The following table shows the interest-rate risk sensitivity of the value of the portfolio of financial instruments:

	Increase/Decrease in interest rates	Impact on the value of the portfolio of financial instruments
31 December 2009	+50	+€41.4 million
	-50	-€45.9 million
31 December 2008	+100	+€87.8 million
	-100	-€86.1 million

Liquidity risk

CASH

The Group has cash on its balance sheet of €216.8 million, which represents the main tool for management of liquidity risk.

Part of this cash is classified as not available for the Group, but is available for those subsidiaries that carry it: at 31 December 2009, the amount of this restricted cash was €150 million including €117 million in the "Property development for third parties" division and €33 million in the property development and operations division.

At 31 December 2009, Altarea had €98 million of confirmed credit lines that had not been utilised and were not assigned to specific development projects.

BANKING COVENANTS

The main financial covenants to be satisfied relate to the credit facilities provided by Ixis CIB, the acquisition loan for Cogedim and, to a lesser extent, the loans obtained to finance shopping centres in operation or under development.

The covenants specific to the corporate loan of €726 million (of which €98 million has not been drawn down) are:

Principal covenants covering the Altarea Group

- Ratio of the Group's net debt to net asset value (consolidated Altarea LTV ratio) ≤ 65% (55.7% at 31 December 2009).
- Recurrent EBITDA of the segment/Net finance costs of the Company ≥ 2 (*Interest Cover Ratio* or consolidated Altarea ICR) (2.6 at 31 December 2009).

The covenants specific to the €250 million acquisition loan for Cogedim are as follows:

On 25 June 2009, Altarea signed a rider to the acquisition loan for Cogedim addressing the suspension of early redemption that could have been demanded by the banking pool in the event of a failure to satisfy covenants (agreement known as "arrangement commission").

Principal covenants covering the Altarea Group (in the process of renegotiation of covenants, these covenants are unchanged):

- Ratio of the Altarea's net debt to net asset value (consolidated Altarea LTV ratio) ≤ 65% (55.7% at 31 December 2009).
- Recurrent EBITDA of the segment/Net finance costs of Altarea ≥ 2 (consolidated Altarea ICR) (2.6 at 31 December 2009).

Principal covenants covering Cogedim

- Gearing: Ratio of net debt to EBITDA for Cogedim and its subsidiaries ≤ 5.75 (2.8 at 31 December 2009). As part of the renegotiation of covenants, up to 30 December 2011, a failure to meet this covenant will result only in the application of an increased interest rate rather than the mandatory repayment of the loan.
- ICR: EBITDA/Net finance costs for Cogedim and its subsidiaries ≥ 2 (5.0 at 31 December 2009). Under the renegotiation of covenants, up to 30 December 2011, the level of the ICR covenant is reduced to 1.3 from 2.
- DSCR: EBITDA/Debt servicing costs for Cogedim and its subsidiaries ≥ 1.1 (5.0 at 31 December 2009). Under the renegotiation of covenants, up to 30 December 2011, the level of this covenant is unchanged.

Covenants specific to the loans obtained to finance shopping centres in operation or under development

- DSCR = Net rental income of the Group/(net finance costs + principal repayment) > 1.10 or 1.15 (up to 1.20 on certain loans).
- LTV ratio in operation = Loan To Value ratio = Net debt of the Company/Net asset value of the Company < 75% (or 80% on certain loans).

At 31 December 2009, the Company met all its covenants. With this in mind, it is intended to repay €6.4 million in bank loans in Italy.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty. To curb this risk, the Group enters into hedging transactions only with the largest financial institutions.

Currency risk

Because the Group operates almost exclusively in the euro zone, it has not entered into any currency hedges.

3.2.14. INCOME STATEMENT

3.2.14.1. Net rental income

Net rental income was €140.8 million in 2009, versus €117.3 million in 2008. The increase was mainly due to shopping centres developed for Altarea's own account coming into operation in 2009, along with the full-year impact of centres that came into operation or that were acquired in 2008, and a 4% like-for-like increase in net rental income.

Contingent rental revenues

Contingent rental revenues represent variable rents indexed primarily to tenants' revenues. They totalled €1.3 million in 2009, up from €1.1 million in 2008, equal to around 1% of rental revenues in both periods.

Lease term - Group as Lessor

In € thousand	31/12/2009	31/12/2008
Less than one year	142,225	131,441
Between 1 and 5 years	309,665	313,822
Over 5 years	84,065	87,083
GUARANTEED MINIMUM RENT	**535,954**	**532,346**

3.2.14.2. Net property income

Net property income from recurring activities was €66.2 million in 2009, as opposed to €75.6 million in 2008. The fall in net property income from recurring activities resulted mainly from the fall in revenue recognised on a percentage-of-completion basis, following the slowdown in commercial business in the second half of 2008.

Net property income from non-recurring activities include off-plan sales relating to the development of shopping centres and the amortisation of customer relationships recognised on the Cogedim acquisition. In 2008, aside from these two items, net property income from non-recurring activities was affected by inventory impairments caused by the financial crisis and recession.

3.2.14.3. Net overhead costs

Net overhead costs relating to the Group's service providers totalled €35.3 million in 2009, down from €49.4 million in 2008

Before the amortisation of customer relationships recognised on the Cogedim acquisition, net overhead costs in 2009 amounted to €29.7 million versus €34.8 million in 2008. Overheads (staff costs and other expenses) fell due to the Group's cost-cutting efforts. However, the provision of external services also fell because incentive fees failed to match 2008 levels in office property.

3.2.14.4. Other items contributing to operating profit

Other

The €5.1 million increase in the "Other" item relative to 2008 was the result of exceptional items, such as the arrangement fee paid by Cogedim for the amendment to its acquisition loan, the initial management costs of Marriott and Eurosites for the Wagram complex and the costs of Altareit capital increase. It also resulted from the depreciation on companies operating the Wagram complex, which started operations in 2009.

In addition to these extraordinary or new factors, the "Other" item mainly consists of fees (legal and audit fees, stamp duties, dispute-related costs, shopping centre valuation fees etc.), advertising expenses (including spending on shopping centre launches that cannot be capitalised), taxes other than income tax, rental costs and bank charges, along with ancillary revenue (temporary rental income or cost reductions) among the Group's non-service companies.

Net gain/(loss) on sale of investment assets

Seven small commercial properties were sold in 2009 for a total consideration of €20.1 million, generating a disposal gain of €0.1 million.

In 2008, three properties were sold for a total consideration of €23.8 million, generating a disposal gain of €0.3 million.

Change in value of investment properties measured at fair value

The value of investment properties measured at fair value fell by €101.9 million in 2009.

Assets delivered during the financial year had a positive impact of €36.5 million on the change in value of investment property measured at fair value.

However, the overall negative figure was mainly due to the increase in capitalisation rates, reflecting market developments, partly offset by asset management and indexation effects.

Net impairment loss on investment properties measured at cost

The net impairment loss on investment properties measured at cost amounted to €36.2 million, corresponding to the impairment of land in Spain, impairment of shopping centres under construction, and the expensing of capitalised costs on abandoned development projects. To determine this figure, the values used exclude transfer duties of 6.2% in France, 4% in Italy and 1.5% in Spain.

In 2008, net impairment losses on properties under development totalled €17.5 million, mainly relating to the impairment of previously capitalised fees and interest expenses on Spanish development projects.

Net allowance to provisions

The positive net balance of €0.2 million results mainly from the release of €1.7 million of provisions related to a tax investigation, offset by an allowance of €1.5 million relating to a dispute concerning a shopping centre.

In 2008, the net allowance to provisions was €10.3 million, mainly due to the impact of the Cogedim redundancy plan (€4.9 million) and the recognition of a loss to completion on a shopping centre development project (€3.2 million).

Impairment of goodwill

There was no impairment of goodwill in 2009.

Impairment losses recorded during 2008 related to Cogedim (€223.3 million) and Altareit (€2 million).

Impairment of customer relationships

There was no impairment of customer relationships in 2009.

The impairment of customer relationships in 2008 (€91.5 million) derived principally from margin contraction, a higher cancellation rate and the discontinuation of certain developments.

3.2.14.5. Net cost of debt

In € thousand	31/12/2009	31/12/2008
Bank interest costs (overdrafts)	(988)	(511)
Bank interest costs (debt)	(3,713)	(5,295)
Interest costs on loans from credit institutions and current advances provided by external partners not capitalised	(38,381)	(89,891)
Non-use fees	(978)	(1,544)
Finance costs on swaps	(38,159)	(585)
Interest income from swaps	815	20,408
Net proceeds from the sale of marketable securities	1,462	2,235
Other financial income and expense	861	27
NET COST OF DEBT	**(79,082)**	**(75,158)**

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

In 2009, the net cost of debt of recurring activities (shopping centres in operation, property development for third parties) amounted to €72.9 million, compared with €67.7 million in 2008. This increase was partly the result of new shopping centres coming into operation in 2009 and the full-year effect of those that started operating in 2008.

In 2009, the net cost of debt for non-recurring activities was €6.2 million, including carrying costs for land in Spain, versus €7.4 million in 2008.

Capitalised finance costs

In € thousand	31/12/2009	31/12/2008
Capitalised finance costs	(20,808)	(29,694)

Capitalised finance costs relate only to companies carrying an asset under development (shopping centres and property development for third parties).

The capitalisation rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets corresponds to the interest rate on financing assigned specifically to asset development or, if there is no specific financing, to the average cost of debt borne by the Group and not assigned specifically to another purpose, which is roughly 4.3%.

3.2.14.6. Other components of profit before tax

The change in value of financial instruments and disposal gains/losses on these instruments led to a net charge of €53.3 million in 2009, as opposed to a net charge of €110.4 million in 2008. These figures reflect the aggregate changes in value of interest-rate hedging instruments used by the Group and amounts paid to restructure several hedging instruments.

The €0.7 million disposal loss on equity interests relates to the sale of units in a third-party development operation.

The Group's share of earnings from equity affiliates was €1.0 million in 2009 as opposed to a loss of €26.3 million in 2008, which included a €28.7 million of impairment on the Russian interest.

In 2008, the discounting of receivables and payables represented an expense of €3.5 million, relating to the effect of the debt incurred to acquire Cogedim. Since this debt was paid off in 2008, there was no material discounting effect in 2009.

3.2.15. INCOME TAXES

3.2.15.1. Income tax payable

In € thousand	31/12/2009	31/12/2008
Income tax due	3,582	1,891
‣ SIIC regime tax payable	528	640
‣ Non-SIIC regime tax due	3,054	1,251
NET CURRENT TAX LIABILITY	**3,582**	**1,891**

3.2.15.2. Income tax payable and due dates

In € thousand	2010	2011	2012
Tax due - SIIC regime	107	421	-
Tax due - non-SIIC regime	3,054	-	-
NET CURRENT TAX LIABILITY	**3,161**	**421**	**-**

3.2.15.3. Advance tax payments

In € thousand	31/12/2009	31/12/2008
Advance tax payments	1,833	5,728
‣ SIIC regime tax payable	850	1,023
‣ Non-SIIC regime tax due	982	4,706
NET ADVANCE TAX PAYMENTS	**1,833**	**5,728**

3.2.15.4. Analysis of tax expense

					Total	
	31/12/2009		31/12/2008		31/12/2009	31/12/2008
In € thousand	SIIC	Non-SIIC	SIIC	Non-SIIC		
Tax due	**(831)**	**(3,315)**	**(318)**	**(959)**	**(4,146)**	**(1,277)**
Recognition of tax losses and/or limitation of deferred tax	17	(14,733)		88,357	(14,716)	88,357
Valuation differences		4,595		43,845	4,595	43,845
Fair value of investment properties		7,571		12,228	7,571	12,228
Fair value of financial instruments		1,578	806	16,142	1,578	16,949
Other temporary differences	(1,612)	8,964	2,786	9,287	7,352	12,073
Deferred taxes	**(1,595)**	**7,974**	**3,592**	**169,860**	**6,379**	**173,452**
TOTAL TAX BENEFIT/(EXPENSE)	**(2,426)**	**4,659**	**3,274**	**168,902**	**2,234**	**172,176**

The tax expense of the SIIC sector corresponds to income tax incurred by companies with SIIC status in respect of their non-exempt activities.

Deferred tax on differences in the fair value of investment properties derive primarily from shopping centres outside France (outside the scope of the SIIC exemption).

Deferred tax relating to valuation differences corresponds mainly to the amortisation of customer relations recognised on the 2007 acquisition of Cogedim.

Deferred tax relating to tax losses relates mainly (€14 million) to the use of the tax loss recognised in 2008 in the "Property development for third parties" business.

3.2.15.5. Effective tax rate

	31/12/2009			31/12/2008		
In € thousand	SIIC	Non-SIIC	Total	SIIC	Non-SIIC	Total
Profit before tax of companies included in the consolidated financial statements	**(82,837)**	**(37,072)**	**(119,909)**	**(60,095)**	**(469,338)**	**(529,433)**
Tax rate in France	34.43%	34.43%	34.43%	34.43%	34.43%	34.43%
TAX AT STANDARD RATE	**28,521**	**12,764**	**41,285**	**20,691**	**161,593**	**182,284**
Permanent differences						
‣ Profits of companies with SIIC status	(21,178)	-	(21,178)	(16,213)	-	(16,213)
‣ Other	-	8,688	8,688	120,688	70,369	191,057
Loss carryforwards on tax losses before profit for the year	-	-	-	-	97,051	97,051
Loss carryforwards and other temporary differences not recognised as assets	(10,654)	(13,485)	(24,139)	(120,820)	(157,616)	(278,436)
Offset of prior losses not recognised as assets	952	28	980	-	298	298
Earnings taxable at a rate other than the standard rate	-	(2,022)	(2,022)	-	(2,794)	(2,794)
Other taxes	(66)	(1,313)	(1,380)	(1,072)	0	(1,071)
TAX AT STANDARD RATE	**(2,426)**	**4,659**	**2,234**	**3,274**	**168,902**	**172,176**
TAX AT REDUCED RATE	**-**	**-**	**-**	**-**	**-**	**-**
GROUP TAX SAVING/(EXPENSE)	**(2,426)**	**4,659**	**2,234**	**3,274**	**168,902**	**172,176**
EFFECTIVE TAX RATE	**-2.9%**	**12.6%**	**1.9%**	**5.4%**	**36.0%**	**32.5%**

For Group companies that have elected to adopt SIIC status, permanent differences correspond to profits that are not taxed by virtue of the SIIC exemption.

Tax incurred by the SIIC sector corresponds to current and deferred tax on the taxable activities of companies that have elected to adopt SIIC status.

At 31 December 2008, other permanent differences (outside the SIIC sector) primarily reflected the impairment of goodwill and investments in equity associates. In addition, a deferred tax gain of €97 million was recognised in respect of the tax losses generated at Cogedim SAS in the wake of the merger between Compagnie Altarea Habitation and Cogedim attributable to the impairment in Cogedim's value.

In 2009, €14 million of these tax losses were used, and the remainder unused at 31 December 2009 was €83 million. This deferred tax was measured on the basis of projections regarding recovery through taxable income in the "property development for third parties", updated by the Company on 31 December 2009, showing the Company's ability to use these losses within four years.

3.2.15.6. Deferred tax assets and liabilities

In € thousand	Recognition of tax losses and/or limitation of deferred tax	Valuation differences	Fair value of investment properties	Fair value of financial instruments	Other temporary differences	Total
At 1 JANUARY 2008	**(62)**	**(80,559)**	**(29,568)**	**(5,715)**	**(17,194)**	**(133,098)**
Expense (income) - SIIC	*-*	*-*	*-*	*806*	*2,786*	*3,592*
Expense (income) - non-SIIC	*88,357*	*43,845*	*12,228*	*16,142*	*9,287*	*169,860*
Expense (income) recognised in the income statement	88,357	43,845	12,228	16,949	12,073	173,452
Deferred taxes recognised in equity	-	-	-	-	(3,138)	(3,138)
Other changes	6,362	38	(0)	477	(6,876)	(0)
Change in scope of consolidation	-	(4,234)	(0)	(0)	192	(4,042)
AT 31 DECEMBER 2008	**94,657**	**(40,910)**	**(17,340)**	**11,710**	**(14,943)**	**33,174**
Expense (income) - SIIC	*17*	*-*	*-*	*-*	*(1,612)*	*(1,595)*
Expense (income) - non-SIIC	*(14,733)*	*4,595*	*7,571*	*1,578*	*8,964*	*7,974*
Expense (income) recognised in the income statement	(14,716)	4,595	7,571	1,578	7,352	6,379
Deferred taxes recognised in equity	-	-	-	(0)	83	83
Other changes	(372)	1,756	(0)	-	500	1,884
AT 31 DECEMBER 2009	**79,569**	**(34,559)**	**(9,770)**	**13,288**	**(7,008)**	**41,520**

In € thousand	Deferred tax asset	Deferred tax liability	Net deferred tax
AT 31 DECEMBER 2008	**63,682**	**30,508**	**33,174**
AT 31 DECEMBER 2009	**62,790**	**21,270**	**41,520**

Deferred taxes recognised in equity relate to the stock option and stock grant plans expensed under staff costs with a corresponding adjustment to equity in accordance with IFRS 2 and the cancellation of gains and losses arising on sales of treasury shares.

Deferred taxes relating to valuation differences correspond mainly to the amortisation of customer relations recognised on the 2007 acquisition of Cogedim.

Deferred taxes relating to tax losses correspond mainly to the remaining unused tax losses recognised in 2008 in the "Property development for third parties" segment.

3.2.16. INFORMATION ON THE CASH FLOW STATEMENT

3.2.16.1. Net cash and cash equivalents

In € thousand	Cash	Marketable securities	Total cash	Bank overdrafts	Cash and cash equivalents
AT 1 JANUARY 2008	**38,547**	**64,341**	**102,888**	**(10,164)**	**92,724**
Change during the period	26,511	154,623	181,134	4,542	185,676
Change in fair value	-	(10)	(10)	-	(10)
Reclassification	(851)	-	(851)	840	(12)
Change in scope (cash acquired minus cash divested)	12,488	243	12,730	6	12,736
AT 31 DECEMBER 2008	**76,693**	**219,198**	**295,891**	**(4,778)**	**291,114**
Change during the period	2,711	(81,572)	(78,861)	(2,591)	(81,452)
Change in fair value	-	(195)	(195)	-	(195)
Change in scope (cash acquired minus cash divested)	-	-	-	-	-
AT 31 DECEMBER 2009	**79,405**	**137,430**	**216,835**	**(7,369)**	**209,466**
Net change at 31 December 2008	38,147	154,857	193,003	5,387	198,390
Net change at 31 December 2009	2,711	(81,768)	(79,056)	(2,591)	(81,648)

Marketable securities, which consist of cash invested in money-market funds, are recognised at their market value at each accounts closing date.

3.2.16.2. Breakdown of changes in fair value

In € thousand	31/12/2009	31/12/2008
Elimination of changes in fair value relating to assets held for sale	1,437	166
Elimination of changes in fair value relating to investment properties	100,427	86,141
Elimination of changes in fair value relating to financial instruments (excluding marketable securities)	53,099	110,243
Elimination of changes in fair value relating to discounting	137	3,519
ELIMINATION OF CHANGES IN FAIR VALUE	**155,099**	**200,067**

3.2.16.3. Acquisitions of consolidated companies, net of cash acquired

In € thousand	31/12/2009	31/12/2008
Investment in consolidated securities (net of change in debt relating to participating interests)	(3,669)	(49,435)
Debt on acquisition of consolidated participating interests	(1,501)	(235,324)
Cash of acquired companies		12,736
Impact of changes in consolidation method	1,004	
ACQUISITIONS OF CONSOLIDATED COMPANIES, NET OF CASH ACQUIRED	**(4,166)**	**(272,023)**

Investments in consolidated participating interests relate mainly to Altarea's purchase of a minority stake in the previously controlled Lille Grand Place.

In 2009, Cogedim paid €1,501 thousand for a stake in JLC (Genevois Français).

The impact of changes in consolidation method relate to the purchase of an additional stake in an entity which caused a shift from equity accounting to full consolidation. The €1 million figure corresponds to the entity's cash position on the day the new method was adopted.

During 2008, investments in consolidated securities primarily reflected the repurchase of the Cogedim acquisition debt from Natixis on 30 April 2008 and 19 June 2008 in a total amount of €235.3 million, as well as a €25 million earn-out payment for Cogedim and also the consideration paid to acquire Altareit for €14.7 million. The cash acquired primarily related to the treasury held by Fromagerie Paul Renard, which amounted to €12.7 million.

3.2.16.4. Acquisitions of non-current assets net of debt

In € thousand	31/12/2009	31/12/2008
Acquisition of intangible assets (net of changes in debt)	(1,349)	(1,967)
Acquisition of property, plant and equipment (net of changes in debt)	(5,787)	(4,886)
Acquisition of investment properties (net of changes in debt)	(227,506)	(327,678)
Acquisition of long-term investments excluding consolidated participating interests (net of changes in debt)	(2)	(2,627)
ACQUISITIONS OF NON-CURRENT ASSETS	**(234,644)**	**(337,159)**

In € thousand	Intangible assets	Property, plant and equipment	Investment properties	Long-term investments (excluding participating interests)	Total acquisitions of non-current assets (excluding consolidated participating interests)
Increase during the period	(1,349)	(6,111)	(255,304)	(2)	(262,766)
Repayment of advance payments made on programmes					-
Change in debts relating to non-current assets	-	324	27,798	-	28,123
ACQUISITION OF NET NON-CURRENT ASSETS	**(1,349)**	**(5,787)**	**(227,506)**	**(2)**	**(234,644)**

3.2.16.5. Breakdown of changes in debt relating to the acquisition of non-current assets

In € thousand	31/12/2009	31/12/2008
Property, plant and equipment	324	(6,719)
Investment properties	27,798	41,941
SUB-TOTAL: NON-CURRENT ASSETS (EXCLUDING PARTICIPATING INTERESTS)	**28,123**	**35,222**
Long-term investments (participating interests)	(1,501)	(29,250)
CHANGE IN DEBTS RELATING TO THE ACQUISITION OF NON-CURRENT ASSETS	**26,622**	**5,973**

3.2.16.6. Disposals of non-current assets

In € thousand	31/12/2009	31/12/2008
Disposals of intangible assets (net of changes in receivables)	50	15
Disposals of investment properties (net of changes in receivables) and repayments of advances and downpayments	31,402	24,392
Disposals of long-term investments (net of changes in receivables)	3	19
DISPOSALS OF NON-CURRENT ASSETS	**31,455**	**24,426**

3.2.17. OTHER INFORMATION

3.2.17.1. Earnings per share

Basic earnings per share (in euros)

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

Diluted earnings per share (in euros)

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

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

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

	31/12/2009	31/12/2008
Numerator		
Profit attributable to Group shareholders *(in € thousand)*	(108,453)	(397,056)
Denominator		
Weighted average number of shares before dilution	10,106,047	8,989,981
Effect of dilution		
Stock options and stock grants	*165,312*	*128,433*
Total potential dilutive effect	165,312	128,433
Weighted average number of shares after dilution	10,271,359	9,118,414
BASIC EARNINGS PER SHARE *(in €)*	**(10.73)**	**(44.17)**
DILUTED EARNINGS PER SHARE *(in €)*	**(10.56)**	**(43.54)**

3.2.17.2. Dividends paid and proposed

In the 20 May 2009 shareholders' meeting, a dividend of €7 per share, making a total dividend payment of €70.7 million, was approved. It was accompanied by a proportional payment to the sole general partner, Altafi 2, of €1.1 million, equal to 1.5% of the amount paid to the limited partners. These two payments were made on 2 July 2009.

The payment of a dividend of €7.2 per share, representing an aggregate amount of €73.3 million, will be put to a vote at the forthcoming shareholders' meeting called to approve the financial statements for the financial year ended 31 December 2009. It will be accompanied by a proportional payment to the sole general partner, Altafi 2, of €1.1 million, representing 1.5% of the amount paid to limited partners.

3.2.17.3. Related parties

Remuneration of the founding shareholder-managers

Alain Taravella does not, in his capacity as manager, receive any compensation from Altarea SCA or its subsidiaries. Alain Taravella receives compensation from holding companies that control the Altarea Group.

Jacques Nicolet, in his capacity as Chairman of Altarea SCA's Supervisory Board, received gross compensation directly from Altarea SCA, which is included in the compensation paid to the Group's main managers stated below. Jacques Nicolet does not receive any other compensation from Altarea SCA or its subsidiaries.

No share-based payments were made by Altarea SCA to its founding shareholder-managers. No other short-term or long-term benefits or other forms of compensation and benefits were granted to the founding shareholder-managers by Altarea SCA.

Remuneration paid in accordance with Altarea SCA's Articles of Association

Altarea SCA and its subsidiaries pay the Management – Altafinance 2 represented by Alain Taravella – in accordance with Article 14 of its Articles of Association. Accordingly, an expense of €1,649 thousand was incurred, representing the Management's fixed fee, plus a €2,653 thousand discretionary fee based on the property sales recorded by the property development for third parties business, along with investment, acquisition and sale transactions conducted by the shopping centre business.

Compensation of the Group's principal senior managers

In € thousand	31/12/2009	31/12/2008
Gross salaries [1]	3,590	3,464
Payroll taxes	1,538	1,325
Share-based payments [2]	3,247	2,715
Shares delivered during the period	20,487	5,458
Post-employment benefits [3]	53	38
Other short- or long-term benefits and remuneration [4]	9	10
Termination benefits [5]	946	0
Loans	650	506
Post-employment benefit liability	337	897

(1) Fixed and variable compensation; variable compensation corresponds to performance-related pay due in respect of accounting periods.

(2) Charge calculated in accordance with IFRS 2; delivery during the period.

(3) Pension service cost according to IAS 19, life insurance and health cover.

(4) Benefits in kind, director attendance fees and other compensation vested but payable in the future.

(5) Post-employment benefits, including social security costs. These benefits are covered by a fund in an amount of €635 thousand.

Number of rights in circulation	31/12/2009	31/12/2008
Rights to Altarea SCA's stock grant awards	46,398	40,430
Altarea share subscription warrants	65,000	65,000
Stock options on Altarea shares	3,497	15,737

Management means members of the Company's Strategy Committee or members of Altarea's Supervisory Board who receive compensation [1] from Altarea or its subsidiaries. The composition of the Company's Strategy Committee can be found in the reference document.

Manager compensation figures exclude dividends.

Altarea SCA ownership structure

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

	31/12/2009	31/12/2009	31/12/2008	31/12/2008
As a percentage	% share capital	% voting rights	% share capital	% voting rights
Founding shareholders [1]	55.71	55.97	55.83	49.05
Foncière des Régions	12.06	12.12	12.04	10.57
Crédit Agricole Group	11.73	11.79	10.87	14.58
MS RESS fund			6.80	11.94
ABP	7.75	7.79	5.77	5.06
Opus Investment BV	0.82	0.82	0.82	0.72
Treasury shares	0.48	0.00	1.05	0.00
FCPE + free float	11.45	11.51	6.82	8.08
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**

(1) In their own name (or the name of relatives) or via legal entities that they control. The founding shareholders are Alain Taravella and Jacques Nicolet.

Related party transactions

The related parties are understood in this case to be the legal entities that are under common control with the Group.

The main related parties are the Altarea Group's holding companies, i.e. Altafinance 2, Alta Patrimoine and JN Holding, along with core shareholder Foncière des Régions.

Transactions with these related parties relate to services provided by Altarea to related parties or vice versa or financing transactions

Services invoiced to related parties by the Altarea Group are invoiced on normal market terms.

(1) Jacques Nicolet, Chairman of the Supervisory Board, and Matthieu Taravella.

In € thousand	Altafinance 2 SAS	Jn Holding	Foncière des Régions	Other related parties	31/12/2009	31/12/2008
Trade and other receivables [1]	237	-	-	-	237	287
TOTAL ASSETS	**237**	**-**	**-**		**237**	**287**
NON-CURRENT LIABILITIES	**0**	**0**	**0**	**0**	**0**	**1,492**
Borrowings and financial liabilities	-	-	-	-	-	1,492
CURRENT LIABILITIES	**1,584**	**0**	**153**	**40**	**1,777**	**1,663**
Other borrowings and current financial liabilities	-	-	-	-	-	514
Trade payables and other accounts payable [2]	1,584	-	153	40	1,777	1,149
TOTAL LIABILITIES	**1,584**	**-**	**153**	**40**	**1,777**	**3,155**

(1) Trade receivables and other operating receivables relate to services provided and the onward invoicing of costs (bonus shares, rent etc.).

(2) Trade payables and other accounts payable relate mainly to remuneration due to Management with respect to the fourth quarter of 2009.

In € thousand	Altafinance 2 SAS	Jn Holding	Foncière des Régions	Other related parties	31/12/2009	31/12/2008
External service providers	-	-	-	3	3	160
Capitalised production and change in inventories	-	-	-	(38)	(38)	-
Other overhead costs [1]	(3,151)	-	-	-	(3,151)	(4,542)
NET OVERHEAD COSTS	**(3,151)**	**-**	**-**	**(34)**	**(3,185)**	**(4,382)**
Other income	-	-	-	-	-	-
Other expenses	-	-	(13)	-	(13)	(62)
OTHER	**-**	**-**	**(13)**	**-**	**(13)**	**(62)**
Carrying amount of assets sold	(49)	-	-	-	(49)	(61)
NET GAIN/(LOSS) ON SALE OF INVESTMENT ASSETS	**(49)**	**-**	**-**	**-**	**(49)**	**(61)**
OPERATING PROFIT	**(3,201)**	**-**	**(13)**	**-**	**(3,247)**	**(4,510)**
Net cost of debt [2]	-	-	(131)	-	(131)	(1,968)
▸ o/w Interest expense	-	-	(131)	-	(131)	(1,968)
▸ o/w Interest income	-	-	-	-	-	-
PROFIT BEFORE TAX	**(3,201)**	**-**	**(144)**	**-**	**(3,378)**	**(6,479)**
NET PROFIT	**(3,201)**	**-**	**(144)**	**-**	**(3,378)**	**(6,479)**

(1) Other overhead costs include €1.6 million of fixed remuneration paid to the Management, €1.7 million of variable remuneration paid to the Management and recognised directly in expenses, and €0.2 million of revenue from assistance services and onward invoicing of costs. In 2008, other overhead costs included €4.2 million of remuneration paid to the Management, along with the provision of other services.

(2) The net cost of debt corresponds to interest on a current advance, invoiced by the Group's partner as part of a development project. In 2008, the net cost of debt consisted mainly to a €1.4 million fee relating to a first demand guarantee invoiced by Altapar, along with interest on loans.

3.2.17.4. Lease obligations – as lessee

Minimum rents payable on operating leases

In € thousand	31/12/2009	31/12/2008
Less than one year	4,920	6,207
Between 1 and 5 years	19,887	19,522
Over 5 years	9,713	15,264
MINIMUM RENTS PAYABLE	**34,521**	**40,993**

These relate to rents payable by the Group over the non-cancellable term of the lease for occupancy of office space leased by the Group for its own operating use. There are no contingent rents under these lease contracts.

Finance leases

LIABILITIES VIS-À-VIS CREDIT INSTITUTIONS ON FINANCE LEASES

	Liabilities vis-à-vis credit institutions on finance leases	
In € thousand	31/12/2009	31/12/2008
Debt due in less than 1 year	1,708	613
Debt due in more than 1 year and up to 5 years	9,186	2,555
Debt due in more than 5 years	39,343	840
TOTAL	**50,237**	**4,008**

FUTURE LEASE PAYMENTS

	Future lease payments	
In € thousand	31/12/2009	31/12/2008
Debt due in less than 1 year	2,089	773
Debt due in more than 1 year and up to 5 years	10,289	2,913
Debt due in more than 5 years	39,972	873
TOTAL, GROSS	**52,350**	**4,559**
Debt due in less than 1 year	2,072	765
Debt due in more than 1 year and up to 5 years	9,595	2,683
Debt due in more than 5 years	29,193	718
TOTAL, PRESENT VALUE	**40,860**	**4,166**

TOTAL VALUE OF ASSETS HELD UNDER FINANCE LEASES

	Carrying amount of assets held under finance leases	
In € thousand	31/12/2009	31/12/2008
Land and buildings		-
Other property, plant and equipment	949	
Investment property	69,749	14,051
TOTAL	**70,698**	**14,051**

The increase in liabilities and assets funded through finance leases relates to the refinancing of the Guivapas assets (shopping centre in Brest) in 2009 via a sale and leaseback agreement.

3.2.17.5. Other Group liabilities

All material liabilities are set out below:

In € thousand	31/12/2009	31/12/2008
Commitments received		
Security deposits received from FNAIM (loi Hoguet)	37,000	37,000
Security deposits received from tenants	17,018	12,575
Performance bonds from contractors relating to construction work	6,160	4,955
Other guarantees received	26,268	88,429
Unutilised confirmed credit lines	98,000	102,000
Unilateral land sale undertakings received	15,752	33,951
Guarantees received as part of company acquisitions – non-fiscal liabilities	1,350	1,350
Bank guarantees received	64,869	138,770
TOTAL	**266,417**	**419,031**
Commitments given		
Guarantees given	679,414	750,069
Other property sale undertakings (Altarea as seller)	-	6,736
Bilateral property purchase undertakings given	4,950	-
Earnouts (given)	13,159	6,675
Construction work completion guarantees (given)	267,851	228,643
Indemnity for loss of use (given)	18,821	29,160
Share purchase undertakings (given)	8,185	20,000
Other commitments given	21,984	17,878
TOTAL	**1,014,363**	**1,059,162**
Bilateral commitments		
Bilateral land sale undertakings received	25,934	24,046
Bilateral undertakings relating to off-plan sales and property development contracts (Altarea as seller)	77,439	74,171
TOTAL	**103,373**	**98,217**

Commitments received

SECURITY DEPOSITS

Under France's "loi Hoguet", Altarea holds a security deposit received from FNAIM in an amount of €37 million as a guarantee of property management and sales activity.

Altarea holds security deposits received from tenants in an amount of €17 million as a guarantee of rent payments.

OTHER GUARANTEES RECEIVED

Guarantees received consist mainly of guarantees to repay assets in the event that administrative permits are not obtained.

UNUTILISED CONFIRMED CREDIT LINES

At 31 December 2009, Altarea had €98 million of confirmed credit lines that had not been utilised and were not assigned to specific development projects.

UNILATERAL LAND SALE UNDERTAKINGS RECEIVED

These undertakings relate solely to assets located in France.

BANK GUARANTEES RECEIVED

Altarea-Cogedim receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to office operations.

OTHER COMMITMENTS RECEIVED

In its "Property development for third parties" business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract).

The Group also benefits from representations and warranties obtained when acquiring subsidiaries and equity interests, including:

- representations and warranties provided by the Affine group for the sale of the controlling interest in Imaffine on 2 September 2004, which were transferred as part of the merger, so that Altarea now directly holds a 10-year guarantee covering Imaffine's net assets before the merger;
- in connection with the acquisition of Altareit, Altarea received a guarantee from seller Bongrain that it would be held fully harmless through a reduction in the selling price for any damage or loss originating from the business activities effectively suffered by Paul Renard (now Altareit) with a cause or origin predating 20 March 2008 for a period of 10 years.

Commitments given

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions. See note 13.9, "Financial liabilities".

Pledges of securities, assignments of receivables (intra-Group loans, rental income, interest rate hedges, VAT, insurance policies, etc.) and undertakings not to sell or assign ownership units are also made by the Group to secure certain loans.

GUARANTEES

This item consists mainly of guarantees given by Altarea SCA to banks with respect to borrowings made by subsidiaries, amounting to €564 million. They include a joint and several guarantee for the €250 million loan taken out as part of the Cogedim acquisition and borne by Cogedim, along with guarantees given in return for the non-registration of mortgages, amounting to €197.5 million.

Altarea has also provided a €57 million guarantee for hedging operations.

Other non-bank guarantees given mainly include guarantees on forward payments for assets and compensation due in the event that asset purchases are not made, along with guarantees given to contractors when signing construction contracts.

EARNOUT PAYMENTS

These liabilities, totalling €13 million, relate to first demand guarantees given by the Group to secure deferred payments for land or share purchases.

CONSTRUCTION WORK COMPLETION GUARANTEE

Completion guarantees totalling €268 million have been given to customers as part of off-plan sales, and have been provided on behalf of Group companies by financial institutions, mutual guarantee organisations or insurance companies. They are reported as commitments given in the amount of the risk borne by the financial institutions providing the guarantee, and adjusted according to information reported by those institutions.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

COMPENSATION FOR LOSS OF USE

As part of its property development activities, the Group signs unilateral sale undertakings with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative permits. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a guarantee (an off-balance sheet liability), amounting to €18,821 thousand. Owners undertake to sell their land and the Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other commitments

As part of its property development business, the Group also signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether customer conditions are met, relating in particular to their ability to raise finance.

3.2.17.6. Number of Group employees at the balance sheet date

	31/12/2009	31/12/2008
Managers	497	552
Non-managers	208	242
GROUP HEADCOUNT	**705**	**794**

Apart from a fall in headcount in Italy and Spain, from 62 at 31 December 2008 to 48 at 31 December 2009, the reduction in the workforce in 2008 was mainly due to the "Property development for third parties" business, particularly following a workforce reduction plan adopted in late 2008, resulting in departures in 2009.

3.2.17.7. Litigation and claims

No significant new litigation issues arose in 2009 other than those for which provisions were set aside (see note 13.11).

3.2.17.8. Events subsequent to the balance sheet date

On 9 February 2010, the Group signed a property sale agreement relating to the Toulouse Saint-Georges assets, which were classified as assets held for sale in the financial statements at 31 December 2009.

3.2.17.9. Presentation of financial statements at 31 December 2008 according to the format used in 2009

At 31 December 2009, the Group made some purely formal changes to its balance sheet, income statement and cash flow statement (see note 7.2.2).

The impact of these changes on the financial statements at 31 December 2008 is set out below.

Items in bold are the new figures.

Assets

In € thousand	31/12/2008 Published 2008	Current and non-current reclassifi-cations	Creation of new sub-totals	Reclassifi-cation within non-current assets	Reclassifi-cation within trade and other receivables	Reclassifi-cation within receivables and other current financial assets	31/12/2008 Published 2009
NON-CURRENT ASSETS	**3,109,266**	**28,221**		**0**	**0**	**0**	**3,137,487**
Intangible assets		**-**	**229,615**	**-**			**229,615**
▸ o/w goodwill	128,716	-		-			128,716
▸ o/w brands	66,600	-		-			66,600
▸ o/w customer relationships		29,507		-			29,507
▸ o/w other intangible assets	4,792	-		-			4,792
Property, plant and equipment	**10,694**	**-**		**-**			**10,694**
Investment property		**-**	**2,738,816**	**-**			**2,738,816**
▸ o/w Investment properties measured at fair value	2,221,875	-		-			2,221,875
▸ o/w Investment properties measured at cost		-		516,940			516,940
Assets under development	516,940	-		(516,940)			-
Assets held for sale	1,582	(1,582)		-			-
Investments in associated companies and other investments	**68,599**	**-**		**264**			**68,863**
Participating interests	264	-		(264)			-
Receivables and other short-term investments	**25,521**	**296**		**-**			**25,817**
Deferred tax asset	**63,682**	**-**		**-**			**63,682**
CURRENT ASSETS	**1,115,451**	**(28,221)**	**0**	**0**	**0**	**0**	**1,087,230**
Customer relationships	29,507	(29,507)					-
Assets held for sale		**1,582**				**-**	**1,582**
Inventory and work in progress	396,220	-				-	396,220
Trade accounts receivable	**155,695**	**-**			**(155,695)**	**-**	**-**
▸ o/w Trade receivables		-			-	-	-
▸ o/w Advances and downpayments paid		-			-	-	-
▸ o/w Principal accounts in debit		-			-	-	-
▸ o/w Other operating receivables		-			-	-	-
Trade and other receivables		**-**			**380,809**	**-**	**380,809**
Other receivables due in less than 1 year	190,047	(296)			(188,314)	(1,437)	-
Advances and downpayments paid	27,610	-			(27,610)	-	-
Income tax credits	**5,728**	**-**			**-**	**-**	**5,728**
Principal accounts in debit	9,190	-			(9,190)	-	-
Other current financial assets	**158**	**-**			**-**	**(158)**	**-**
Receivables and other short-term investments		-			-	1,595	1,595
Derivative financial instruments	5,404	-			-		5,404
Cash and cash equivalents	**295,891**	**-**					**295,891**
TOTAL ASSETS	**4,224,717**	**-**	**-**	**-**	**-**	**-**	**4,224,717**

Equity and liabilities

In € thousand	31/12/2008 Published 2008	Current and non-current reclassifications	Reclassification within current liabilities	31/12/2008 Published 2009
Equity	1,158,091			1,158,091
EQUITY - ATTRIBUTABLE TO GROUP SHAREHOLDERS	**1,109,275**			**1,109,275**
Share capital	**120,815**			**120,815**
Share premium account	**606,772**			**606,772**
Group reserves	**778,744**			**778,744**
Attributable profit for the year	**(397,056)**			**(397,056)**
EQUITY - MINORITY INTERESTS	**48,816**			**48,816**
Minority interests / equity	**35,307**			**35,307**
Minority interests / profit	**13,509**			**13,509**
NON-CURRENT LIABILITIES	**2,173,013**	**(2,926)**	**-**	**2,170,087**
Borrowings and financial liabilities	**2,097,466**	**(271)**		**2,097,195**
‣ o/w Participating loan	24,843	-		24,843
‣ o/w Borrowings and financial liabilities vis-à-vis credit institutions	2,033,598	-		2,033,598
‣ o/w Borrowings and bank liabilities matching VAT receivables	10,957	-		10,957
‣ o/w Other borrowings and financial liabilities	28,068	(271)		27,797
Provisions for post-employment obligations	**3,524**	**-**		**3,524**
Other non-current provisions	**15,871**	**-**		**15,871**
Deposits and security interests received	**22,975**	**15**		**22,989**
Other non-current liabilities	2,267	(2,267)		-
Income tax payable	403	(403)		-
Deferred tax liability	**30,508**	**-**		**30,508**
CURRENT LIABILITIES	**893,613**	**2,925**	**-**	**896,538**
Borrowings and financial liabilities	**183,276**	**-**	**(53)**	**183,223**
‣ o/w Participating loan	-	-	-	-
‣ o/w Borrowings and financial liabilities vis-à-vis credit institutions	170,256	-	(4,778)	165,478
‣ o/w Borrowings and bank liabilities matching VAT receivables	1,216	-	-	1,216
‣ o/w Bank overdrafts		-	4,778	4,778
‣ o/w Other borrowings and debt	11,804	-	(53)	11,751
Derivative financial instruments	**82,242**	**-**	**-**	**82,242**
Current provisions	**7,236**	**-**	**-**	**7,236**
Trade payables and other accounts payable		**2,522**	**619,424**	**621,946**
Trade payables and other operating payables	610,181	-	(610,181)	-
Principal accounts in credit	9,190	-	(9,190)	-
Income tax payable	**1,488**	**403**		**1,891**
TOTAL LIABILITIES AND EQUITY	**4,224,717**	**-**	**-**	**4,224,717**

Income statement

In € thousand	31/12/2008 Published 2008	Reclassifications within net rental income	Reclassifications within net overhead costs	31/12/2008 Published 2009
Rental revenue	122,266	4,339		126,606
Other income, net	4,339	(4,339)		-
Expenses on land	(2,060)			(2,060)
Non-recovered service charges	(2,729)			(2,729)
Management fees	(4,560)	4,312		(248)
Net allowance to provisions		(4,312)		(4,312)
NET RENTAL INCOME	**117,256**	**-**	**-**	**117,256**
Revenue	778,957			778,957
Cost of sales	(676,890)			(676,890)
Marketing expenses	(14,508)			(14,508)
Net allowance to provisions	(34,663)			(34,663)
Amortisation of customer relationships	(21,298)			(21,298)
NET PROPERTY INCOME	**31,598**	**-**	**-**	**31,598**
External service providers	39,975			39,975
Capitalised production and change in inventories	-		70,242	70,242
Staff costs	(44,137)		(45,966)	(90,103)
Other overhead costs	(27,367)		(24,276)	(51,643)
Allowance for depreciation on operating assets	(3,237)			(3,237)
Allowance to provisions	(81)			(81)
Amortisation of customer relationships	(14,593)			(14,593)
NET OVERHEAD COSTS	**(49,439)**	**-**	**-**	**(49,439)**
Other income	8,685			8,685
Other expenses	(18,069)			(18,069)
Depreciation and amortisation	(262)			(262)
OTHER	**(9,646)**	**-**	**-**	**(9,646)**
Proceeds from sale of investment assets	23,830			23,830
Carrying amount of assets sold	(23,491)			(23,491)
NET GAIN/(LOSS) ON SALE OF INVESTMENT ASSETS	**338**	**-**	**-**	**338**
Change in value of investment properties	(86,306)			(86,306)
▸ o/w Change in value of investment properties delivered	96,815			96,815
▸ o/w Other changes in value of investment properties	(183,121)			(183,121)
Net impairment losses on assets under development	(17,488)			(17,488)
Net impairment losses on other non-current assets	654			654
Net allowance to provisions	(10,336)			(10,336)
Amortisation of customer relationships	(91,545)			(91,545)
Impairment of goodwill	(225,290)			(225,290)
OPERATING PROFIT	**(340,204)**	**-**	**-**	**(340,204)**
Net cost of debt	(75,158)			(75,158)
▸ o/w Interest expense	(104,696)			(104,696)
▸ o/w Interest income	29,538			29,538
Change in fair value and gain/loss on the sale of financial instruments	(110,395)			(110,395)
Gain (loss) on sale of participating interests	(157)			(157)
Share of earnings of equity-method associates	(26,290)			(26,290)
Dividends	0			0
Discounting of payables and receivables	(3,519)			(3,519)
PROFIT BEFORE TAX	**(555,723)**	**-**	**-**	**(555,723)**
Tax	172,176			172,176
NET PROFIT	**(383,547)**	**-**	**-**	**(383,547)**

Cash flow statement

In € thousand	31/12/2008 Published 2008	Grouping of items and creation of sub-totals	Reclassification of assets relating to current advances	Reclassifications between line items	31/12/2008 Published 2009
Cash flows from operating activities					
Consolidated profit after tax	**(383,547)**				**(383,547)**
Elimination of income tax expense (income)	(172,176)				(172,176)
Elimination of net interest expense (income)	74,781			99	74,880
Profit before tax and before net interest expense (income)	**(480,942)**	**-**		**99**	**(480,843)**
Elimination of depreciation, amortisation, provisions and discontinuation of projects	381,006				381,006
Elimination of changes in fair value	-	200,067			200,067
Elimination of changes in fair value relating to assets held for sale	166	(166)			-
Elimination of changes in fair value relating to investment properties	86,141	(86,141)			-
Elimination of changes in fair value relating to financial instruments	110,243	(110,243)			-
Elimination of changes in fair value relating to discounting	3,519	(3,519)			-
Elimination of gains (losses) on sales of assets	1,153				1,153
Elimination of share in earnings of equity-method associates	26,290				26,290
Elimination of other non-cash income and expenses	-			7,419	7,419
Elimination of dividend income	10				10
Operating cash flow before tax and change in WCR	**127,585**	**-**	**-**	**7,518**	**135,103**
Taxes paid	(7,876)				(7,876)
Impact of change in working capital requirement (WCR)	117,480		(948)	(7,419)	109,113
TOTAL OPERATING CASH FLOWS	**237,189**	**-**	**(948)**	**99**	**236,340**
Cash flows from investing activities	**-**				
Acquisitions of non-current assets	(337,157)		(1)		(337,159)
Acquisitions of consolidated companies, net of cash acquired	(272,023)				(272,023)
Increase in loans and advances granted	(10,118)		4		(10,115)
Disposals of non-current assets	-	24,426			24,426
Disposals of intangible assets (net of changes in receivables)	15	(15)			(0)
Disposals of investment properties (net of changes in receivables) and repayments of advances and downpayments	24,392	(24,392)			(0)
Disposals of long-term investments (net of changes in receivables)	19	(19)			0
Reduction in other long-term investments	6,418		945		7,363
Disposal of consolidated companies minus cash divested	24				24
Impact of other changes in scope of consolidation	587				587
Net change in investments and derivative financial instruments	11,690				11,690
Dividends received	2,164				2,164
Interest received	27,381			(366)	27,014
TOTAL OF INVESTING CASH FLOWS	**(546,608)**	**-**	**948**	**(366)**	**(546,027)**

In € thousand	31/12/2008 Published 2008	Grouping of items and creation of sub-totals	Reclassification of assets relating to current advances	Reclassifica-tions between line items	31/12/2008 Published 2009
Cash flows from financing activities	-				
Increase/decrease in capital of the parent company net of costs	371,860				371,860
Dividends paid to Group shareholders	(47,723)				(47,723)
Dividends paid to minority interests	1,090				1,090
New borrowings and other financial liabilities	589,634			1,617	591,251
Repayment of borrowings and other financial liabilities	(268,272)			(40,931)	(309,203)
Net sales (purchases) of own shares	(1,675)				(1,675)
Net change in bank facilities	(39,079)			39,079	(0)
Net change in security deposits received	2,982				2,982
Net change in current accounts in debit	(235)			235	0
Interest paid	(100,772)			268	(100,505)
TOTAL OF FINANCING CASH FLOWS	**507,809**	**-**	**-**	**268**	**508,076**
Effect of exchange differences and changes of accounting method	-				
CHANGE IN CASH	**198,390**	**-**	**-**	**0**	**198,390**
Opening cash balance	92,724				92,724
Closing cash balance	291,114				291,114
Change in cash	**198,390**				**198,390**

3.2.18. AUDITORS' FEES

ALTAREA

	2009			
In €	E&Y	AACE	Other	Total
Statutory audit, certification, examination of parent-company and consolidated financial statements				
▸ Altarea	606,321	450,401		1,056,722
▸ Fully consolidated subsidiaries	316,633	395,644	843,163	1,555,441
Other work and services related directly to the statutory audit assignment				
▸ Altarea			38,000	38,000
▸ Fully consolidated subsidiaries	2,000	6,000	152,309	160,309
TOTAL	**924,954**	**852,045**	**1,033,473**	**2,810,472**
Breakdown of other work and services related directly to the statutory audit assignment				
Statutory audit			38,000	
Limited review of property development operations for third parties completed during the year			97,040	
Additional regulatory audit on certain Italian subsidiaries			55,269	
Other	2,000	6,000		
TOTAL	**2,000**	**6,000**	**190,309**	

ALTAREA

	2008			
In €	E&Y	AACE	Other	Total
Statutory audit, certification, examination of parent-company and consolidated financial statements				
▸ Altarea	842,900	656,735		1,499,635
▸ Fully consolidated subsidiaries	442,318	250,930	877,066	1,570,314
Other work and services related directly to the statutory audit assignment				
▸ Altarea	111,800			111,800
▸ Fully consolidated subsidiaries		4,000	201,428	205,428
TOTAL	**1,397,018**	**911,665**	**1,078,494**	**3,387,177**
PPA Cogedim audit	66,120			
PPA Rungis audit	45,680			
Limited review of property development operations for third parties completed during the year			117,572	
Additional regulatory audit on certain Italian subsidiaries			83,856	
Other		4,000		
TOTAL	**111,800**	**4,000**	**201,428**	

3.2.19. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Year ended 31 December 2009)

To the shareholders

In accordance with the terms of our appointment at your Annual Meeting, we hereby submit our report for the year ended 31 December 2009 on:

- our audit of Altarea's consolidated financial statements as attached to this report;
- the substantiation of our opinion;
- specific checks required by law.

The consolidated financial statements are the responsibility of the Management. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. It also includes assessing the accounting principles and significant estimates used, as well as the overall presentation of the financial statements. We believe that the evidence we have collected is relevant and sufficient for the formation of our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

Without prejudice to the above opinion, we draw your attention to notes 7.1 ("Declaration of compliance and accounting standards applied by the Group") and 7.2 ("Change of method for measuring investment property under construction ("IPUC") and change in the presentation of the financial statements") in the notes to the consolidated financial statements. These notes describe the new standards that your Company applied in 2009, i.e. the revised IAS 1 as regards the change in the presentation of the income statement, and the amendment of IAS 40 relating to the recognition of investment properties under construction.

II. Substantiation of our opinion

In accordance with the requirements of article L. 823-9 of the Code de Commerce relating to the substantiation of our opinion, we bring to your attention the following matters:

Accounting principles

As mentioned in notes 7.1 ("Declaration of compliance and accounting standards applied by the Group") and 7.2 ("Change of method for measuring investment property under construction ("IPUC") and change in the presentation of the financial statements") in the notes to the consolidated financial statements, a change in the presentation of the income statement was made in accordance with IAS 1 as revised, and a change in accounting method took place in the period ended 31 December 2009 arising from the application of the amendment of IAS 40 relating to the recognition of investment properties under construction.

As part of our assessment of the accounting principles used by your Company, we are satisfied that these changes in presentations and accounting methods were correctly applied, and that the presentation of these changes is appropriate.

Accounting estimates

- As stated in note 7.11 ("Investment property") in the notes to the consolidated financial statements, investment property is valued by independent appraisers. We are satisfied that the appraisals were carried out in market conditions that remained difficult, and that the fair value of investment properties as presented on the balance sheet was carried out on the basis of those appraisals.
- As stated in note 7.4 ("Estimates and assumptions affecting assets and liabilities") in the notes to the consolidated financial statements, the Group used certain estimates regarding the valuation and impairment of investment properties under construction, the fair value of which cannot be determined reliably, along with goodwill, intangible assets and deferred tax assets. We examined whether the assumptions on which these estimates were based were reasonable, and we reviewed the calculations performed by your Company or any independent appraisers.
- As stated in note 7.16 ("Financial instruments") in the notes to the consolidated financial statements, financial assets and liabilities are recognised at fair value. Fair value is determined with reference to published market prices for listed shares and according to valuation models that are commonly accepted and used by actuaries for other items. We are satisfied that the fair value of financial instruments, as set out in the balance sheet and in note 13.13 ("Financial instruments and market risks") was calculated on the basis of market values or actuarial valuations.
- As stated in note 7.22 ("Revenue and related expenses", section b) "Net property income") in the notes to the consolidated financial statements, property revenue and net property income are measured using the percentage-of-completion method. They therefore depend on completion estimates made by your Company. We examined whether the assumptions on which these estimates were based were reasonable, and we reviewed the calculations performed by your Company.

Our assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. Specific verification

We also carried out specific verification, as required by law, of information relating to the Group provided in the management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Paris and Paris-La Défense, 27 April 2010

The Statutory Auditors

A.A.C.E. Ile-de-France	Ernst & Young Audit
Michel Riguelle	Marie-Henriette Joud

4 General information

4.1. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

4.1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Alain Taravella, Manager.

4.1.2. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in this reference document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position, and earnings of the Company and all entities included in the Company's scope of consolidation. I also declare that to the best of my knowledge, the management report in section 2 gives a true and fair view of the businesses, earnings, financial position, and primary risks and uncertainties of the Company and all entities included in the Company's scope of consolidation.

I have obtained a statement from the Statutory Auditors at the end of their engagement confirming that they have read this reference document in its entirety and reviewed the information it contains regarding the Company's financial position and financial statements.

The Statutory Auditors' report on the historical financial data included in this registration document is provided in sections 3.1.4 and 3.1.5. The report on the consolidated financial statements provided in section 3.2.19 contains emphasis of matter paragraphs concerning the changes in accounting methods and presentation that took place in 2009.

The Statutory Auditors' report on the historical financial information for 2008, which is incorporated by reference in this registration document, contained an emphasis of matter paragraph concerning changes in accounting methods."

Alain Taravella

Manager

4.1.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

4.1.3.1. Statutory Auditors in office at 31 December 2009

(a) Statutory Auditors

AACE ILE-DE-FRANCE
10, rue de Florence, 75008 Paris, France
Represented by Michel Riguelle
Date first appointed: 24 December 2004
Length of term: six fiscal years
Term expires at the close of the Annual General Meeting held to approve the financial statements for fiscal 2009

ERNST & YOUNG AUDIT
Tour Ernst & Young, Faubourg de l'Arche
11, allée de l'Arche, 92037 Paris-La Défense Cedex, France
Represented by Marie-Henriette Joud
Date first appointed: 24 December 2004
Length of term: six fiscal years
Term expires at the close of the Annual General Meeting held to approve the financial statements for fiscal 2009

(b) Alternate Statutory Auditors

AUDITEURS ASSOCIÉS CONSULTANTS EUROPÉENS (AACE)
10, rue de Florence, 75008 Paris, France
Date first appointed: 24 December 2004
Length of term: six fiscal years
Term expires at the close of the Annual General Meeting held to approve the financial statements for fiscal 2009

JEAN-LOUIS ROBIC
23, boulevard du Général Ferrie
94100 Saint Maur
Date first appointed: 24 December 2004
Length of term: six fiscal years
Term expires at the close of the Annual General Meeting held to approve the financial statements for fiscal 2009

4.1.3.2. Expiry of Statutory Auditors' term of office

The term of office of the Statutory Auditors and alternate Statutory Auditors expires at the conclusion of the Annual General Meeting to be held on 28 May 2010 to approve the financial statements for fiscal 2009. Under article 17.4 of the Articles of Association, the Supervisory Board is required to submit a list of candidates for appointment as Statutory Auditors at the Annual General Meeting of shareholders. A request for proposals was therefore made with a view to selecting the candidates for nomination. At a meeting of 12 March 2010 devoted mainly to reviewing the financial statements for fiscal 2009, the Audit Committee selected two firms as candidates for appointment as Statutory Auditors and two for appointment as alternate Statutory Auditors. The Supervisory Board therefore unanimously agreed to follow the recommendations of the Audit Committee and to nominate the following candidates for appointment at the shareholders' meeting:

Statutory Auditors:
- AACE Ile-de-France
  10, rue de Florence
  75008 Paris, France
- Ernst & Young et Autres
  Tour Ernst & Young
  Faubourg de l'Arche
  11, allée de l'Arche
  92037 Paris La Défense, France

Alternate Statutory Auditors:
- Auditeurs Associés Consultants Européens (AACE)
  10, rue de Florence
  75008 Paris, France
- Auditex
  Tour Ernst & Young
  Faubourg de l'Arche
  11, allée de l'Arche
  92037 Paris La Défense, France

The appointment of the above firms is set out respectively in the sixth, seventh, eighth and ninth resolutions put to the Annual General Meeting by the Managers, as set out in section 7 of this registration document.

If the relevant resolutions are passed, AACE Ile-de-France and Auditeurs Associés Consultants Européens will be reappointed as Statutory Auditors and alternative Statutory Auditors respectively for a further term of six fiscal years. However, AACE Ile-de-France's engagement partner will no longer be Michel Riguelle in order to comply with the current regulations applicable to listed companies.

If the relevant resolutions are passed, Ernst & Young et Autres and Auditex will be appointed as Statutory Auditors and alternate Statutory Auditors respectively for a term of six fiscal years. These two candidates are part of the same network as their predecessors.

4.1.4. DOCUMENTS AVAILABLE TO THE PUBLIC

I, the undersigned, hereby confirm that the following documents are available to the public in electronic or printed form, and can be obtained from the Company's registered office at 8, avenue Delcassé, 75008 Paris, during office opening hours:

- The Company's most recent Articles of Association;
- All reports, letters and other documents, past financial data, and expert opinions or statements requested by the Company that are included or mentioned in this registration document; and;
- Financial data for the Company and its subsidiaries for the two fiscal years prior to the year in which this registration document is published.

Alain Taravella

Manager

4.2. *GENERAL INFORMATION ABOUT THE ISSUER AND ITS SHARE CAPITAL*

4.2.1. GENERAL INFORMATION ABOUT THE ISSUER

(a) Company name (Article 3 of the Articles of Association)

The Company's name is ALTAREA.

(b) Legal form – governing law (Article 1 of the Articles of Association)

ALTAREA was originally incorporated as a French société anonyme. It was transformed into a société en commandite par actions by resolution of the shareholders at their Ordinary and Extraordinary General Meeting held on 26 June 2007. ALTAREA is a Company incorporated under the laws of France and governed principally by the provisions of book II of the French Commercial Code.

ALTAREA is therefore subject to French law.

(c) Specific applicable legislation

Following the decision taken in March 2005 by the Company and its eligible subsidiaries to elect for the tax regime of *sociétés d'investissements immobiliers* cotées (SIIC) in accordance with article 208 C of the French General Tax Code – decree no. 2003-645 of 11 July 2003, ALTAREA is subject to the specific provisions of that regime (see below).

(d) Registered office (Article 4 of the Articles of Association)

The Company's registered office is at 8, avenue Delcassé, 75008 Paris.

Its telephone number is 00 33 (0) 1 44 95 88 10.

ALTAREA is housed by its sub-subsidiary Cogedim Gestion, which has a commercial lease over the premises.

(e) Date of incorporation and term (Article 5 of the Articles of Association)

The Company was incorporated on 29 September 1954 and, in accordance with article 5 of its Articles of Association, has a term of 99 years as of that date, unless extended or wound up early.

(f) Corporate object (Article 2 of the Articles of Association)

The Company's corporate object is:

- principally: to acquire any and all land, property rights or buildings and any and all assets and rights that may constitute an accessory or appendix to said property assets, to build properties and undertake any and all transactions directly or indirectly connected with their construction, to operate and enhance the value of said property assets through their letting, to lease any and all property assets either directly or indirectly, to hold equity interests in the entities referred to in article 8 and paragraphs 1, 2 and 3 of article 206 of the French General

Tax Code and, more generally, to acquire equity interests in any and all entities whose main object is the operation of rental properties, and to run, manage and assist such entities;

- secondarily: to manage, appraise and develop properties, to acquire property assets with a view to reselling, renovating, repairing, maintaining and cleaning them, to develop, manage and run shopping centres, to acquire equity investments or interests, directly or indirectly, in any and all companies or entities engaged in any kind of property-related business;
- exceptionally: to exchange or transfer by way of sale, capital contribution or otherwise any property assets acquired or built for the purpose of letting in accordance with the Company's principal object;
- generally: to undertake any and all civil, financial, commercial, industrial, securities and real property transactions to facilitate the achievement of any of the foregoing objects.

(g) Trade and companies registry

The Company is registered at the Paris Trade and Companies Registry under registration number 335 480 877.

The Company's SIRET number is 335 480 877 00414 and its business code is 6820D (administration of other property assets).

(h) Inspection of legal documents

Legal documents relating to the Company which must be made available by law to the shareholders may be inspected at the Company's registered office at 8, avenue Delcassé, 75008 Paris.

(i) Financial year (Article 25 of the Articles of Association)

The financial year begins on 1 January and ends on 31 December.

(j) Allocation of earnings (Article 32 of the Articles of Association)

The Company's distributable profit as defined by law is available for distribution by the General Meeting of shareholders. The General Meeting of shareholders has sole discretion over its allocation. It may be allocated in full or in part to any general or special reserves or to retained earnings or distributed to the shareholders.

For as long as the Company is subject to the regime set out in article 208-C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of article 208-C-II of the French General Tax Code such that the Company may benefit from the provisions set out in the first paragraph thereof.

The General Meeting of shareholders may also resolve to distribute sums from other reserves available to it, provided the law so permits.

The Annual General Meeting of shareholders, voting to approve the financial statements for the year, may decide to give each shareholder the option of receiving all or part of the dividend in cash or in ordinary shares issued by the Company, in accordance with the applicable law and regulations.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the shareholders if the Company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder whose own position or the position of its shareholders causes the Company to become liable for the withholding (the "Withholding") referred to in article 208 C II ter of the French General Tax Code (a "Liable Shareholder") shall compensate the Company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the Company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognised expertise in French tax law, certifying that the shareholder is not a Liable Shareholder and that the distributions made to it will not cause the Company to become liable for the Withholding.

Should the Company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in article 208 C II ter of the French General Tax Code in one or more of the sociétés d'investissements immobiliers cotées referred to in article 208 C of the French General Tax Code (a "SIIC Subsidiary") and should a SIIC Subsidiary have paid the Withholding as a result of a Liable Shareholder, that Liable Shareholder shall, as the case may be, compensate the Company either for the sum paid by way of compensation by the Company to the SIIC Subsidiary in respect of the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other shareholders do not bear any portion of the Withholding paid by any of the SIICs in the chain of holding as a result of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company is entitled to set off the compensation due from any Liable Shareholder against the sums due to be paid by the Company to that Liable Shareholder. Accordingly, the sums due to be distributed in respect of each share held by the Liable Shareholder from the Company's tax-exempt earnings under article 208 C II of the French General Tax Code pursuant to a distribution decision or a share buyback will be reduced by the amount of the Withholding due by the Company in respect of the distribution of those sums and/or the Additional Compensation.

In the case of a distribution paid in shares, each Liable Shareholder will receive a portion of the sums distributed in shares inasmuch as no fractional shares will be created, and the balance in cash. The shares will be booked on an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exactly same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the Company or a SIIC Subsidiary under article 208 C II of the French General Tax Code, a shareholder was in fact a Liable Shareholder on the distribution date and that (ii) the Company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus where applicable the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice where applicable to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the Company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

(k) General Meetings (Article 28 of the Articles of Association)

(i) Calling of meetings

Shareholders' Meetings are called and take place in accordance with the provisions of the law.

Notice of meetings may be given be electronic means provided that the shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

(ii) Proxies

All shareholders may attend meetings in person or by proxy, regardless of the number of shares held, simply by providing proof of identity and evidence that they were shareholders of record at least three days before the date of the meeting. The Managers may reduce or cancel this three-day requirement, provided the same conditions apply to all shareholders alike.

Corporate shareholders may take part in shareholders' meetings through their legal representatives or any other person duly appointed for the purpose by their legal representatives.

(iii) Double voting rights

Double voting rights used to be attached to all fully paid shares registered in the name of the same shareholders for at least two years. These double voting rights were abolished at the annual General Meeting held on 20 May 2009, after prior approval at a special class meeting of shareholders with double voting rights held on the same day.

(iv) Ceiling on voting rights

The number of voting rights that may be exercised by each limited partner in General Meetings is equal to the number of voting rights attached the shares they own up to a maximum limit of 60% of the voting rights attached to all shares comprising the share capital.

(v) Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the law and regulations.

Shareholders may attend and vote at all meetings by videoconferencing or any other electronic means that permits their identification in accordance with the law and regulations, except for the annual General Meeting held to approve the financial statements.

(vi) Chairman – officers of the meeting

General Meetings are chaired by the Manager or one of the Managers if there is more than one. If the meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, the meeting elects its own chairman.

Minutes of Meetings are drawn up and copies certified and issued in accordance with the law.

(l) Form of shares (Article 10 of the Articles of Association)

Fully paid up shares may be in either registered or bearer form, at the shareholder's option.

However, any shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of article L. 233-3 of the French Commercial Code, a percentage of the Company's dividend rights at least equal to the percentage referred to in article 208 C II ter of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the third business day before the date of a General Meeting, its voting rights held directly or indirectly through its controlled entities within the meaning of article L. 233-3 of the French Commercial Code will be restricted at that meeting to one tenth of the shares held respectively by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of article L. 233-3 of the French Commercial Code at the next General Meeting, provided that the position has been remedied by the conversion of all the said shares to registered form no later than the third business day before the date of the meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, the shares must be in registered form where this is required by law.

Partially paid shares may not be converted to bearer form until they have been fully paid up.

Ownership of the shares is evidenced by their registration in accordance with the provisions of the law either on a share registry held by the issuer or its appointed registrar in the case of registered shares or on an account held with an authorised financial intermediary in the case of bearer shares. If requested by a shareholder, the Company or authorised financial intermediary shall issue a certificate of registration.

Shareholder or intermediaries who fail to provide the information referred to above may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The Company may at any time and at its own expense ask its clearing organisation for information about the name or corporate name, nationality and address of holders of securities conferring the right to vote at General Meetings either immediately or in the future, as well as the number of securities held and any restrictions attached thereto.

The shares are indivisible for the Company's purposes.

Joint owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of one of the joint owners.

(m) Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

(n) Disclosure thresholds - reporting requirements (Article 12 of the Articles of Association)

Apart from the legal disclosure thresholds, the Articles of Association require that any natural or legal person acting alone or in concert who comes to own or ceases to own a percentage of the Company's share capital, voting rights or securities giving future access to the share capital equal to or more than one percent (1%) or any multiple thereof must, no later than five days after occurrence, advise the Company by recorded delivery mail of the total number of shares, voting rights or securities giving future access to the share capital owned either directly, indirectly or in concert.

Any shares or securities that have not been disclosed in accordance with these requirements will be disqualified for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more shareholders separately or together holding at least one percent (1%) of the Company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

4.2.2. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

(a) Provisions of the Articles of Association regarding alterations to the share capital and the respective rights of various classes of share

The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law and they do not provide for any special classes of shares.

(b) Share capital

On the date of this document, the share capital was €155,539,502.06 divided into 10,178,817 fully paid shares all of the same class. The rounded par value is €15.28 a share.

(c) Authorities involving the share capital

Note 3.2.13.8 to the consolidated financial statements provides detailed information on:

- Transactions involving the share capital in 2008 and 2009;
- Stock option plans;
- Share warrants in issue;
- Free shares plans;
- Employee share offers;
- Information on treasury shares.

The tables below summarise authorities valid as of the date of this document granted to the Managers at the Annual General Meeting of shareholders.

(i) Authorities to increase the share capital

Authority	Date of shareholders' meeting	Term
Authority to issue for cash ordinary shares or securities giving access to the share capital, with pre-emptive rights	20/05/2009	26 months
Authority to issue for cash ordinary shares or securities giving access to the share capital, without pre-emptive rights	20/05/2009	26 months
Authority to issue ordinary shares or securities giving access to the share capital in payment for securities tendered to a public exchange offer.	20/05/2009	26 months
Authority to issue ordinary shares or securities giving access to the share capital to pay for shares purchased other than under a public exchange offer.	20/05/2009	26 months
Blanket limit for new share issues under all authorities granted to the Managers set at €120 million	20/05/2009	-
Authority to issue securities giving access to debt securities, up to a maximum limit of €120 million	20/05/2009	26 months
Authority to issue ordinary shares or securities giving access to the share capital to minority shareholders of subsidiaries in consideration for their interests in an ALTAREA Group Company or to persons or legal entities in consideration for a portfolio of property assets	20/05/2009	18 months
Authority to increase the share capital by capitalising reserves	20/05/2009	26 months
Option of increasing the amount of an issue in case of oversubscription by a maximum of 15% of the original amount	20/05/2009	-

(ii) Share buyback programme

Authority	Date of shareholders' meeting	Term
Authority to buy back shares at a maximum price of €200 per share. Maximum limit of €100 million	20/05/2009	18 months
Authority to reduce the share capital by cancelling shares purchased under the share buyback programme	20/05/2009	26 months
Authority to reduce the share capital by cancelling treasury shares held as a result of asset transfers or mergers	20/05/2009	18 months

(iii) Employee share offers

Authority	Date of shareholders' meeting	Term
Authority to issue ordinary shares to members of an employee savings plan	20/05/2009	26 months
Free shares plans	26/05/2008	38 months
Stock option plans (existing shares)	26/05/2008	38 months
Stock option plans (new shares)	26/05/2008	38 months
Blanket limit of 350,000 shares issued to executive officers or employees	26/05/2008	-

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the tables below set out the authorities valid during 2009 granted by extraordinary resolution of the shareholders and their use during 2009. Each new authority granted to the Board of Directors or Managers supersedes and cancels all previous authorities granted for the same purpose.

Extraordinary General Meeting of 26 May 2008

1. Use in 2008:

Extraordinary General Meeting	Balance of authority granted	Use in 2008 (1)	Date of use
26 May 2008	€120,000,000	€33,662,512.32	08/07/2008
TOTAL	**€86,337,487.68**	**€33,662,512.32**	

(1) After capital increase on 8 July 2008.

2. Use in 2009:

Extraordinary General Meeting	Balance of authority granted	Use in 2009 (1)	Date of use
26 May 2008	€86,337,487.68	€486,668	26/06/2009
TOTAL	**€85,850,819.68**	**€486,668**	

(1) After capital increase on 26 June 2009.

Extraordinary General Meeting of 20 May 2009

The Managers did not use any of the authorities to increase the share capital granted at this meeting.

(d) Share buyback programme

At the Annual General Meeting of 20 May 2009, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a maximum limit of €100 million, at a maximum price of €200 per share.

Under this authority, the Managers decided to set up a share buyback programme for the following purposes in order of precedence: (1) to make a market in the shares and ensure regular price quotations to avoid any swings in share price which are not warranted by market trends, under a liquidity contract that complies with the AFEI's Code of Conduct dated 14 March 2005, which constitutes an accepted market practice by decision of the AMF on 22 March 2005; (2) to keep the shares for allotment upon the exercise of debt securities exchangeable for shares or other securities giving access to existing shares; (3) to keep the shares for allotment to executive officers and employees of the Company and companies related to it under stock option plans, free shares plans or employee share ownership plans; (4) to keep the shares to tender as payment for future acquisitions (including equity interests or increased equity stakes); (5) to reduce the share capital by cancelling all or some of the shares purchased in order to optimise earnings and/or cash flow per share.

A description of the share buyback programme was published in accordance with articles 241-1 et seq. of the AMF's General Regulation.

The Company bought and sold the following shares in 2009:

Month	Number of shares bought	Number of shares sold	Price at end of month	Treasury shares
January	6,626	172	120.00	113,086
February	9,524	247	117.00	122,363
March	5,164	60	116.00	127,467
April	3,878	145	112.00	131,200
May	2,296	318	115.00	133,178
June	14,629	12,293	112.00	83,390 (1)
July	3,487	38,509	103.00	48,368 (2)
August	1,528	4,680	105.00	45,216
September	1,141	243	104.99	46,114
October	772	94	104.00	46,792
November	2,216	2,637	107.00	46,371
December	3,052	919	107.00	48,504

(1) After cancellation on 26 June 2009 of the 52,124 shares remaining after the reverse merger of ALTAREA by Imaffine on 24 December 2004.

(2) 38,364 treasury shares were used to meet commitments under the stock option plan in July 2009.

Details of treasury shares held by the Company are provided in note 3.2.13.8 to the consolidated financial statements.

The allocation of treasury shares by purpose is shown above. In ALTAREA's statutory financial statements, the line item "treasury shares, liquidity contract", which corresponds to purpose (1), comprised 37,912 shares at 31 December 2009. The line item "Shares intended for allotment", which corresponds to purpose (3), comprised 10,592 shares at 31 December 2009.

(e) Securities giving access to the share capital

Details are provided in note 3.2.13.8 to the consolidated financial statements.

(f) Pledges over shares

At 31 December 2009, 5,583,425 registered shares representing 54.85% of the share capital (which comprised 10,178,817 shares at that date) had been pledged.

(g) Changes in share capital in the past five years

Transaction	Number of shares	Amount of transaction	Share premium	Total share capital	Total number of shares	Par value per share
Merger by absorption of Altarea SA (24/12/2004)	5,137,671	€78,510,252	€8,574,096	€84,410,252	5,523,764	At par
New share issue upon exercise of warrants (27/05/2005)	231,000	€14,171,506.85	€10,641,528.34	€87,939,932	5,754,764	At par
Employee share offer (21/07/2005)	6,740	€522,147.80	€419,151.80	€88,042,928	5,761,504	At par
New share issue upon exercise of share warrants (09/12/2005)	637,826	€68,885,208	€59,139,226.72	€97,788,909.28	6,399,330	At par
New share issue in consideration for the Locafimo contribution in kind (14/12/2005)	484,049	€52,277,292	€44,881,023.28	€105,185,178	6,883,379	At par
New share issue in consideration for the Bail Investissement Foncière contribution in kind (25/07/2006)	1,200,000	€150,000,000	€131,664,000	€123,521,178	8,083,379	At par
Capital reduction by cancelling treasury shares held (25/07/2006)	200,000	€7,616,000	(€4,560,000)	€120,465,178	7,883,379	At par
Employee share offer (25/07/2006)	5,000	€476,100	€399,700	€120,541,578	7,888,379	At par
Employee share offer (10/07/2007)	3,318	€466,676.70	€415,977.66	€120,592,277.04	7,891,697	At par
New share issue restricted to Opus Investment (24/12/2007)	65,000	€14,300,000	€13,306,800	€121,585,477.04	7,956,697	At par
Employee share offer (24/12/2007)	4,350	€718,402.50	€651,934.50	€121,651,945.04	7,961,047	At par
Merger by absorption of Altafinance (26/05/2008)	35,000	€5,904,613.70	€5,369,782.28	€122,186,776.46	7,996,047	At par
New share issue upon exercise of warrants (08/07/2008)	2,203,044	€374,517,480	€340,854,967.68	€155,849,288.78	10,199,091	At par
New share issue in consideration for the contribution of Foncière Altarea shares (26/06/2009)	31,850	€3,954,542	€3,467,874	€156,335,956.78	10,230,941	At par
Capital reduction by cancelling treasury shares held (26/06/2009)	52,124	€1,984,881.92	(€1,188,427.20)	€155,539,502.06	10,178,817	At par

(h) Current ownership of share capital and voting rights

The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

A breakdown of the shares and voting rights between the main shareholder groups at 31 December 2009 and 2008 can be found in note 3.2.17.3 to the consolidated financial statements. The breakdown at 31 December 2007 can also be found in the 2007 Registration Document, incorporated in this document by reference.

The voting rights disclosed in note 3.2.17.3. are actual voting rights that can be exercised in General Meetings at 31 December 2009, rather than theoretical voting rights which include those attached to treasury shares. Consequently, the table below reproduces the information provided in the notes to the financial statements and shows the corresponding number of theoretical voting rights.

Ownership at 31 December 2009

Shareholder	Number of shares	% of share capital and theoretical voting rights	Number of actual voting rights	% of actual voting rights
Altafinance 2	4,252,062	41.77	4,252,062	41.97
Alta Patrimoine	603,391	5.93	603,391	5.96
Alain Taravella and his family	148,065	1.46	148,065	1.46
Controlled by Alain Taravella	*5,003,518*	*49.16*	*5,003,518*	*49.39*
JN Holding	543,180	5.34	543,180	5.36
Jacques Nicolet	123,601	1.21	123,601	1.22
Controlled by Jacques Nicolet	*666,781*	*6.55*	*666,781*	*6.58*
CONTROLLED BY FOUNDERS	**5,670,299**	**55.71**	**5,670,299**	**55.97**
Predica	1,194,354	11.73	1,194,354	11.79
ABP	789,234	7.75	789,234	7.79
FDR	1,228,046	12.06	1,228,046	12.12
Opus Investment	83,572	0.82	83,572	0.82
Treasury shares	48,504	0.48	0	0.00
Free float	1,164,808	11.44	1,164,808	11.50
TOTAL	**10,178,817**	**100.00**	**10,130,313**	**100.00**

The 10 existing *commandité* shares with a par value of €100 are held by Altafi 2, whose registered office is at 8, avenue Delcassé, 75008 Paris, registration number 501 290 506 RCS Paris.

Change in ownership structure over the past three fiscal years

	31/12/2009	31/12/2009	31/12/2008	31/12/2008	31/12/2007	31/12/2007
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
Altafinance					1,254,311	15.76
Altapar					4,446,442	55.85
Altafinance 2	4,252,062	41.77	4,250,733	41.68		
Alta Patrimoine	603,391	5.93	602,695	5.91		
Alain Taravella and his family	148,065	1.46	169,208	1.66	6,314	0.08
Controlled by Alain Taravella	*5,003,518*	*49.16*	*5,022,636*	*49.25*		
JN Holding	543,180	5.34	547,957	5.37		
Jacques Nicolet	123,601	1.21	123,601	1.21		
Controlled by Jacques Nicolet	*666,781*	*6.55*	*671,558*	*6.58*		
CONTROLLED BY FOUNDERS	**5,670,299**	**55.71**	**5,694,194**	**55.83**	**5,707,067**	**71.69**
MSRESS funds	0	0	693,986	6.80	693,986	8.72
Predica	1,194,354	11.73	1,108,546	10.87	854,430	10.73
ABP	789,234	7.75	588,234	5.77		
FDR	1,228,046	12.06	1,228,046	12.04		
Opus Investment	83,572	0.82	83,572	0.82	65,000	0.82
Treasury shares	48,504	0.48	106,632	1.05	73,365	0.92
Free float	1,164,808	11.44	695,881	6.82	567,199	7.12
TOTAL	**10,178,817**	**100.00**	**10,199,091**	**100.0**	**7,961,047**	**100.00**

(i) Control of the Company and shareholders' agreements

The Company is majority controlled directly and indirectly by (i) the group of founders comprising Alain Taravella, the companies he controls and his family and (ii) Jacques Nicolet and his holding Company JN Holding.

On the date of this document, the Company was aware of the following shareholders' agreements:

1. Affine entered into a six-year shareholders' agreement with Alain Taravella and Altafi on 15 November 2004 giving them a pre-emptive right over any shares that Affine proposed to sell.
   The agreement no longer serves any purpose as Affine sold its interest at the end of 2009.
2. The investment funds MSRESS II Valmur T BV and MSRESS II Valmur TE BV ("MSRESS") entered into a ten-year shareholders' agreement with Alain Taravella and Jacques Nicolet on 6 July 2007, giving them a pre-emptive right over any shares that the MSRESS funds proposed to sell. This agreement no longer serves any purpose as the two MSRESS funds sold their interest at the end of 2009.
3. Alain Taravella, Jacques Nicolet, Altafinance and Predica entered into a shareholders' agreement on 26 June 2007. It is valid for ten years from the date of signature provided that Predica directly or indirectly holds more than 5% of the Company's share capital and voting rights, except as regards the clause set out below. Under the agreement, the parties have agreed that should Predica propose to sell a block of shares representing more than 2% of the Company's share capital or with a value of more than €30 million, under the terms and conditions set out in articles 516-2 and 516-3 of the AMF's General Regulation, Altafinance or any person that may be substituted by it for whom Altafinance shall stand as joint and several guarantor, shall have a right of pre-emption over the shares. The right of pre-emption does not apply to sales of shares between Predica and its affiliates, provided that if the affiliate selling the shares ceases to be an affiliate of Predica, Predica undertakes to do everything in its power to ensure that the affiliate sells the shares back to Predica. The right of pre-emption is only for the benefit of Altafinance or any other person that may be substituted by it. The right of pre-emption must be exercised over the entirety of the shares offered.
4. On 24 December 2007, Alain Taravella entered into a shareholders' agreement with Dutch law Company Opus Investment BV, in the presence of Christian de Gournay and ALTAREA. The purpose of the agreement is to define the entire understandings between the parties other than the Articles of Association that have been entered into since the issue of share warrants and new share issue restricted to Opus Investment BV on 24 December 2007. Its main provisions are: (i) right of pre-emption in favour of Alain Taravella or any other person that may be substituted by him; (ii) Opus Investment BV's undertaking not to sell any share warrants without Alain Taravella's prior consent, and in any event until 31 December 2010 at the latest; and (iii) Opus Investment BV's undertaking to sell the share warrants to Alain Taravella should Christian de Gournay cease to be an executive officer and employee of ALTAREA and all the companies controlled directly or indirectly by ALTAREA during a period expiring on 30 September 2008. The agreement became effective on the date of the restricted securities issue, which took place on 24 December 2007. It is valid for five years.
5. Alain Taravella, Jacques Nicolet, Altafinance 2, JN Holding and Foncière des Régions entered into a shareholders' agreement on 23 May 2008. It is valid for ten years with effect from 26 May 2008. Its main provisions are: (i) a right of pre-emption in favour of Altafinance 2 should Foncière des Régions propose to sell a block of shares representing more than 2% of the share capital of ALTAREA or with a value of more than €30 million; (ii) Foncière des Régions to have at least two seats on ALTAREA's Supervisory Board for as long as it owns at least 10% of the share capital and one seat for as long as it directly or indirectly owns at least 5%; (iii) undertaking by the founder shareholders to maintain ALTAREA's SIIC status; and (iv) undertaking by Alain Taravella that, for as long as he remains a majority shareholder, all his activities in the retail property sector will be conducted through ALTAREA.
6. Alain Taravella, Jacques Nicolet, Altafinance 2, Alta Patrimoine, JN Holding and Fonds ABP entered into a shareholders' agreement on 12 June 2008. It is valid for ten years from the date of signature provided that Fonds ABP directly or indirectly holds more than 5% of the Company's share capital and voting rights. The main provisions are: (i) ABP has the right to appoint a member of the Supervisory Board and its specialist committees (the number of seats to be consistent with ABP's percentage interest); and (ii) undertaking by the founder shareholders to use best efforts to maintain the Company's SIIC status and to increase its free float.
7. Alain Taravella, members of his family and the companies he controls (Altafinance 2 and Alta Patrimoine) have made three undertakings to hold their shares under "Dutreil law agreements", the first dated 21 July 2008 and the other two dated 3 November 2009.
8. An agreement to act in concert was made between Alain Taravella and Jacques Nicolet when they acquired control of the Company (then called Imaffine) in 2004.

(j) Trading in ALTAREA shares in 2009 by executive officers or persons closely related to them

1. Purchase of shares

Executive officer	Title	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Alain Taravella	Co-Manager	Ordinary shares	Purchase by Alta Patrimoine [1]	From 23/01/2009 to 13/02/2009	1,150	€121.13 [2]	€139,300
Alain Taravella	Co-Manager	Ordinary shares	Purchase by Altafinance 2 [1]	From 09/02/2009 to 13/02/2009	1,330	€120.20 [2]	€159,870
Alain Taravella	Co-Manager	Ordinary shares	Purchase by Alta Patrimoine [1]	20/05/2009	50	€114.99	€5,749.50
Stichting Pensioenfonds ABP	Member of the Supervisory Board	Ordinary shares	Purchase by Stichting Pensioenfonds ABP	01/12/2009	150,000	€100.00	€15,000,000
Predica	Member of the Supervisory Board	Ordinary shares	Purchase by Predica	01/12/2009	57,726	€100 .00	€5,772,600
Stichting Pensioenfonds ABP	Member of the Supervisory Board	Ordinary shares	Purchase by Stichting Pensioenfonds ABP	10/12/2009	51,000	€100 .00	€5,100,000
Predica	Member of the Supervisory Board	Ordinary shares	Purchase by Predica	10/12/2009	28,082	€100 .00	€2,808,200

2. Sale of shares

Executive officer	Title	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Alain Taravella	Co-Manager	Ordinary shares	Sale by Alta Patrimoine [1]	23/09/2009	2	€104.99	€209.98
Alain Taravella	Co-Manager	Ordinary shares	Sale by Alta Patrimoine [1]	From 01/12/2009 to 07/02/2009	502	€104.52 [2]	€52,469.00
Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [3]	From 17/11/2009 to 20/11/2009	2,982	€105.00	€313,110.00
Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [3]	From 01/12/2009 to 07/12/2009	1,795	€107.00	€192,065.00
MSRESS II Valmur TE BV	Member of the Supervisory Board	Ordinary shares	Sale by MSRESS II Valmur TE B.V.	01/12/2009	126,793	€100.00	€12,679,300.00

(1) Controlled by Alain Taravella.

(2) Average.

(3) Controlled by Jacques Nicolet.

4.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE OR EXCHANGEABLE INTO SHARES

ALTAREA has not issued any non-equity financial instruments other than those convertible into equity.

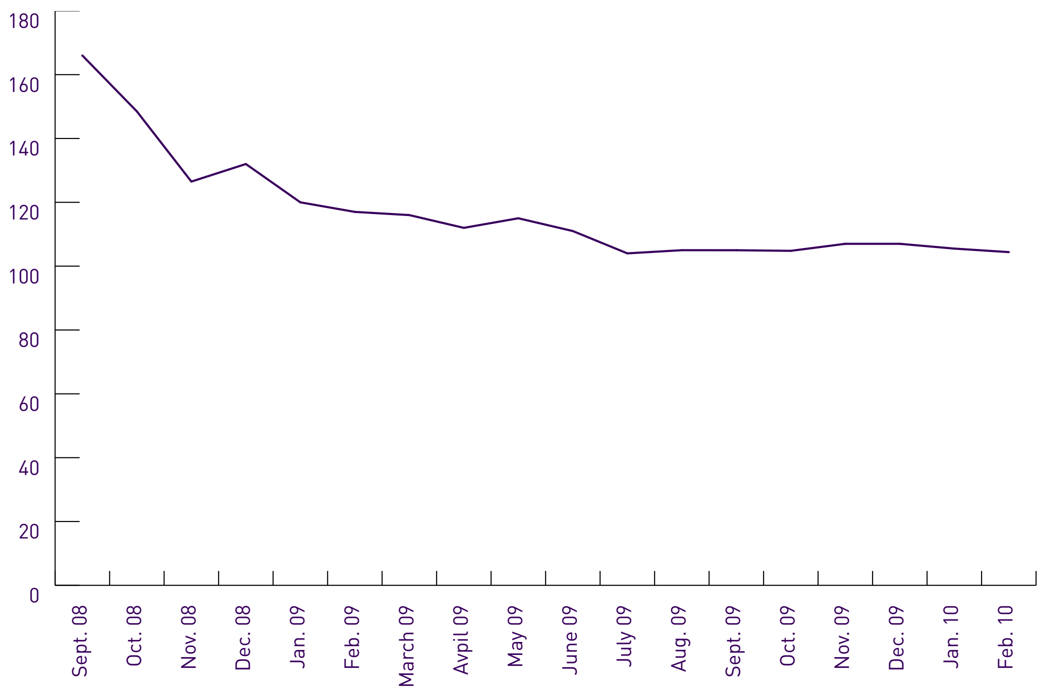
4.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/ALTAREA	
Market	Eurolist Compartment A
Securities exchange	Euronext Paris

	2006	2007	2008	2009	2010
Market capitalisation based on latest price	1,167,480,092.00	1,885,255,540.07	1,346,280,012.00	1,089,133,419	1,160,486,926
Number of shares traded	172,647	101,736	30,816	67,226	31,514
Average price *(€)*	128.63	211.42	189.33	110	108
Value of shares traded *(€)*	22,208,159	21,509,449	5,834,393	7,394,860	3,403,512
Share price:					
Highest	148.00	251.00	238.00	133.00	111.50
Lowest	106.00	149.00	118.00	100.00	103.00
Latest	148.00	236.81	132.00	107.00	111.50

	High	Low	Latest	Number of shares traded	Value of shares traded (€)
March 2010	114.01	103.90	114.01	19,206	2,189,676.06
February 2010	105.50	103.00	104.40	7,216	753,350.40
January 2010	110.00	104.99	106.49	5,091	542,247.08
December 2009	107.00	105.00	107.00	3,891	416,337.00
November 2009	107.00	104.00	107.00	6,587	704,809.00
October 2009	105.00	104.00	104.00	6,910	718,640.00
September 2009	105.00	104.00	104.99	5,268	553,087.32
August 2009	105.00	100.00	105.00	6,424	674,520.00
July 2009	109.50	104.00	104.01	6,420	667,744.20
June 2009	115.00	109.00	109.00	5,392	587,728.00
May 2009	116.00	114.00	115.00	1,161	133,630.00
April 2009	116.20	112.00	112.00	3,889	435,568.00
March 2009	118.00	116.00	116.00	5,165	599,140.00
February 2009	122.00	117.00	117.00	12,874	1,506,258.00
January 2009	133.01	120.00	120.00	3,244	389,280.00
December 2008	132.00	118.00	132.00	7,640	1,008,480.00
November 2008	148.46	126.00	126.50	3,550	449,075.00
October 2008	166.50	148.00	148.49	7,354	1,091,995.46
September 2008	189.10	165.00	166.00	5,514	915,324.00

TRENDS IN ALTAREA'S SHARE PRICE OVER EIGHTEEN MONTHS



4.4. *DIVIDEND POLICY*

(A) DIVIDENDS PAID OVER THE PAST FIVE FISCAL YEARS

Fiscal year ended	Dividend per share	Tax credit	Total
31/12/2004	0	0	0

Fiscal year ended	Dividend per share	Dividend eligible for tax relief [1]
31/12/2005	€2.40	€2.40
31/12/2006	€4.00	€4.00
31/12/2007	€6.00	€6.00
31/12/2008	€7.00	€7.00

(1) Individual shareholders resident in France are eligible for 40% tax relief on these dividends as of 1 January 2006.

(B) DIVIDEND DISTRIBUTION POLICY

A fiscal 2009 dividend of €7.20 per share will be proposed at the Annual General Meeting on 28 May 2010. This is a 2.86% increase on the 2008 dividend.

ALTAREA aims to distribute a dividend equal to around two thirds of its recurring earnings, in order both to comply with the requirements for SIIC status and, in the medium-term, to reach the dividend payouts typically seen in its sector (after current property development projects are completed).

4.5. *RECENT EVENTS AND LITIGATION*

Recent events and litigation are discussed in Part 3 of this registration document, in notes 3.2.17.7 and 3.2.17.8 to the consolidated financial statements.

4.6. *HUMAN RESOURCES*

ALTAREA has the human resources needed to support its growth.

Alain Taravella and Jacques Nicolet, ALTAREA's founders and managers, constitute key personnel with a long history of experience in ALTAREA's markets. The Company's business, outlook, and growth prospects could be negatively impacted if one or more of its managers becomes unavailable for an extended period of time.

ALTAREA's founding managers have established a human resources policy suited to the Company's size and designed to support its continued expansion.

4.6.1. OVERVIEW

At 31 December 2009, all ALTAREA employees worked for subsidiaries that provide various services; ALTAREA, the listed holding Company, employed only four people.

At that date, the main subsidiaries employing personnel were as follows:

- ALTAREA France, which leases operating property, carries out property development and construction activities for urban shopping centres, and executes leasing transactions in France. Altarea France also includes most of the Company's legal, accounting, marketing, and administrative staff.
- Altarea Italia, which carries out in Italy the same activities as Altarea France.
- Altarea España, which carries out in Spain the same activities as Altarea France.
- Cogedim Gestion, which promotes office and residential property and provides related services for ALTAREA as well as third parties.
- Cogedim Vente, which performs market research and other sales and marketing activities for ALTAREA's property promoters (for both office and residential property). Over the past few years Cogedim Vente has also been involved in asset management for the subsidiaries of the Group ALTAREA as well as a few large customers.
- CRP Développement, which carries out property development and construction activities for suburban shopping centres.
- Richelieu International SNC, which employees all the Company's business development staff in Italy.
- ALTAREA Management, which provides the Group with management services.
- ALTAREA, which provides executive management and market transaction services.

4.6.2. KEY FIGURES

Number of employees

	France	International [1]	Total
2005	177	20	197
2006	198	33	231
2007	703	44	747
2008	732	62	794
2009	657	48	705

(1) Italy and Spain.

The following table shows a breakdown of employees by business activity at 31 December 2009:

Business	Number of employees
Shopping centre development for own account	281
Commercial property development for third parties and residential property development	424

A breakdown of employees by professional category is provided in note 3.2.17.6 to the consolidated financial statements.

Other key figures are provided in Part 1 of this registration document in the section on sustainable development entitled – Key issue No. 4: Focusing on skills and talent.

55.44% of the Group's employees are women and the average age of employees is 40.

Most employees work in the Ile-de-France region although ALTAREA has staff across almost all of France, as well as in Italy and Spain.

4.6.3. ECONOMIC AND LABOUR UNITS

1. In ALTAREA's shopping centre development for own account business, all French subsidiaries with personnel – Altarea France, Altarea Résidence, Compagnie Retail Park Développement, and Richelieu International at 31 December 2009 – are grouped into a single Economic and Labour Unit with its own works council and employee representatives. This Unit is called UES Altarea.
   Elections for its works council members and employee representatives took place in July 2007.

2. In ALTAREA's third party commercial and residential property development business, subsidiaries with personnel – Cogedim Gestion and Cogedim Vente – are grouped into a single Economic and Labour Unit with its own works council and employee representatives. This Unit is called UES Cogedim".
   Its last elections took place in March 2007.

4.6.4. COLLECTIVE AGREEMENTS

UES Altarea has the following collective agreements in effect:

- an incentive scheme renewed on 20 May 2008;
- a profit-sharing scheme; and
- an employee savings plan.

UES Cogedim has the following collective agreements in effect:

- an incentive scheme renewed on 26 June 2008;
- a profit-sharing scheme; and
- an employee savings plan.

The length of the regular working week in France is 35 hours.

4.6.5. EMPLOYEE BENEFITS

In 2009, 38,680 free shares were awarded to employees and officers under three free shares plans.

Employees in both UES Altarea and UES Cogedim receive health, disability, and life insurance benefits.

4.6.6. TRAINING

ALTAREA complies with the French law passed in 2005 on the employees' right to training.

Employees were offered 6,505 hours of training, or an average of more than 8 hours per employee.

In 2009, ALTAREA invested the equivalent of 1.21% of its payroll expense in training.

4.7. INFORMATION THAT CAN AFFECT ALTAREA'S BUSINESSES OR PROFITABILITY

ALTAREA is not dependent on one or several of its customers.

The ten largest tenants in the shopping centres managed by ALTAREA accounted for 17.78% of total rental income (excl. tax) in 2009. No single tenant accounted for more than 5% of the rental income.

The ten largest customers in ALTAREA's residential and office property business accounted for 33.1% of total revenue (excl. tax) in 2009. No single customer accounted for more than 10%.

4.8. COMPETITIVE ENVIRONMENT

The sections of this registration document containing the Company description and management report (Parts I and II) provide detailed, quantitative information on ALTAREA's businesses and services, along with their trends, competitive landscape, and earnings. The management report also discusses the macroeconomic factors and business cycles affecting the shopping centre and residential property markets.

4.9. RISK FACTORS

ALTAREA is exposed to the following risk factors as a result of its business activities. However, the Company feels it has the resources to limit these risks and manage the consequences should they materialise.

RISKS RELATED TO TRENDS IN THE PROPERTY MARKET

ALTAREA operates in several sectors of the property market, mainly commercial property (mostly shopping centres) and residential property. The Company is exposed to systemic risks and uncertainties specific to the property market, most notably its cyclical nature, as well as the risks inherent to each property asset. The Company's risk management strategy and measures taken aim to limit the negative consequences should one of these risks materialise. However, as demonstrated by the current banking and financial crisis, abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate may have a negative impact on ALTAREA's businesses, asset values, earnings, development projects, and investments.

RISK OF TENANT INSOLVENCY

ALTAREA's ability to collect rental income depends on the solvency of its tenants. The Company carefully reviews potential tenants before granting any leases, although it may occur that a tenant does not pay its rent on time or defaults on its rental payments, which would impact ALTAREA's operating income. This could be the case if the current banking crisis were to escalate into full-blown recession as this would have a significant impact on consumer behaviour and create difficulties for tenant stores and retailers. However, rents are relatively unscathed as tenants fear eviction and accordingly the loss of their business.

LEGAL, REGULATORY, ENVIRONMENTAL, INSURANCE, AND TAX RISKS

Legal and regulatory risks

ALTAREA must comply with regulations in a variety of areas, including urban planning, construction, leases, operating permits, health and safety, the environment, and taxes (most notably the tax rules governing SIICs). Changes to any of these regulations could require ALTAREA to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values, and expenses, and may slow or halt progress on some of the Company's property development or marketing activities.

ALTAREA is involved in legal procedures as part of its regular business, and is subject to tax or regulatory audits. The Company recognises a provision whenever a risk is identified and its cost can be reasonably estimated.

Litigation risk

As indicated in note 3.2.17.7 to the consolidated financial statements on litigation and claims, in the past twelve months there have been no governmental, legal or arbitration proceedings (or any such proceedings which are pending or threatened of which ALTAREA is aware) which may have, or have had in the recent past significant effects on ALTAREA's or the Group's financial position or profitability.

As indicated in note 3.2.13.11 to the consolidated financial statements on provisions for litigation, no litigation is material on an individual basis.

Tax risks related to SIIC status

ALTAREA is subject to SIIC tax rules, which means that it is exempt from French corporate income tax if it meets certain criteria regarding dividend distributions and share ownership. If ALTAREA fails to meet these criteria it will be required to pay corporate income tax under French common law for the fiscal years in which it does not meet these criteria, which would have a negative impact on its earnings. The criteria also stipulate that no single shareholder or group of shareholders acting in concert can own more than 60% of ALTAREA's share capital or voting rights, which is why ALTAREA's Articles of Association cap voting right ownership at 60%.

ALTAREA could be liable for an additional income tax charge if it pays an exempt dividend to a shareholder not subject to French corporate income tax (or an equivalent tax) and which owns at least 10% of ALTAREA's shares, and if ALTAREA cannot pass the charge on to this shareholder. ALTAREA's Articles of Association state explicitly that shareholders must pay this charge, but ALTAREA may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the shareholder becomes insolvent before the payment is made.

Finally, ALTAREA is subject to changes in existing tax laws.

RISK RELATED TO THE COST AND AVAILABILITY OF INSURANCE COVERAGE

ALTAREA feels that the type and amount of insurance coverage it has is consistent with the practices in its industry.

Nevertheless, the Company could experience losses that are not fully covered by its insurance policies, or the cost of its insurance policies could go up. The Company could be faced with insufficient insurance or an inability to cover some or all of its risks, which could result from capacity limitations in the insurance market.

The cost or unavailability of appropriate coverage in the case of damages could have a negative impact on the Company's asset values, earnings, operations, and financial position.

ENVIRONMENTAL AND HEALTH RISKS (ASBESTOS, LEAD, CLASSIFIED FACILITIES, ETC.) – RISK OF FLOOD OR SUBSIDENCE

ALTAREA's assets could be exposed to health and safety risks such as those related to asbestos, termites, or lead. As the owner of buildings, facilities, and land, ALTAREA could be formally accused of failure to adequately monitor and maintain its property against these risks. Any proceedings invoking the Company's liability could have a negative impact on its operations, outlook, and reputation. Therefore ALTAREA closely follows all applicable regulations in this area, and has a preventive approach to carrying out property inspections and carrying out any building work needed to come into compliance.

ALTAREA's property is exposed to natural and technological risks. One or more of its properties may receive an unfavourable inspection report from a safety commission, which could require the full or partial closure of the premises. This could make the Company's assets less attractive and have a negative impact on its operations and earnings.

RISK OF CONFLICTS OF INTEREST

ALTAREA has entered into partnerships or protocol agreements with other organisations, mostly for the purposes of carrying out joint property development projects. In the future, a conflict of interests could arise in one or more of these partnerships or agreements.

FINANCING RISKS

Liquidity risk, borrowing capacity and interest rate risk

ALTAREA finances some of its investments through fixed- or floating-rate loans and through the capital markets. The Company may not always have the desired access to the capital markets or be able to obtain financing under favourable conditions. This situation could result from a crisis in the bond or equity markets, a serious deterioration in the property market, or any change in ALTAREA's businesses, financial position, or shareholder structure which affects investors' perception of ALTAREA's credit quality or attractiveness as an investment.

ALTAREA manages its liquidity risk by keeping track of its debt maturity and available lines of credit, and diversifying its sources of financing.

ALTAREA does not feel it has a significant exposure to liquidity risk as of the date of this registration document.

Note 3.2.13.13 to the consolidated financial statements provides information on the Group's cash position and sets out the main financial covenants to be respected by ALTAREA and its subsidiaries.

At 31 December 2009 and at the date of this registration document, all covenants were respected by the relevant Company or companies.

The €6.4 million of bank loans in Italy are slated for repayment.

Note 3.2.13.13 to the consolidated financial statements shows an analysis of sensitivity to interest rate risk across the entire portfolio of variable-rate financial liabilities and derivative financial instruments.

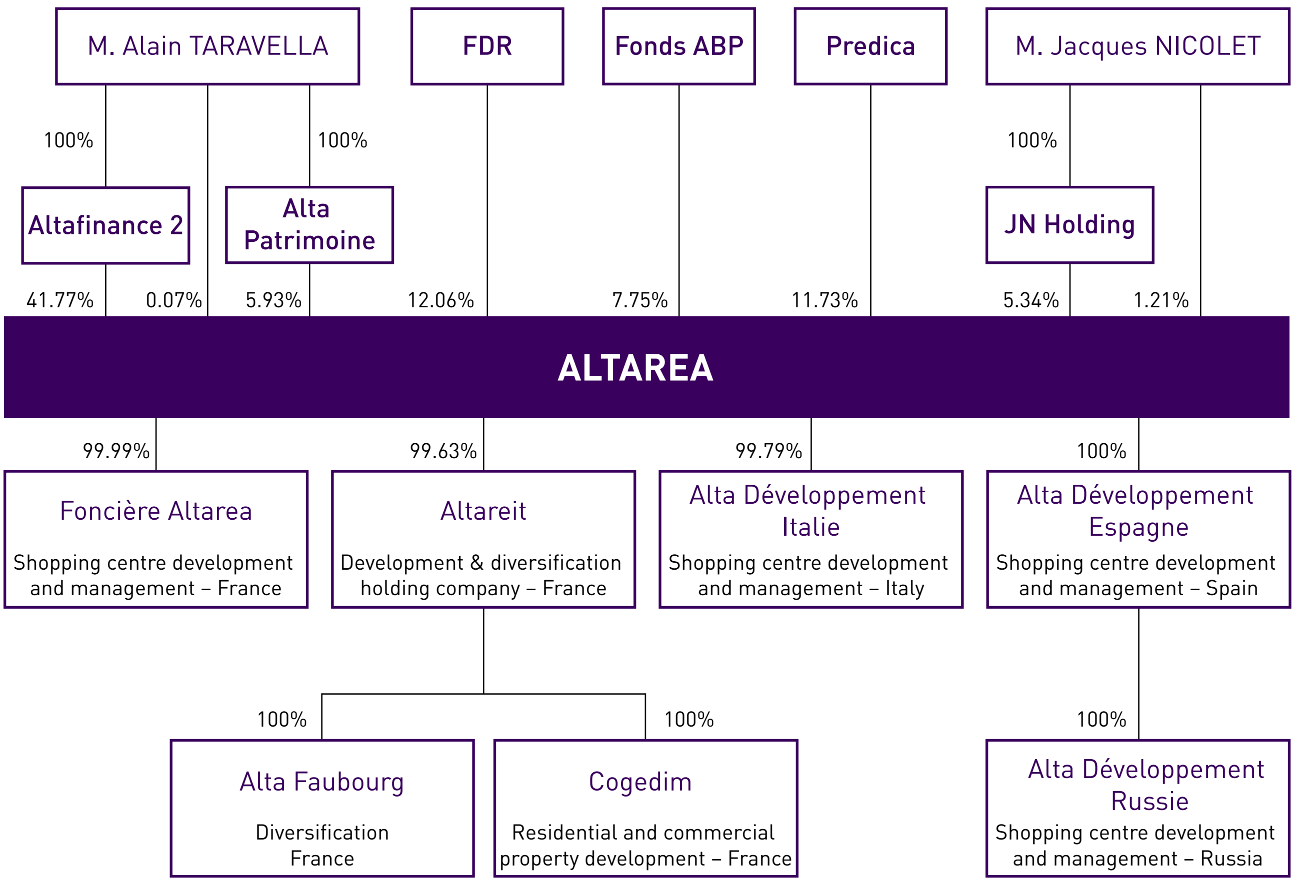
Equity risk

ALTAREA does not feel it has a significant exposure to equity risk as of 31 December 2009.

Currency risk

ALTAREA generates almost all of its revenue in the Eurozone and pays almost all of its expenses (investments and capital expenditures) in euros. ALTAREA's operations in non-Eurozone countries, such as Russia, are still minor. Therefore ALTAREA does not feel it has a significant exposure to currency risk as of 31 December 2009.

4.10. *SIMPLIFIED ORGANISATION CHART AT 31 DECEMBER 2009*



ALTAREA centralises the Group's cash surpluses under a cash pooling agreement. Note 3.2.13.13 to the consolidated financial statements provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

5 Corporate Governance

The report of the Chairman of the Supervisory Board (see Section 6) sets out the composition and practices of the Supervisory Board and its Specialised Committees, and the restrictions on the powers of the Managers. This Section supplements the Chairman's report and where applicable the notes to the consolidated accounts concerning the Company's General Management.

5.1. COMPOSITION AND PRACTICES OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

ALTAREA is a *société en commandite par actions* (a partnership limited by shares).

It is managed and run by a Board of Managers. The Supervisory Board is responsible for ongoing control over its management.

5.1.1. MANAGERS

a) Composition

The Managers are Alain Taravella and the company Altafinance 2, of which Alain Taravella is the Chairman.

Alain Taravella

Alain Taravella was appointed Co-Manager on 26 June 2007 for a term of ten years. He is a French citizen, born in Falaise (14) in 1948. From 1975 to 1994, Mr Taravella held various positions within the Pierre & Vacances Group, of which he was appointed Chief Executive Officer in 1985. In 1994, he founded the ALTAREA Group, which he has managed ever since.

CURRENT DIRECTORSHIPS AND EXECUTIVE OFFICES

Co-Manager of SCA	Chairman of SAS	Chairman and Director of foreign companies	Chairman of the Supervisory Board of SAS	Member of the Supervisory Board of SAS
ALTAREA	Altafinance 2 Alta Patrimoine Altafi 2 Altafi 3 Altafi 4 Alta Pat 1	ALTAREA Inc. ALTAREA Italia SRL ALTAREA España Altarag Srl	COGEDIM	ALTAREA France

Alain Taravella also sits on the Board of Directors of Semmaris as ALTAREA's legal representative.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman and Chief Executive Officer of ALTAREA in its previous legal form of S.A.

Chairman of the SAS Gerec, Foncière Altaréa, Altafi, Altapar, Altafinance and Alsa.

Chairman of the Supervisory Board of SAS Cogedim

Altafinance 2

Altafinance 2 is a *société par actions simplifiée* (simplified limited liability company) with share capital of €435,500,000, owned by Alain Taravella, the companies under his control and members of his family. It is registered at the Paris Commercial and Companies Registry under registration number 501 031 751 RCS Paris.

Alain Taravella is the Chairman of Altafinance 2.

b) Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (associé-commandité).

The Managers may be either natural or legal persons.

The age limit for Managers who are natural persons is 75. In the case of corporate Managers, this age limit also applies to any of its directors who are natural persons.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in paragraph [13.3]. Pending such appointment or appointments, the company shall be managed by the General Partners who may then delegate any powers necessary for the management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office by a unanimous decision of the General Partners, without reasons being given. If the Manager is also a General Partner, such a decision may be taken by a unanimous decision of the other General Partners. Managers may also be removed from office under the conditions provided by law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the company of the remuneration set out in Article 14.1 below, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled in accordance with Article 14.3.

During the lifetime of the company, any new Manager shall be appointed unanimously by the General Partners, without the approval or opinion of the Supervisory Board or of the collective body of shareholders being necessary.

c) Powers (Article 13 of the Articles of Association)

The Managers shall have the widest powers to act in any circumstances on behalf of the Company, within the limits of the corporate object and subject to any powers expressly conferred on the collective body of shareholders or on the Supervisory Board, whether by law or by these Articles of Association.

In accordance with the law, the Managers may authorise and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

The Managers may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not having a contractual relationship with the company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

5.1.2. GENERAL PARTNERS

a) Identity

Altafi 2, a *société par actions simplifiée* unipersonnelle (simplified limited liability company with a sole shareholder) with share capital of €38,000 divided into 38,000 shares, owned in their entirety by Altafinance 2, which is itself controlled by Alain Taravella and is registered at the Paris Commercial and Companies Registry under registration number 501 290 506 RCS Paris.

The Chairman of Altafi 2 is Alain Taravella. His term of office is indefinite.

b) Appointment and termination of office (Article 24)

General Partners are appointed by Extraordinary General Meetings of the shareholders upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

5.1.3. SUPERVISORY BOARD

Information on the appointment and termination of office of members of the Supervisory Board, their powers, the dates of their appointment and the dates of expiry of their terms of office, are set out in Section 6. This paragraph contains the identity of the members of the Supervisory Board and their directorships and executive offices in other companies:

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings of the shareholders, while shareholders with the status of General Partners (Altafi 2 on the date of this document) cannot take part in the vote on the relevant resolutions.

Jacques Nicolet – Chairman

Jacques Nicolet is a French citizen born in Monaco in 1956. From 1984 to 1994, he was successively Program Director, Development Director and Deputy Chief Executive Officer of the Pierre & Vacances Group. In 1994, he co-founded the ALTAREA Group, of which he has successively been Deputy Chief Executive Officer and, since its transformation into a *société en commandite par actions*, Chairman of the Supervisory Board.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Chairman of the Supervisory Board of SCA	Member of the Supervisory Board of SAS	Chairman of SAS	Co-Manager/Manager	Chairman and/or Director of foreign companies
ALTAREA ALTAREIT	ALTAREA France COGEDIM	JN Holding JN Investissement	Damejane, 14, rue des Saussaies JN Participations	SA Productions de Monte-Carlo, ALTAREA Italia SRL, ALTAREA España, Altarag Srl

Jacques Nicolet also sits on the Board of Directors of Semmaris as the permanent representative of Alta Rungis.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chief Operating Officer and Director of ALTAREA in its previous legal form of S.A.

Chairman of the Board of Directors and Chief Executive Officer of Sillon SA.

Chairman of the SAS Les Halles du Beffroi, Rouret Investissement, JN Investissements and Compagnie Altarea Habitation.

Chairman of the Supervisory Board (and previously Chief Executive Officer) of Altafinance SAS.

Manager of Moc SARL and Saulnier Racing SARL.

Director of SAPM SA.

MSRESS II Valmur TE B.V. – Member

Its permanent representative is Adrien Blanc.

Adrien Blanc

Adrien Blanc is a French citizen born in Palaiseau (91) in 1971. Since 2000, he has been Director of Real Estate Management responsible for the management of investments held by the property funds managed by the bank Morgan Stanley in Paris.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Manager of SARL or SCI	Chairman of SAS	Chairman of Board of Directors and Chief Executive Officer of SA	Member of the Supervisory Board of SCA
SCI MSEOF Montparnasse, MSEOF Montparnasse France SARL, Brouckere Tower Invest, Louise Leasehold Airport SARL, Kroonstaete BV, SCI Dual Center, Eurasia Uzes, Tepia, Snc Danube SHR, SNC SCH Résidence, SNC Palmer Transactions, SNC Palmer Plage, SNC Foncière Palmer, Pascal Défense, Pascal Immobilier 1, MSREF Hôtel Danube 1, MSEOF Pascal France, MSC Europe SCI, MSC Boétie SCI, MSP Financière Palmer SARL, SNC Carlton Danube Cannes, Chips Place Sarl, Chips Holding Sarl, SCI Palmer Montpellier, ABC Bassano	Société d'Exploitation Hôtelière de Roissy SAS, Elba Paris 1, Elba Paris 2, Elba Strasbourg 1, Elba Strasbourg 2, Elba Roissy SAS, SAS Monceau 1, MSC Immobilier SAS, MSC Holding SAS, Société d'Exploitation Hôtelière du Palais, Société Immobilière de Strasbourg, Herrenschmidt, Morgan Stanley Properties France, Eurasia Pleyel 2	LCX Leblanc Chromex	ALTAREA

Adrien Blanc is also Vice-Chairman of Morgan Stanley Investissements.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of Suren SA and ALTAREA SA

Manager of MSCG Rives de Seine SCI.

Member of the Supervisory Board of Cogedim SAS.

Gautier Taravella – Member

Gautier Taravella was born in Maisons-Laffitte (78) in 1980. Gautier Taravella currently holds no other office. He is the son of Alain Taravella.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES:

Member of the Supervisory Board of ALTAREA SCA.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Member of the Supervisory Board of Altafinance SAS.

Matthieu Taravella – Member

Matthieu Taravella is a French citizen born in Paris (16) in 1978. Matthieu Taravella is also a Director and company secretary of ALTAREA Inc. He is the son of Alain Taravella.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES:

Member of the Supervisory Board of ALTAREA SCA.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS:

Member of the Supervisory Board of Altafinance SAS.

Altarea Commerce SNC – Member

In accordance with current legislation, which does not require the appointment of a permanent representative, Altarea Commerce is represented at meetings of the Supervisory Board by any ad hoc representative.

Altarea Commerce is a *société en nom collectif* (general partnership) whose registered office is at 8, avenue Delcassé, 75008 Paris, and whose registration number is 414 314 344 RCS Paris.

Its Manager is Alta Patrimoine, represented by its Chairman Alain Taravella.

Altarea Commerce does not hold any other directorships.

Alta Patrimoine SAS – Member

In accordance with current legislation, which does not require the appointment of a permanent representative, Alta Patrimoine is represented at meetings of the Supervisory Board by any ad hoc representative.

Alta Patrimoine is a *société par actions simplifiée* (simplified limited liability company) whose registered office is at 8, avenue Delcassé, 75008 Paris, and whose registration number is 501 029 706 RCS Paris.

Its Chairman is Alain Taravella.

OTHER DIRECTORSHIPS OR EXECUTIVE OFFICES:

Manager of Matignon Toulon Grand Ciel SCI, ATI SNC and Altarea Commerce SNC.

Predica – Member

Its permanent representative is Mr Emeric Servin.

Émeric Servin

Emeric Servin was born in Versailles (78) in 1949. He has a degree in law, a master's degree in public law, and a postgraduate degree in Finance from the HEC business school.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Chairman of the Board of Directors	Permanent representative of Predica	Director	Manager and Co-Manager of SCI	Chairman of the Supervisory Board
SA Francimmo Hotels SA Resico SA B.Immobilier SA Foncière Hypersud	On the Supervisory Board of Altarea, Foncière Foncière Développement Logements, Foncière des Murs and Lion SCPI On the Board of Directors of OCPI France, Régions Dynamique, Foncière Développement Logements	Subsidiaries of Foncière Hypersud: Alcala, Vigo and Greece	Le Village Victor Hugo SCI, 140 SCI, Feder SCI, Carpe Diem SCI, Montparnasse Contentin SCI	Unipierre Assurance SCPI

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of the Board of Directors of Foncière Hypersud SA.

Chairman of Holding Gondomar 4 SAS.

Director of Gondobrico SGS, Finascente SGM, Galerie Parque Rinascente SGM.

Ms Françoise Debrus – Member – Chairwoman of the Audit Committee

Françoise Debrus, 48, is a graduate of the École Nationale du Génie Rural des Eaux et des Forêts and of the Institut National Agronomique Paris-Grignon. Between 1984 and 1987 she was head of the economic and agricultural production department of the Ministry of Agriculture and Forestry. From 1987 she was an auditor and then audit team manager of the Internal Audit Department of Caisse Nationale de Crédit Agricole (CNCA), before becoming head of management control and then financial management of Unicredit. In 1997, she was appointed head of the debt collection/lending department of the Finance Division of Crédit Agricole SA. In 2001, she became head of finance and tax at the Fédération Nationale du Crédit Agricole (FNCA). In 2005, she was appointed Chief Financial Officer of the Caisse Régionale d'Ile-de-France, and since 2 March 2009, she has been with Predica, Crédit Agricole Assurances' personal insurance company, as Head of Investments.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Member of the Supervisory Board of ALTAREA, Foncière Développement Logement, Foncière des Murs.

Permanent representative of Predica, as member of the Supervisory Board of Foncière Paris France SA and as director of Foncière des Régions.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of Socadif and of the CAAM's Portfolio Stratégie mutual fund (SICAV).

Foncière des Régions – Member

Its permanent representative is Olivier Estève.

Olivier Estève

Olivier Estève was born in 1964 and is an engineer from the ESTP public works college (1989). After a career with the company Bouygues Bâtiments (Screg Bâtiment) as a commercial engineer and then as Director of Development, Olivier Estève joined the company Foncière des Régions as a member of the Management Board in charge of Property Management.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Member of the Management Board of SCA	Member of the Management Board of SA	Director of SA	Chairman of SAS	Director of foreign companies
ALTAREA	Foncière des Régions	Parcs GFR SA BPP 3000 SA	FDR 8 GFR Services	Ulysse Trefonds SA Immobilière Batibail Benelux SA Beni Stabili

Manager of Euromarseille Invest, Euromarseille 1 SCI, Euromarseille 2 SCI, FDR 4, FDR 5, FDR 6, FDR 7, BGA Transactions, Bionne, FR Immo, Federation, Foncière Electimmo, Foncière Margaux, SARL du 174 avenue de la République, SARL du 25-27 Quai Felix-Faure, SARL du 2 rue Saint-Charles, SARL du 106-108 rue des Troènes, SARL du 11 rue Victor Leroy, Telimob Est SARL, Telimob Nord SARL, Telimob Ouest SARL, Telimob PACA SARL, Telimob Paris SARL, Telimob Pivot SARL, Telimob Rhône-Alpes SARL, Telimob Sud-Ouest SARL, GFR Ravinelle, Akama, Imefa 106 SCI, Imefa 127 SCI, Atlantis SCI, SARL 23-37 Diderot, Pompidou Metz SCI.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman and Chief Executive Officer of Parc GFR SA.

Chairman of the SAS BGA, Foncière des Régions Développement and Urbis Park.

Chief Executive Officer of Addvim Asset Management SAS.

Director of GFR Services Management, Sovaklé, Addvim Services Management.

Manager of Palmer Immo, Telimob Transactions SNC, Loire, FDR Logements, SARL du 24 avenue de la Marne, SARL du 23/27, rue Diderot, SARL du 96, avenue de Prades.

Permanent representative of Foncière des Régions as Member of the Supervisory Board of Foncière des Régions Logistique.

FDR 3 – Member

Its permanent representative is Marc Henrion.

Marc Henrion

Born in 1950, Marc Henrion has an MBA from INSEAD. He is graduated from the Institut d'Études Politiques of Paris and a higher degree in law and a Masters in Town Planning from IEP Paris. From 1981 to 1990, he was corporate secretary of Expanso SDR and from 1990 to 2000, Chief Executive Officer and then Chairman of the property leasing companies Cofracomi and Cofrabail (GFF group), Sicomi Rhône Alpes, Bail Immo Nord (Crédit Mutuel Nord Europe group) and Sicomi Grand Sud Ouest. Between 2001 and 2007, he was Head of Real Estate Leasing and Financial Assets at General Electric Real Estate France before becoming Head of Corporate Acquisitions and Investments (in which capacity he was Chairman of ISM and GECFIE, Chief Executive Officer and Director of IPBM SA, a listed real estate investment trust (SIIC), a Director of Sophia GE and Sophia Bail, and a member of the Supervisory Board of Foncière des Régions). He joined the Foncière des Régions Group in March 2007 as head of the logistics division. Among other positions, he is Chairman of FEL Gestion and Managing Partner of Foncière Europe Logistique, and is a member of the Management Committee and European Board of Foncière des Régions.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Permanent representative of FDR 3 on the Supervisory Board of ALTAREA.

Permanent representative of FDR on the Supervisory Boards of Foncière des Murs SCA, Foncière Europe Logistique SCA.

Permanent representative of FDR, director of Technical Property SAS.

Director of GFR Property SAS and Beni Stabili Hotel SA.

Manager of FDR Lux SARL.

Chairman of FEL Gestion SAS.

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of GFR Services SAS, GEFCIE SAS, ISM SAS, Sophia Conseil SAS and GECFIE SAS.

Chief Executive Officer and Director of IPBM SA.

Director of Fine – GE SA, Sophia GE SA, and Sophia Bail SA.

Chairman of the Supervisory Board of Société Foncière les Mercuriales SAS.

Member of the Supervisory Board of IMLY BV.

Manager of Garonor France II EURL, Garonor France IV EURL Garonor France VII EURL, Garonor France XI EURL, Garonor France XIV EURL, Garonor France XVI EURL, Garonor France XIX EURL, Garonor France XXVII EURL, Garonor France XXXI EURL, Soviet EURL, FEL Holding GmbH, FEL Bingen GmbH, FEL Kassel GmbH, FEL Holding GmbH & Co Verwaltungs, Kg., Cava – GE, Comi-GE, Sopoli, FEL Lux SARL, GSS III Partners Duisberg SARL, GSS III Partners (Duisberg GP) SARL, GSS III Partners SNFH SARL, GSS III Partners Wuppertal SARL, GSS III Partners SN SARL, GSS III (Duisberg GP) SARL & Co, Verwaltungs KG, FEL Lux 1 SARL, FEL Partners Duisberg SARL, FEL Partners (Duisberg GP) SARL, FEL Partners, SNFH SARL, FEL Partners Wuppertal SARL, FEL Partners SN SARL, FEL Partners (Duisberg GP) SARL & Co Verwaltungs, KG.

Permanent representative of ISM, director of Bail Investissement Foncière, Chairman of Rapée Bercy SAS, GEP SAS, Aric Iberica SA, manager of Jas de Bouffan, Ile-de-France 2000.

Permanent representative of COMI-GE, manager of Percier UIS 013 Rouen Éden, Percier UIS 017 Rouen Saint-Marc, Percier UIS 025 Paris Raspail, Percier UIS 026 Paris Saint-Lazare, Percier UIS 027 Paris Cambrai, Percier UIS 028 Paris Gironde, Château Parly 2 SCI, Percier UIS 081 Modane Valfréjus.

Permanent representative of FEL Gestion, general partner of Foncière Europe Logistique, itself Chairman of Garonor France III SAS and manager of Garonor Melun 7 SNC, Magasins Généraux de Vitrolles SCI, Ile-de-France SCI, Percier UIS 062 Saint-Quentin Fellavier SCI, Société Immobilière Pantin Bobigny, IPV SCI, Marceau Pomponne SCI, Marceau Béthunes SCI, Triname SCI, Immopora SCI and Bollène Logistique SCI.

Opus Investment BV

In accordance with current legislation, which does not require the appointment of a permanent representative, Opus Investment BV is represented at meetings of the Supervisory Board by any ad hoc representative.

Opus Investment whose registered office is at 483 Herengracht, 1017 BT Amsterdam, Netherlands, is a BV registered at the Amsterdam Chamber of Commerce Company Registry under registration number 34222430.

The Directors of Opus Investment BV are Ms Marci Vermeulen-Atikian and Mr Christian de Gournay.

Opus Investment BV does not hold any other directorships.

JN Holding – Member

It permanent representative is Mr Olivier Dubreuil.

Olivier Dubreuil

Olivier Dubreuil is a French citizen and was born on 27 December 1955 in Marseilles (13). He has a degree from the ESCP/EAP business school, and, among other posts, was head of Usinor's, and then Arcelor's, Raw Materials Department. Since 2007, he has been General Manager of Arcelor-Mittal Purchasing.

Chairman	Vice-Chairman and Member of the Supervisory Board	Director	Member of the Supervisory Board	Manager
Atic Services, Ovet Holding, Ovet BV, Dubreuil Conseil SASU	EMO, Ekom	Manufrance	ALTAREA ALTAREIT CFNR	SCI du Crevy

Olivier Dubreuil has not held any other directorship for five years.

APG (ABP Fund) – Member

Its permanent representative is Bart Le Blanc

Bart Le Blanc

Bart Le Blanc was born in 1946 in S-Hertogenbosch, Netherlands. He is a Dutch citizen and has a degree in economics from the University of Tilburg in the Netherlands and a doctorate in law from the University of Leyden in the Netherlands. From 1971 to 1983, he was Adviser to the Dutch Ministry of Finance and Director-General of the Budget. Between 1983 and 1990, he was Vice-Chairman of the Management Board of the private bank F. van Lanschot Bankiers. In 1991, he took part in the creation of the European Bank for Reconstruction and Development (EBRD) in London, where he became the first Secretary General and then Vice-President in charge of Finance. He then joined Caisse des Dépôts in Paris as Head of International Financing. Since September 2004, Bart Le Blanc has been Chief Financial Officer of Urenco Ltd, the world's leading uranium enrichment company (making fuel for nuclear power stations).

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES

Permanent representative of APG (a subsidiary of the ABP pension fund) on ALTAREA's Supervisory Board.

Vice-Chairman of the Board of Directors of ETC Ltd (joint venture between Areva/Urenco) in the United Kingdom.

Member of the Board of Directors of ABP.

Bart Le Blanc has not held any other directorships or executive offices in the last five years.

Dominique Rongier

Having graduated from the HEC business school in 1967, Dominique Rongier was successively Auditor with Arthur Andersen (1969-1976), Chief Financial Officer of the Bremond – Pierre & Vacances Group (1976-1983), and Chief Financial Officer of the Brossette SA Group (1983-1987). In 1987, he designed and set up a holding structure for the Carrefour Group, and from 1988 to 1990, he was Corporate Secretary of Bélier, a member of the Havas-Eurocom network, before becoming Chief Financial Officer of the holding company Oros Communication, which holds majority interests in the communications sector, from 1991 to 1993. Since September 1993, Dominique Rongier has been an independent consultant with DBLP & Associés SARL, of which he is manager and majority shareholder. His main activity is strategic and financial management consultancy. Meanwhile, he has been acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the US advertising group D'Arcy) for more than two years. Until 31 March 2009, he was Chairman of a software publishing company specialising in sport and health.

CURRENT DIRECTORSHIPS AND OTHER EXECUTIVE OFFICES:

Member of the Supervisory Board	ALTAREA SCA
Member of the Supervisory Board	Altareit SCA
Director	Search Partners SA
Manager	DBLP & Associés, Centralis

OTHER DIRECTORSHIPS AND EXECUTIVE OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Co-Manager of GTA SARL and Director of Le Sénateur SA and Tuileries Finances SA.

Chairman of Enora Technologies SAS.

ATI SNC

In accordance with current legislation, which does not require the appointment of a permanent representative, ATI is represented at meetings of the Supervisory Board by any ad hoc representative.

ATI is a general partnership with capital of €10,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 498 496 520 RCS Paris.

Its manager is Alta Patrimoine SAS, whose Chairman is Alain Taravella.

The company ATI does not hold any other directorships or executive offices.

Altafi 3 SAS

In accordance with current legislation, which does not require the appointment of a permanent representative, Altafi 3 is represented at meetings of the Supervisory Board by any ad hoc representative.

Altafi 3 is a *société par actions simplifiée unipersonnelle* (simplified limited liability company with a sole shareholder) with capital of €38,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 503 374 464 RCS Paris.

Alain Taravella is the Chairman of Altafi 3 SAS.

Altafi 3 does not hold any other directorships or executive offices.

5.2. *REMUNERATION*

5.2.1. INTRODUCTION

As a *société en commandite par actions* (limited partnership), the Company is run by two Managers and overseen by a Supervisory Board. It also has one or more general partners.

5.2.1.1 Managers

The Managers' remuneration is determined in accordance with the provisions of Article 14 of the Articles of Association, which reads as follows:

"The Management will be remunerated until 31 December 2012 in accordance with the provisions of Articles 14.1 to 14.3 below. With effect from 1 January 2013, the Management's remuneration will be fixed for successive periods of three years by the Ordinary General Meeting of shareholders (limited partners) in accordance with the provisions of Article L. 226-8 of the Commercial Code, on a proposal from the General Partners and after consultation of the Supervisory Board."

If there is more than one Manager, they will decide how to distribute the said remuneration amongst themselves.

14.1 A fixed annual remuneration of €2,000,000 before tax, which will be revised on 1 January each year and for the first time on 1 January 2008 based on changes in the Syntec index, the reference index being the latest known Syntec index on 1 July 2007 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first revision the latest known Syntec index on 1 January 2008. The fixed annual remuneration will be payable monthly no later than fifteen days after presentation of the corresponding invoice.

14.2 A variable remuneration based on a percentage (i) of the value of investments made, and (ii) of the value of divestments/sales carried out, which will be due on each of the following tranches:

- 1% of the value of investments between €0 and €75 million;
- 0.50% of the value of investments between €75 million and €200 million;
- 0.25% of the value of investments over €200 million;
- 0.25% of the value of property divestments/sales.

The above tranches will be updated annually according to the Syntec index.

"Value of investments" means:

a) the amount of investments made directly by the Company or its subsidiaries as part of their development programme. A partial payment will be made when works start on the basis of 40% of the total projected remuneration. The balance will be calculated when the asset is put into operation, based on its initial appraisal value less the partial remuneration already paid;

b) in the case of a property acquisition, the gross acquisition amount appearing in the notarised deed. In the case of a renovation project, an additional invoice will be established on the date on which the asset is put back into operation based on the value of works completed;

c) in the case of a capital contribution of property assets, the gross amount of the property assets contributed to the Company excluding any liabilities assumed;
d) in the case of an acquisition of a Company, the value of the assets owned by the company excluding any liabilities;
e) in the case of a merger, the value of the assets owned by the absorbed company excluding any liabilities.

The variable remuneration does not apply to investments made in respect of transactions committed to or approved by the company's Investment Committee prior to 1 July 2007. Nor does it apply to sales, transfers, mergers or acquisitions of companies either between the Company and one of its subsidiaries or between two of the Company's subsidiaries. In the case of investments made by subsidiaries, the corresponding remuneration will be paid directly to the Managers by the subsidiary.

The variable remuneration will be paid to the Manager(s) as follows:

- in the case of investments referred to in paragraph a) above, the partial component will be payable in the month in which works begin and the balance within fifteen days of the date on which the asset is put into operation;
- in the case of investments referred to in paragraphs b), c), d) and e) above, within fifteen days of the date of completion of the investment.

"Value of property divestments/sales" means the amount received by the company or its subsidiaries upon disinvestments or sales of property assets.

14.3. No other remuneration may be paid to the Managers in respect of their office unless previously approved by the Ordinary General Meeting of shareholders with the prior unanimous agreement of the General Partners.

The Managers are also entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the Company.

The remuneration to which the Managers are entitled shall be invoiced directly to ALTAREA or its subsidiaries. In the latter case, the portion of remuneration received by the Manager which is attributable economically to ALTAREA, shall be deducted from the remuneration to be paid by ALTAREA."

The remuneration to which the Managers are entitled shall be invoiced directly to ALTAREA or its subsidiaries. In the latter case, the portion of remuneration received by the Manager which is attributable economically to ALTAREA, shall be deducted from the remuneration to be paid by ALTAREA."

The first method of fixing the remuneration of the Managers, currently contained in Articles 14.1 to 14.3 of the Articles of Association and involving fixed and variable remuneration, is destined to change fundamentally with effect from 1 January 2013. The Managers' remuneration will then be set for successive periods of three years by the Ordinary General Meeting of shareholders on a proposal from the General Partners and after consultation of the Supervisory Board.

The Extraordinary General Meeting of shareholders held on 20 May 2009, which decided to amend Article 14 of the Articles of Association in order to introduce this new method of fixing the Managers' remuneration, also introduced a Managers' Remuneration Committee. This committee will be formed at the latest on 31 December 2012. Pursuant to the provisions of Article 18 of the Articles of Association as supplemented in consequence, the committee's role will be to submit proposals to the Supervisory Board concerning the Managers' remuneration, in order to enable it to formulate opinions for the General Meeting responsible for fixing the Managers' remuneration with effect from 31 December 2012.

5.2.1.2. Supervisory Board

Supervisory Board

Article 19 of the Articles of Association provides that annual remuneration may be allocated to the members of the Supervisory Board exclusively in respect of their office, the amount of which, charged to operating expenses, will be determined by the Ordinary General Meeting of shareholders and will remain unchanged until a new resolution is passed. The Supervisory Board will distribute this remuneration among its members in such proportions as it sees fit. Members of the Supervisory Board shall also be entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the Company.

The General Meeting held to approve the 2008 accounts, which took place on 20 May 2009, decided to allocate total remuneration of €600,000 to the members of the Supervisory Board in respect of 2009 and for every subsequent year until the Ordinary General Meeting made a new decision. This remuneration, which has been unchanged since 2008, is therefore expected to remain exactly the same for the year 2010, unless the General Meeting decides otherwise.

The Chairman of the Supervisory Board

When ALTAREA was still in the form of a société anonyme (public limited company) with a Chairman and Board of Directors, Jacques Nicolet acted as Senior Executive Vice President and Director and received remuneration from the Company accordingly.

Once the company ALTAREA was transformed into a *société en commandite par actions* (partnership limited by shares), Jacques Nicolet's functions evolved towards supervisory tasks, to which, in accordance with the Investment Committee's internal regulations, were added substantial duties involving the examination of the Group's investment and disinvestment projects in the context of the powers granted to the Supervisory Board by Article 17.6 of the Company's Articles of Association.

Jacques Nicolet was indirectly paid in respect of these duties through the company Altafinance where he was Chairman of the Supervisory Board. In effect, until 31 March 2008, Altafinance, a company controlled by Alain Taravella, received the fixed and variable remuneration fixed by Article 14 of the Articles of Association in its capacity as Co-Manager. Jacques Nicolet did not then receive any direct remuneration in respect of his functions as Chairman of the Supervisory Board of ALTAREA. On the other hand, he was remunerated by the company Altafinance (cf. the following tables) in his official capacity.

With effect from 31 March 2008, the Company was co-managed by Altafinance 2, also controlled by Alain Taravella, in which Jacques Nicolet no longer held any company office. With effect from its appointment as Co-Manager, Altafinance 2 received the remuneration provided by Article 14 of the Articles of Association, but Jacques Nicolet was no longer indirectly remunerated in respect of his duties at ALTAREA.

At its meeting on 17 March 2008, the Supervisory Board consequently decided that its Chairman would receive gross annual remuneration, including social security contributions, of up to €440,000, in consideration in particular of his duties as Chairman of the Investment Committee. Provision was made for this remuneration to be revised on 1 January each year based on changes in the Syntec index, the reference index being the latest known Syntec index on 1 January 2008 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first revision the latest known Syntec index on 1 January 2009.

Alain Taravella, as the Co-Manager and controlling shareholder of Altafinance 2, informed the Supervisory Board that the Management would accept a reduction of its fixed remuneration to take account of the fact that it was no longer responsible for the remuneration of Jacques Nicolet, which was now directly paid by ALTAREA. The Supervisory Board consequently decided that Jacques Nicolet's remuneration would be paid to him by ALTAREA, and for the first time in respect of 2008, subject to the following suspensive conditions, which the Board has found to have been satisfied: (i) the resolution of the Combined General Meeting of shareholders to amend the Articles of Association and allocate global remuneration of €600,000 to the members of the Supervisory Board in respect of 2008; (ii) the delivery by the Managers of a letter accepting the reduction of their fixed remuneration as provided by Article 14 para. 1 of the Articles of Association, by an amount equal to the gross remuneration including social security contributions effectively allocated to Jacques Nicolet, insofar and for as long as Jacques Nicolet receives remuneration in his capacity as Chairman of the Supervisory Board.

It is therefore important to stress that the remuneration of the Chairman of the Supervisory Board is indirectly borne by the Managers.

The members

On 27 March 2009, the members of the Supervisory Board decided, with effect from 2008, to allocate an allowance of €1,500 per meeting of the Board or of its specialist committees to members of the Board resident abroad, subject to an annual maximum of €21,000.

5.2.1.3. General Partners

Article 32 paragraph 5 of the Articles of Association provides that "General Partners will be entitled to "bonus" dividends equivalent to 1.5% of the annual dividend distributed. However, General Partners will only be entitled to half of this bonus dividend when the first payment is made in respect of the financial year ending on 31 December 2007."

5.2.2. INFORMATION ON REMUNERATION

Application of the AFEP/MEDEF recommendations

As described in the report of the Chairman of the Supervisory Board on internal control (see Section 6), the Company has adopted the AFEP/MEDEF corporate governance code for listed companies (the "AFEP/MEDEF Code") as its reference code, which it applies where the provisions are compatible with the legal form of société en commandite par actions and with the Company's Articles of Association.

The information provided below complies with the AMF's recommendations regarding disclosures on executive remuneration in the annual registration document (the "Recommendations"), published on 22 December 2008.

The Company is run by a **Board of Managers** comprising two Co-Managers:

- Between 1 January 2008 and 31 March 2008, the Board of Managers comprised:
  - Alain Taravella; and

- Altafinance, whose Chairman is Alain Taravella and which is controlled by him within the meaning of the provisions of Article L. 233-3-I of the Commercial Code.
- Since 31 March 2008 and until the date of this document, the Board of Managers has comprised:
  - Alain Taravella; and
  - Altafinance 2, whose Chairman is Alain Taravella and which is controlled by him within the meaning of the provisions of Article L. 233-3-I of the Commercial Code.
- The remuneration of the Board of Managers is fixed by the Articles of Association and is allocated to it as a lump sum.

Non-executive company officers are Members of the Supervisory Board.

Finally, the General Partner receives a bonus dividend of 1.5% of the annual dividend, which amounted to €1,070,904.55 in respect of the financial year 2008. Having regard to the appropriation of profits proposed to the Annual General Meeting by the Supervisory Board, this dividend will amount to €1,099,312.24 if the General Meeting adopts the second resolution proposed by the Board of Managers.

Table 1

Table summarising the remuneration, options and shares allocated to each executive officer (in thousands of euros)

	2008 financial year	2009 financial year
1. Altafinance – Co-Manager from 01/01/08 to 31/03/08		
Remuneration due in respect of the financial year (detailed in table 2)	1,256 (1)	0
Value of the options allocated during the financial year (detailed in table 4)	0	0
Value of the performance shares allocated during the financial year (detailed in table 6)	0	0
ALTAFINANCE TOTAL	**1,256 (1)**	**0**
2. Altafinance 2 – Co-Manager with effect from 01/04/08		
Remuneration due in respect of the financial year (detailed in table 2)	2,923 (1)	4,302 (1)
Value of the options allocated during the financial year (detailed in table 4)	0	0
Value of the performance shares allocated during the financial year (detailed in table 6)	0	0
ALTAFINANCE 2 TOTAL	**2,923 (1)**	**4,302 (1)**
3. Alain Taravella – Co-Manager		
Remuneration due in respect of the financial year (detailed in table 2)	0	0
Value of the options allocated during the financial year (detailed in table 4)	0	0
Value of the performance shares allocated during the financial year (detailed in table 6)	0	0
ALAIN TARAVELLA TOTAL	**0**	**0**

(1) For the purposes of making a relevant comparison between the remuneration of the Board of Managers in 2008 and 2009, it should be recalled that in 2008, the Co-Managers were, first, Altafinance, until 31 March 2008, and then Altafinance 2, with effect from 1 April 2008, and that the overall remuneration payable to the Co-Managers was therefore €4,179,000 in 2008, and €4,302,000 in 2009.

Other observations:

- In 2008, the remuneration effectively paid to Altafinance amounted to €4,239,565 excluding taxes.
- In 2008 and 2009, the remuneration effectively paid to Altafinance 2 amounted to €2,426,278 excluding taxes and €3,499,399 excluding taxes, respectively.
- The amounts effectively paid include sums that were still owed to the Board of Managers in previous financial years.
- For the purposes of applying the provisions of Articles L. 225-102-1 and 233-16 of the Commercial Code, Altafinance 2 held a percentage of more than 40% of the voting rights on 31 December 2009, and no other shareholder held a greater percentage, whether directly or indirectly. Consequently, Alain Taravella is remunerated by the company Altafinance 2 in respect of his office as Chairman, and received €295,100 in this capacity in the 2009 financial year.
- The amounts given in the above remuneration tables include all the remuneration due or paid by ALTAREA, by the companies that it controls, by the companies controlling it, and by the companies controlled by companies controlling ALTAREA.

Table 2

Table summarising the remuneration of each executive officer (in thousands of euros)

1. Name and position of the executive officer:	2008 financial year	
	In respect of the contract for services	In respect of the office of manager
Altafinance – Co-Manager		
Fixed remuneration	0	505
Variable remuneration [1]	482	269
Exceptional remuneration	0	0
Directors' fees	0	0
Benefits in kind	0	0
TOTAL	**482** [2]	**774** [2]

2. Name and position of the executive officer:	2008 financial year		2009 financial year
	In respect of the contract for services	In respect of the office of manager	
Altafinance 2 – Cogérant			
Fixed remuneration	0	1,297	1,649
Variable remuneration [1]	370	1,256	2,653
Exceptional remuneration	0	0	0
Directors' fees	0	0	0
Benefits in kind	0	0	0
TOTAL	**370** [2]	**2,553** [2]	**4,302** [2]

3. Name and position of the executive officer:	2008 financial year	2009 financial year
Alain Taravella – Co-Manager		
Fixed remuneration	0	0
Variable remuneration	0	0
Exceptional remuneration	0	0
Directors' fees	0	0
Benefits in kind	0	0
TOTAL	**0**	**0**

(1) This is the overall amount. It includes amounts invoiced to ALTAREA and those which were directly invoiced to its subsidiaries.

(2) In order to compare this amount with that of the previous financial year, it should be recalled that in 2008, the Co-Managers were, first, Altafinance, until 31 March 2008, and then Altafinance 2, with effect from 1 April 2008, and that the overall remuneration payable to the Co-Managers was therefore €4,179,000 in 2008, and €4,302,000 in 2009.

Table 3

Table of directors' fees and other remuneration received by non-executive company officers

Non-executive company officers	2008 financial year	2009 financial year
Jacques Nicolet **Chairman of the Supervisory Board**		
Directors' fees	0	0
Other remuneration [1]	290 [2]	264
Matthieu Taravella **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration [3]	58	58
Gautier Taravella **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Altarea Commerce [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Alta Patrimoine [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
JN Holding [4] **Member of the Supervisory Board**		
Directors' fees		
Other remuneration		
Opus Investment BV [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
ABP [5] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration [5]	0	3
MSRESS II Valmur TE BV [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Predica [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Foncière des Régions [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0

Non-executive company officers	2008 financial year	2009 financial year
Françoise Debrus **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
FDR 3 [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Dominique Rongier **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
ATI [4] **Member of the Supervisory Board**		
Directors' fees	0	0
Other remuneration	0	0
Altafi 3 [4] **Member of the Supervisory Board**		
Directors' fees	0	
Other remuneration	0	
NON-EXECUTIVE OFFICERS TOTAL	**348**	**425.2**

(1) The remuneration paid to Jacques Nicolet, Chairman of the Supervisory Board, with effect from 2008, is deducted from the fixed remuneration of the Board of Managers.

(2) This is the remuneration paid indirectly by Altafinance until 31 March 2008, and then directly by ALTAREA with effect from 1 April 2008.

(3) Gross annual salary paid by ALTAREA France, a subsidiary of ALTAREA, pursuant to an employment contract. Matthieu Taravella is Director of Programmes and a salaried employee.

(4) No remuneration or benefit in kind is due or has been paid by ALTAREA, by companies controlled by ALTAREA, by companies controlling ALTAREA or by companies controlled by companies controlling ALTAREA, to this legal person, to its permanent representative or to its legal representative or representatives in connection with the office of Member of ALTAREA's Supervisory Board.

(5) Payment allocated to Bart Le Blanc, ABP's Permanent Representative, having regard to the fact that he lives abroad (United Kingdom).

Table 4

Stock options allocated during the financial year to the executive officers by the Company and by any Group company

No stock options were allocated during the financial year to the executive officers, namely Altafinance 2 and Alain Taravella, Co-Managers, by the Company or by any other Group company.

Table 5

Stock options exercised during the year by the executive officers

No stock options were exercised during the year by the executive officers, namely Altafinance 2 and Alain Taravella, Co-Managers.

Table 6

Performance shares allocated to the executive officers

No performance shares were allocated to executive officers during the financial year by the Company or by any other Group company.

Table 7

Performance shares allocated to executive officers and vesting during the year

No performance shares awarded to the executive officers by the Company or by any other Group company vested during the year.

Table 8

Summary of stock option allocations

No stock options have been granted to the executive officers by the Company or by any other Group company.

Table 9

Stock options granted to and exercised by the top ten employees excluding the executive officers

No stock options were granted during the financial year to employees of the Group by the Company, by any company controlling it or by any company controlled by it.

During the 2009 financial year, a total of 12,240 stock options granted to the top ten employees excluding company officers, were exercised as follows:

- in respect of the plan dated 23 November 2004, 9,240 options were exercised at a unit exercise price of €32.90; and
- in respect of the plan dated 4 January 2005, 3,000 options were exercised at a unit exercise price of €38.25.

Table 10

Employment contracts, pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive officers

None.

5.3. *ABSENCE OF CONFLICTS OF INTEREST*

No conflicts of interest have been detected at the level of the Company's administrative, management and supervisory bodies, or at the level of its general management, between the duties of those bodies and any other potential duties they might have.

5.4. *ABSENCE OF IMPROPER CONTROL*

5.4.1. NATURE OF THE CONTROL OF THE COMPANY

The founders of the Company, namely Alain Taravella, his family and the companies Altafinance 2 and Alta Patrimoine that he controls, on the one hand, and Jacques Nicolet and the company JN Holding that he controls, on the other, act in concert. As at 31 December 2009, the founders, between them, owned 55.71% of the capital and theoretical voting rights of the Company and 55.97% of the actual voting rights (that could effectively be cast at General Meetings taking into account treasury shares stripped of their voting rights).

5.4.2. MEASURES PREVENTING IMPROPER CONTROL

The Chairman's report on internal control (Section 6) states that, where governance is concerned:

- the Supervisory Board examines substantial investments and disinvestments;
- there is a majority of independent members of the Supervisory Board on the Audit Committee.

5.4.3. ABSENCE OF IMPROPER CONTROL

Measures have been adopted to prevent any improper control. The Company is controlled as described above; however, the Company considers that there is no risk that control could be exercised in an improper way.

5.5. *CONVICTIONS, BANKRUPTCIES, PROSECUTIONS*

The undersigned hereby represents and warrants that to his knowledge, no director and, since the Company's transformation into a *société en commandite par actions*, no member of the Supervisory Board has, in the last five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory bodies or from being involved in the management or conduct of the affairs of any issuer.

Alain Taravella

Manager

5.6. SENIOR MANAGEMENT

In order to clarify the roles and responsibility of the Group's principal executive officers, it has been decided to organise the Group in divisions, which will also make it possible to improve the rules of internal control.

This organisation is based on the Group having three business lines, namely:

- Commercial, which is managed by Gilles Boissonnet and Ludovic Castillo in Italy;
- Residential and regional business property, which is managed by Christian de Gournay;
- Business property in Ile-de-France, which is managed by Stéphane Theuriau.

Christian de Gournay, Gilles Boissonnet and Stéphane Theuriau have been appointed as Senior Executive Vice Presidents of the Group with responsibility for each of these business lines.

Christian de Gournay, Gilles Boissonnet, Stéphane Theuriau and Éric Dumas, the Group's Finance Director, meet with the Board of Managers every week and constitute the Operational Executive Committee.

With a view to improving exchanges, accessing the information being transmitted and coordinating development potential, a Strategic Committee and a General Management Committee have been formed.

1/ The Strategic Committee consists of:

- The Board of Managers, represented by Alain Taravella;
- The three Senior Executive Vice Presidents (Christian de Gournay, Gilles Boissonnet and Stéphane Theuriau);
- Ludovic Castillo, deputy director of Italy;
- Éric Dumas, Group Financial Director;
- Yves Jacquet, Chief Executive Officer of COGEDIM;
- Jean-François Favre, Chairman of the Supervisory Board of ALTAREA France;
- Albert Malaquin, Deputy Chief Executive Officer of ALTAREA France;
- Patrick Mazières, Financial Director of COGEDIM;
- Philippe Mauro, Group General Secretary.

2/ The General Management Committee, which is made up of the Group's principal executives, which meets as a select committee or in plenary session.
This new organisation does not replace the operational committees of the various subsidiaries. See the report of the Chairman on internal control, below.

5.7. COMPLIANCE WITH THE CORPORATE GOVERNANCE REGIME

In accordance with Article 16.4 of Annex I of Regulation EC 809/2004 implementing EC Directive 2003/71/EC, the undersigned hereby declares and warrants that the company complies with the corporate governance regime applicable in France as set out in the law on commercial companies and subsequent legal instruments.

Alain Taravella

Manager

6 Supervisory Board Chairman's report on internal controls

6.1. *REFERENCE FRAMEWORK AND APPLICATION GUIDE*

In preparing this report, the Chairman of the Supervisory Board drew from the reference framework recommended by the Autorité des Marchés Financiers (AMF) on 22 January 2007, as well as the application guide relating to internal control and accounting and financial information for publication by listed companies (the "Guide"), drawn up by the AMF and published on 22 January 2007. The Chairman also referred to the AMF's 2009 report on corporate governance and internal controls.

However, because of the Company's specific circumstances due to its legal form of a partnership limited by shares *(Société en commandite par actions)*, adopted on 26 May 2007, the division of roles between Executive Management and the Supervisory Board as stated in Articles 1.2 and 1.3 of the Guide, designed for public limited companies *(Sociétés anonymes)*, does not correspond to the Company's new means of operation. Consequently, within ALTAREA, the financial statements are prepared by the Managers and the Supervisory Board is responsible for overseeing the Company's management on a continual basis. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided the same documents by the Managers as those made available to the Statutory Auditors.

6.2. *CORPORATE GOVERNANCE AND THE PREPARATION AND ORGANISATION OF THE SUPERVISORY BOARD'S WORK*

6.2.1. CHOICE OF REFERENCE CODE

In accordance with Article L. 225-37 of the French Commercial Code, the Company has chosen the AFEP-MEDEF Code of Corporate Governance for listed companies, published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) in December 2008. This Code sets forth the corporate governance principles resulting from the consolidation of the AFEP report and the MEDEF report of October 2003, and their recommendations of January 2007 and October 2008 concerning compensation of corporate officers of listed companies. The decision to follow the AFEP-MEDEF Code was made unanimously by the Supervisory Board on 27 March 2009, provided that the AFEP-MEDEF Code is compatible with the Company's Articles of Association and its legal form of a partnership limited by shares.

The Company refers to the AFEP-MEDEF Code and the recommendations of the Code fit in with ALTAREA's corporate governance procedures, it being specified that the Company adheres to the principles set out in the AFEP-MEDEF Code but the application of which should be adapted to partnerships limited by shares and the Company's Articles of Association.

Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer cannot be applied to partnerships limited by shares.

Furthermore, the Company assigns greater powers to the shareholders than those required by law or as recommended by the AFEP-MEDEF Code, particularly as regards determining Managers' compensation. This compensation is determined by the Company's Articles of Association as adopted by the Annual General Meeting of 26 May 2007. No other compensation may be paid to corporate officers without being decided in advance by the Annual General Meeting following unanimous agreement from the General Partners. It will be proposed at the Annual General Meeting to approve the financial statements for 2008 that the Articles of Association be amended and that Managers' compensation be determined as of 1 January 2013 by the Annual General Meeting for successive periods of three years on the proposal of the General Partners and after consultation with the Supervisory Board.

6.2.2. PREPARATION AND ORGANISATION OF THE BOARD'S WORK

6.2.2.1. Scope and powers (Article 17 of the Articles of Association)

The Supervisory Board is responsible for overseeing the Company's management on a continual basis. It sets out the allocation of earnings, dividend distribution, and dividend payment procedure (in cash or in shares) to be proposed at the Annual General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. The Supervisory Board submits a list of potential Statutory Auditors to the Annual General Meeting, appoints an appraiser for the Company's property portfolio, renews or terminates the appraiser's term, and appoints a replacement appraiser if needed. The Supervisory Board submits a report to the Annual General Meeting called to approve the Company's financial statements, in accordance with French law, and gives this report to shareholders when they also receive the management report and full-year financial statements. The Supervisory Board gives shareholders a report describing any proposed capital increase or reduction. The Supervisory Board can call an ordinary or extraordinary shareholders' meeting according to the procedures set forth in French law, if the Board deems necessary and after informing the Managers in writing. ALTAREA's Supervisory Board plays a significant role in making decisions about the Company's investments and commitments, beyond the role this body typically plays in partnerships limited by shares. More specifically, the Supervisory Board must be consulted before any of the following important decisions are made: (i) investments over €15 million; (ii) divestments over €15 million; (iii) commitments over €15 million; and (iv) loans of an amount over €15 million.

6.2.2.2. Composition of the Supervisory Board

(a) Board members

The Supervisory Board currently has the following sixteen members:

- Jacques Nicolet, Chairman of the Supervisory Board, appointed on 26 June 2007 for the length of his term as Board member, which ends at the close of the Annual General Meeting held to approve the financial statements for fiscal 2012;
- Gautier Taravella, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- Matthieu Taravella, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- Altarea Commerce, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- Alta Patrimoine, Board member (13 February 2008 to the AGM for the fiscal 2012 financial statements);
- APG, permanently represented by Bart Le Blanc, Board member (15 March 2010 to the AGM for the fiscal 2012 financial statements);
- Prévoyance du Dialogue du Crédit Agricole-Predica, permanently represented by Émeric Servin, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- MSRESS II Valmur TE BV, permanently represented by Adrien Blanc, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- Françoise Debrus, Board member (27 March 2009 to the AGM for the fiscal 2012 financial statements);
- FDR 3, permanently represented by Marc Henrion, Board member (27 March 2009 to the AGM for the fiscal 2012 financial statements);
- Foncière des Régions, permanently represented by Olivier Estève, Board member (26 June 2007 to the AGM for the fiscal 2012 financial statements);
- JN Holding, permanently represented by Olivier Dubreuil, Board member (13 February 2008 to the AGM for the fiscal 2012 financial statements);
- Opus Investment, Board member (29 August 2009 to the AGM for the fiscal 2012 financial statements);
- Dominique Rongier, Board member (20 May 2009 to the AGM for the fiscal 2014 financial statements);
- ATI, Board member (20 May 2009 to the AGM for the fiscal 2014 financial statements);
- Altafi 3, Board member (20 May 2009 to the AGM for the fiscal 2014 financial statements).

(b) Average age

Since the Company changed its legal form to a partnership limited by shares, legal entities with a seat on the Board are no longer required to appoint a permanent representative. Legal entities are represented at Board meetings either by their legal representative or by a permanent representative if they have elected to appoint one, or by any ad hoc corporate officer. It is therefore no longer relevant to calculate and report the average age.

(c) Offices held in other companies

A list of the offices held by Supervisory Board members outside ALTAREA is given in the Company's Registration Document and in the appendix to the Management Report.

(d) Compensation

PRINCIPLES

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and maintained until decided otherwise. The Supervisory Board divides this amount between its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interest.

DECISION BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of 20 May 2009 allocated total compensation of €600,000, the same amount as prior years, to Supervisory Board members for 2009. This amount will remain unchanged for future years until it is modified by an AGM decision.

COMPENSATION AMOUNT

The Supervisory Board decided on 17 March 2008 that its Chairman would receive gross annual compensation, including charges, of up to €440,000, mainly in return for his work as Chairman of the Investment Committee in accordance with the Committee's rules of procedure. For subsequent years, compensation paid to the Chairman will be revised on 1 January each year and based on changes in the Syntec index, the reference index being the latest known Syntec index on 1 January 2008 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first time the latest known Syntec index on 1 January 2009. The Managers have proposed that compensation effectively paid to the Chairman of the Supervisory Board be deducted from the fixed compensation to which he is entitled in accordance with Article 14.1 of the Articles of Association. The Supervisory Board has therefore decided to pay its Chairman subject to obtaining confirmation of the Managers' renunciation. This commitment was confirmed in a letter dated 26 May 2008.

On 27 March 2009 the Supervisory Board decided to grant its members living abroad a supplement of €1,500 per Board meeting or Board Committee meeting, with a maximum annual limit of €21,000. This supplement was made effective as of 2008.

Apart from the compensation listed above, Supervisory Board members did not receive any other compensation, including Directors' fees, for 2009.

A detailed breakdown of their compensation is given in an appendix to the Management Report to which this report is attached.

(e) Independent Supervisory Board members

SELECTION OF INDEPENDENCE CRITERIA

At its meeting on 31 August 2009, The Supervisory Board reviewed Article L. 823-19 of the French Commercial Code which sets forth the following requirements for listed companies:

- a Company's Audit Committee must consist exclusively of members of its Supervisory Board;
- Audit Committee members cannot exercise management functions; and
- at least one Audit Committee member must be independent according to strict criteria that the Supervisory Board must make public, and must have solid knowledge of finance and/or accounting.

The Supervisory Board Chairman consequently asked the Board to select a set of independence criteria.

The Supervisory Board unanimously decided, following a proposal by the Chairman, to use the independence criteria given in Articles 8.4 and 8.5 of the AFEP-MEDEF Code of Corporate Governance. These criteria are:

- an Audit Committee member cannot hold any of the following positions in the Company (the parent company or any of its consolidated entities): employee, corporate officer or close family member of a corporate officer, customer, supplier, investment banker or significant financer, former auditor (within the past five years), or former member of the Board of Directors (within the past twelve years); and
- for representatives of large shareholders (holding more than 10% of the Company's voting rights), the Supervisory Board must regularly review whether the shareholder's representative serving on the Audit Committee is independent, and whether there may be any potential conflicts of interest.

The Chairman noted that his report on the Company's internal controls will serve to make these independence criteria public.

APPLICATION OF THE INDEPENDENCE CRITERIA
TO SUPERVISORY BOARD MEMBERS

The Supervisory Board has not determined which of its members could be considered independent; such a review was carried out only for the Board's Audit Committee to ensure that the Company is in compliance with Article L. 823-19 of the French Commercial Code.

6.2.2.3. Meeting frequency

The Supervisory Board met three times in 2009.

6.2.2.4. Meeting notices

The Articles of Association stipulate that Supervisory Board members can be called to meetings through a simple letter or any electronic means, at least one week before the meeting date except under urgent circumstances. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner.

6.2.2.5. Information given to Supervisory Board members

Under French law, the Company's Managers must give Supervisory Board members the same documents as those given to the Statutory Auditors.

6.2.2.6. Meeting location and Management attendance

Supervisory Board meetings are held at the Company's head office at 8 avenue Delcassé, 75008 Paris, France.

Managers are invited to Board meetings to answer questions from the Board, so that the Board can perform its role of overseeing the Company's Management on a continual basis. At Board meetings, Managers present the Company's financial statements, give a review of business developments, and present any investment or divestment plans. Managers also answer all questions that Board members deem useful to ask, regardless of whether the questions are on the meeting agenda. However, Managers cannot participate in deliberations or vote on any Board decisions or opinions.

A quorum is reached when at least half of the Board members are present. Resolutions are passed by a majority of the Board members present or represented who are allowed to vote. A present Board member can represent no more than one absent Board member provided that a proxy has been explicitly given. The Chairman has the deciding vote in the case of a tie.

6.2.2.7. Rules of procedure

The Supervisory Board does not currently have a set of rules of procedure.

6.2.2.8. Special committees

Article 18 of the Company's Articles of Association allows the Supervisory Board to delegate tasks to special committees, apart from any tasks that French law explicitly assigns to the Supervisory Boards of partnerships limited by shares.

Supervisory Board currently has two special Committees – an Investment Committee and an Audit Committee – and has created a Management Compensation Committee which will be effective as of 1 January 2013, the date on which Management compensation will no longer be set by the Articles of Association but by an Annual General Meeting.

The Chairmen of the special committees are all Supervisory Board members, and report on the committees' work during Supervisory Board meetings.

Investment Committee

MEMBERS

The Supervisory Board appoints the Investment Committee members, who are currently the following individuals (pursuant to a Supervisory Board decision on 27 March 2009 amending the Investment Committee's rules of procedure):

- Jacques Nicolet;
- Adrien Blanc, representing a Morgan Stanley investment fund;
- Bart Le Blanc, representing an ABP investment fund;
- Émeric Servin, representing Predica;
- Olivier Estève, representing Foncière des Régions;
- Christian de Gournay;
- Éric Dumas; and
- Philippe Mauro.

The Committee is chaired by Jacques Nicolet. Any operating managers concerned by the investment opportunities discussed at an Investment Committee meeting also attend the meeting.

COMMITTEE OPINIONS AND REPORTS

Investment Committee opinions are decided by a majority of members present, with the Chairman having a double vote in case of a tie. An opinion report is then drafted and signed by Committee members during the same meeting. The Company's annual report contains a summary of the opinions issued by the Investment Committee during the year.

COMMITTEE MEETING FREQUENCY

The Investment Committee meets at least once per quarter, and can be called at any time if an urgent situation arises. The Chairman calls committee meetings through whatever method is most convenient (e-mail, fax, post, etc.).

COMMITTEE RESPONSIBILITIES

The Investment Committee advises the Supervisory Board on investment and divestment decisions for amounts between €15 million and €100 million, under the following conditions:

a) Investment and divestment opportunities of between €15 million and €50 million are presented to either:
   - The Investment Committee directly; or
   - the Chairman of the Investment Committee for an initial opinion – done most often in urgent situations – which is then ratified at the next committee meeting.

b) Investment and divestment opportunities of between €50 million and €100 million are presented to the Investment Committee before any final decision is made.

c) Investment Committee opinions are obtained for transactions involving the Cogedim subsidiary as follows:
   - Before entering into any bilateral sales agreements for real estate over €15 million;

- Before signing any deeds for real estate over €15 million, including pursuant to a unilateral sales agreement; and
- Before beginning any construction work if the cost price, including land and after deducting any units that have already been reserved or sold, exceeds €15 million.

d) Investments and divestments of:
- Less than €15 million do not require an Investment Committee opinion; and
- Over €100 million must be submitted to the entire Supervisory Board for an opinion.

These limits are adjusted annually based on the Syntec index.

e) Investment Committee opinions are obtained for the sale of investment property and equity interests in companies owning investment property, within the limits given above.

f) The limits given above apply as a percentage of ALTAREA's equity interests, and exclude tax.

COMMITTEE'S WORK

The Investment Committee did not meet in 2009 because all investment and divestment opportunities discussed during the year exceeded €100 million, and were therefore reviewed by the entire Supervisory Board as required by Article 17.6 of the Articles of Association (see sections 6.2.2.1 above and 6.2.2.9 below).

Audit Committee

MEMBERS

The Supervisory Board appoints Audit Committee members based on their knowledge of the Company and experience in the industry. The Audit Committee currently has the following members (pursuant to a Supervisory Board decision on 31 August 2009 amending the Audit Committee's rules of procedure):
- Françoise Debrus;
- Matthieu Taravella;
- Bart Le Blanc;
- Adrien Blanc;
- Olivier Estève; and
- Dominique Rongier.

The Supervisory Board has appointed Françoise Debrus as Chairman of the Audit Committee due to her experience in the property industry with Predica and Crédit Agricole.

MEMBERS MEETING THE CRITERIA SET FORTH IN ARTICLE L. 823-19 OF THE FRENCH COMMERCIAL CODE

All Audit Committee members have held management positions in large companies and many serve on the boards of other companies, meaning that they meet the requirement set forth in Article L. 823-19 of the French Commercial Code that an Audit Committee's members must have solid knowledge of finance and/or accounting.

On 31 August 2009 the Supervisory Board determined which of its members meet its independence criteria (see section 6.2.2.2e above), which are based on Articles 8.4 and 8.5 of the AFEP-MEDEF Code. The Board concluded that:
- Dominique Rongier, Bart Le Blanc, and Adrien Blanc could be considered independent without reservation; and
- Françoise Debrus and Olivier Estève could be considered independent if the Supervisory Board regularly checks for any potential conflicts of interest, since these Audit Committee members have ties to shareholders owning more than 10% of the Company's share capital (Predica for Françoise Debrus and Foncière des Régions for Olivier Estève). The Board noted that there are currently no ties or transactions, apart from those occurring as part of normal business operations, which could create a conflict of interest with Predica or Foncière des Régions.

Therefore the Audit Committee has five independent members, provided that the Board regularly ensures that there are no conflicts of interest for the latter two independent members listed above.

As a result, ALTAREA meets the requirement in French law that an Audit Committee must have at least one independent member, as well as the recommendation in Paragraph 14.1 of the AFEP-MEDEF Code of Corporate Governance for listed companies that two-thirds of an Audit Committee's members be independent.

COMMITTEE OPINIONS AND REPORTS

A quorum is reached when at least half of the committee members are present. Committee opinions are decided by a majority of members present, with the Chairman having a double vote in case of a tie. The committee secretary drafts a report of the meeting if he or she feels one is necessary, and submits it for approval by the other committee members. The Audit Committee gives a report to the Supervisory Board during the review of the half-year and full-year financial statements.

COMMITTEE MEETING FREQUENCY

The Audit Committee meets on dates set according to the Company's schedule for approving the half-year and full-year financial statements, and may meet at other times of the year if necessary. The Chairman calls committee meetings through whatever method is most convenient (e-mail, fax, post, etc.). The committee secretary sends members all the required documentation before the meeting.

The Audit Committee met three times in 2009 to review the financial statements for the year ended 31 December 2008, propose new property appraisers to the Supervisory Board, and review the financial statements for the first half of 2009.

COMMITTEE RESPONSIBILITIES

The Audit Committee helps the Supervisory Board ensure that the Company is managed properly, and is responsible for the following:

- monitoring the preparation of the Company's financial documents;
- making sure that the Company's systems for internal controls, internal audits, and risk management are working effectively;
- making sure that the Company's financial statements are reviewed by Statutory Auditors;
- ensuring that the Company's Statutory Auditors are independent; and
- ensuring that the Company's operations comply with all applicable laws and regulations.

The Audit Committee maintains working relationships with the Company's Managers, internal controllers, internal auditors, and Statutory Auditors. It may ask Statutory Auditors to attend Committee meetings to answer questions about subjects within their area. The Audit Committee may also ask a Company employee to attend a meeting in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful.

In addition, the Audit Committee must be consulted for the following:

- Statutory Auditor appointments;
- any significant changes in accounting methods that may seem likely or necessary; and
- the approval of the half-year and full-year financial statements.

The Audit Committee ensures that the Company has the appropriate systems, including procedures, documents, and files, to operate as an ongoing concern and protect the Company against fraud and malice.

Management Compensation Committee

The Extraordinary General Meeting decided to create a Management Compensation Committee on 20 May 2009, and correspondingly added a second paragraph to Article 18 of the Articles of Association concerning the Board's special committees.

The same Extraordinary General Meeting amended Article 14 of the Articles of Association concerning Management compensation so that as of 1 January 2013, the Annual General Meeting will set Managers' compensation for successive three-year periods based on a proposal from the General Partners and after consulting the Supervisory Board.

Therefore the Management Compensation Committee will be operational by early-2013 at the latest, when the Annual General Meeting will be held to hear the Supervisory Board's opinion and set Managers' compensation for the first time.

COMMITTEE MEMBERS (ARTICLE 18 OF THE ARTICLES OF ASSOCIATION)

The Management Compensation Committee will consist of Supervisory Board members.

All members of the Management Compensation Committee will be independent of the Company's Management.

RESPONSIBILITIES (ARTICLE 18 OF THE ARTICLES OF ASSOCIATION)

The Management Compensation Committee will submit proposals for Managers' compensation to the Supervisory Board.

6.2.2.9. Supervisory Board meetings and work in 2009

The ALTAREA Supervisory Board held the following meetings in 2009.

- On 27 March 2009: Co-optation of two new members (FDR 3 and Françoise Debrus) to replace two departing members (Christophe Kullmann and Laurent Cazelles). Appointment of two new Audit Committee members (Françoise Debrus and Bart Le Blanc) and the corresponding amendment to the Committee's rules of procedure. Appointment of a new Investment Committee member (Bart Le Blanc) and the corresponding amendment to the Committee's rules of procedure. Review of the financial statements for the year ended 31 December 2008. Approval of the appropriation of profit to propose to the Annual General Meeting. Review of the agenda and resolutions to submit to the Annual General Meeting. Preparation of the Supervisory Board's report to the Annual General Meeting. Approval of the Supervisory Board Chairman's report on internal controls. Favourable opinion given to Management for the guarantees totalling €150 million given to the Company's subsidiaries. Favourable opinion for the letter of intent concerning Cogedim, written by the Company for Natixis on 23 December 2008. Review of the Garches transaction. Review of management forecasts.
- On 31 August 2009: Review of the half-year financial statements for the six months ended 30 June 2009. Appointment of new property appraisers for the Company. Selection of independence criteria for Supervisory Board members and Audit Committee members. Approval of changes to Audit Committee members and the Committee's rules of procedure. Determination of the number of independent members in the Audit Committee. Favourable opinion for various mortgage guarantees and Amendment 2 to the initial loan contract with Ixis dated 9 June 2006. Review of management forecasts.

- On 9 November 2009: Favourable opinion for two divestments. Favourable opinion for a proposed investment. Approval of a regulated agreement concerning the sales of intra-group receivables and equity interests.

6.2.2.10. Meeting minutes

Minutes of Supervisory Board meetings are recorded in a special registry and signed by the meeting Chairman and secretary, or by the majority of Board members present.

6.2.2.11. Assessment of the Board's and Board Committees' work

The Company feels that the operating practices of the Supervisory Board and Board Committees are appropriate, and that no formal assessment procedures are necessary.

6.3. *INTERNAL CONTROLS AND RISK MANAGEMENT*

In accordance with Article L. 225-37 of the French Commercial Code, the following sections describe the main measures that the Company has taken in 2009 and so far in 2010 to enhance its internal controls.

6.3.1. OBJECTIVES OF INTERNAL CONTROLS

(a) Objective of procedures for preparing accounting and financial information

The primary objective of the Company's procedures for preparing accounting and financial information is to comply with the principles set forth in Article L. 233-21 of the French Commercial Code, which states, "The consolidated financial statements must be truthful and give a fair representation of the assets, financial situation, and results of the Company as a whole, comprised of all entities in its scope of consolidation."

In addition, because ALTAREA is listed on a regulated market within a European Union member state, it is required to present its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, along with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union on 19 July 2002 through Regulation (EC)1606/2002 of the European Parliament and the Council.

(b) Objectives of other internal control procedures

- Preserve the Company's assets;
- Ensure that budgets are followed correctly;
- Monitor the commitments made by the Company; and
- Ensure that information is maintained confidential, especially as required by securities exchange regulators.

(c) Limits inherent to internal control systems

One objective of the Company's internal controls is to predict and manage the risks from its business operations and the risks of error or fraud, especially in the areas of accounting and finance. However, like any control system, the Company's internal controls cannot fully guarantee that these risks will be completely eliminated.

The scope for the application of the Company's internal controls is that of the ALTAREA Group; that is, the ALTAREA parent company and all companies that it controls as defined by Article L. 233-3-I of the French Commercial Code, except for property development joint ventures that are managed by a commercial partner.

The Company does not yet have a process for assessing its internal controls.

6.3.2. THE COMPANY'S INTERNAL CONTROL SYSTEM

In 2009, the Company's Management was responsible for setting up the Company's internal controls. The Management ensures that the Company has the internal control procedures and measures in place to manage the risks related to its business operations.

6.3.2.1. Participants in the internal control system

(a) The Supervisory Board's Audit Committee

The Supervisory Board plays a significant role in the Company's internal control system, both directly and through special committees, in particular the Audit Committee, as part of its general responsibility to ensure that the Company is managed properly.

(b) Corporate Secretary

Internal control procedures are coordinated by the Corporate Secretary, who reports to Management. These controls are performed mainly within the various subsidiaries.

The Corporate Secretary's main responsibilities are to:

- ensure that the Supervisory Board committees (Investment Committee and Audit Committee) follow rules of procedure and operate effectively;
- identify the operating committees of ALTAREA and its subsidiaries;
- identify the risks related to:
  - The business operations of ALTAREA's subsidiaries in France and other countries; and
  - ALTAREA's status as a listed company;
- develop general and specific internal control procedures (for corporate officers, powers, etc.);
- review the terms and conditions of the Company's commitments, and compile existing company rules, and standardise them if needed; and
- carry out all checks for compliance with internal control procedures.

(c) External participants

The Company regularly hires specialised firms to perform audits and provide advice or assistance.

In 2009 Mazars issued a report on the unification of ALTAREA's payroll systems, and PricewaterhouseCoopers began creating a risk map for ALTAREA's French operations.

6.3.2.2. Risks addressed by internal controls

The Company's internal controls are designed to cover the following risks:

- property development risks (e.g. company commitments and project management);
- risks related to the Company's businesses and assets (e.g. to maintain asset values);
- risks related to the preparation of financial and accounting information; and
- other risks (interest rate risk, IT system risks, etc.).

(a) Property development risks

Some of the many risks related to property development include:

- risks related to obtaining building permits or permits for commercial operations, and administrative proceedings that could delay property development projects;
- the risk of a delay in construction work due to archaeological excavation, soil typology, decontamination, etc. and the potential for ensuing litigation with construction companies; and
- risks related to selling or leasing property, especially when property development projects take a long time to complete (risks which the Company limits through pre-sales).

The Company now divides its shopping centre development projects into the following categories:

- projects under construction; and
- managed projects, which consist of:
  - projects under preparation; and
  - projects undergoing advanced studies.

The Investment Committee within the Supervisory Board (see section 6.2.2.8 above) along with the specialised committees discussed below work to mitigate these risks.

1. SHOPPING CENTRE INVESTMENT DIVISION

(i) Development, Operations, and Planning Committee: This committee works with Management to set operating targets for property development projects, oversee construction work, establish budgets, and make any budget revisions.

(ii) Coordination and Sales Committee: This committee helps Management set sales targets for developed property.

(iii) Investment reviews: Operating and finance managers track investments monthly through a system of checks and approvals for each business, and senior Management is responsible for giving final approval for expenditures.

(iv) A formal process, developed in 2009 to be operational in 2010, for approving operating budgets on a half-yearly basis. Procedures for reconciling invoices with the accounting department and determining financial expenses based on market conditions will be described in full.

2. PROPERTY DEVELOPMENT DIVISION

(i) Cogedim Investment Committee: Cogedim has an Investment Committee that reviews all property development projects at the initial stages that constitute an investment commitment for the Company, including signing a sales agreement at the land stage, launching marketing, buying the land and beginning works. In parallel with the opportunity and advantages of carrying out the development project, objective data are also validated at each stage, including the margin, percentage of pre-sales (currently 50%), and validation of the cost of works. The Investment Committee is made up of members of the Management Board, the Chief Financial Officer, the Head of Sales, the Head of Contracts (bids) and the Head of Investment. In addition to the work of the Investment Committees, with the help of subsidiaries' financial controllers, the Head of Investment is involved in all issues concerning the Company that do not fall directly within the remit of the Investment Committee, and can comment on any proposed memorandums of understanding, sales agreements or specific contracts. The Head of Investment is also informed of the development of major development projects and the risk they may present in terms of the amount involved or legal arrangement, for example. The Head of Investment acts as an intermediary between the Group's Corporate Secretary with regard to internal control issues.

(ii) Cogedim Contracts Department: this department validates the construction costs used in budget forecasts for development projects as soon as the sales agreement for the land is signed. Costs are updated as progress is made in defining the product. The Contracts Department is also involved in consulting companies prior to signing works contracts.

(iii) Sales and Marketing Procedures: Cogedim has its own marketing tool in the form of a dedicated subsidiary, Cogedim Vente, which is responsible for sales and marketing, as well as sales administration. The sales and marketing strategy for each development project is defined by the Project Manager, the Leader and the Product Manager for Cogedim Vente. Cogedim Vente also provides project managers with research and opinions to evaluate local markets and prices, thereby allowing them to integrate these values into their budget forecasts. Budget monitoring information for each project is entered into the IT system in real time in the form of marketing data (reservations and sales), enabling each project manager to monitor the progress of the developments for which they are responsible. The marketing IT tool also allows for consolidated reporting at the Cogedim level.

3. ITALY AND SPAIN

New investments in Italy and Spain are reviewed by the corporate Investment Committee of the Group.

- Various committees have been formed in Italy (Property Development, Construction, Management, Resale, and Finance Committee, and Management Committee) which meet every two weeks with a set agenda; minutes are drafted after each meeting. An oversight committee is due to be set up in 2010 to comply with regulatory requirements.
- Due to the size of ALTAREA's subsidiary in Spain, ALTAREA Managers hold regular meetings with the subsidiary's management team; minutes are not necessarily drafted for each of these meetings.

In addition, ALTAREA Managers hold monthly meetings with the subsidiaries' management teams; minutes are not necessarily drafted for each of these meetings.

(b) Risks related to the Company's businesses and assets

(i) Property Portfolio Committee: this committee helps Management set asset management targets for each property.

(ii) Property Portfolio reports: managers responsible for operating property portfolios send the corporate finance department regular financial statements and reports including forecasts of rental income and non-collectable expenses, data on property vacancies, and changes in base rents, billed rents, and gross rents. Quarterly property portfolio reports are also submitted to provide a comprehensive view of results at the Company's shopping centres. The Commercial Coordination Committee monitors all re-marketing actions on a monthly basis in order to determine terms for renewing lease agreements for the Company's properties.

(iii) Property appraisals: shopping centres operated by the Company are appraised by experts twice a year. In 2009 the Company issued a request for proposals for new appraisers; based on the bids received, the Audit Committee selected the following firms which were officially appointed by the Supervisory Board on 31 August 2009:
- DTZ Eurexi and Icade Expertise for shopping centres in France and Spain;
- CBRE for other properties like Hôtel Wagram; and
- Savills for property in Italy.

(iv) Rental property and France's Hoguet law: ahe following companies have licenses for property transactions and property management, and are eligible for the guarantees provided by French law: Altarea France, CRP Developpement, Cogedim Vente, Cogedim Tradition (terminated in 2009), and Cogedim Gestion.

(v) Insurance in France
- For property in operation: all ALTAREA property in operation is covered by an "everything but" policy from Axa, which includes both damages and civil liability. The damages portion covers the value of property in newly rebuilt condition, as well as operating losses over three years. The insurance premium for this policy was €1,247,185.04 (incl. tax) in 2009. The Company also has an insurance policy with Axa for land and buildings

purchased before construction work is completed; the premium for this policy was €76,162.45 (incl. tax).

- Insurance for property under construction: ALTAREA has "construction damages" and "all worksite risks" insurance policies with Axa and Gan for property under construction, as well as a single framework damages policy for construction projects whose cost is below a set amount.
- Professional liability insurance: ALTAREA and its subsidiaries, including Cogedim, have professional liability insurance policies with several insurers including Allianz, AGF, CNA, and Covea Risk. Premiums for these policies totalled €1,024,167 (incl. tax) in 2009 (not including premium adjustments related to the amount of declared revenue).
- Other insurance: the Company has other insurance policies to cover items such as leased offices, vehicle fleet, and computer equipment. It also has a "corporate officers" insurance policy with Chubb.

(c) Risks related to the preparation of financial and accounting information

(I) CORPORATE FINANCE COMMITTEE

The Corporate Finance Committee meets every two weeks with an agenda set by the Chief Financial Officer. During these meetings, Management is updated on accounting, taxation, and financial matters, and then Management sets ALTAREA's financial targets. ALTAREA's largest subsidiaries, including Cogedim and Altarea France as of 2009, also have their own finance committees.

A number of subsidiaries already had or have since set up finance committees.

Control procedures have been implemented relating to the preparation and treatment of accounting and financial information (main control procedures relating to preparation of the financial statements). A representative of the Finance Committee attends meetings of subsidiaries' finance committees.

- Hard copies of the accounting documents for ALTAREA and its subsidiaries are held by company employees in offices at three sites: one in Paris (on Avenue Delcassé), one in Milan, and one in Madrid. All sites use the same software to manage company accounts. User manuals are available to trace entries for auditing purposes. The corresponding financial statements are generated in-house through an interface with ALTAREA's accounting software. The accounts for regional Cogedim subsidiaries are held mainly in the corresponding regions.
- Accounting and finance operations are grouped by division (Shopping Centre Investment Division, Property Development Division, and the corporate holding company) to allow for checks at each level.
- Events likely to have a significant effect on the financial statements (acquisitions, restructuring etc.) are modelled with financial software, described in notes written by the finance department, and documented in the notes to the financial statements.

(II) ENHANCEMENTS TO INTERNAL CONTROL PROCEDURES

ALTAREA's listing on Euronext prompted Management to introduce operating guidelines and further strengthen the Company's internal control procedures. Measures taken include:

- The creation of summary files for each company, divided by function (purchasing, sales, cash flow, capital management, etc.) and designed to document the handling of legal and financial operations;
- A procedure to pass data from operating departments vertically through the Company (account closing instructions, quarterly meetings, tracking tables for data sharing, etc.);
- Cross-functional procedures for data sharing with checks on consistency and account reconciliations;
- A procedure for formalising and tracking risks and legal proceedings;
- Contractual audits of the financial statements of foreign subsidiaries; and
- The introduction in 2008 of a formalised budget tracking and planning process carried out twice a year (in April/May and October/November) to generate a budget that has been approved by business line and corporate managers, and consequently facilitate the preparation and review of half-year and full-year financial statements.

ALTAREA took the following steps in 2009:

- Generated unaudited first quarter and third quarter financial statements (at 31 March and 30 September) with key indicators;
- Encouraged the more widespread use of wire transfers for making supplier payments; and
- Continued to automate its processes and improve the interface between business and accounting software so as to generate more reliable accounting data.

(III) ACCOUNT CONSOLIDATION SOFTWARE

The Investment Division started using SAP BFC account consolidation software in 2006; the Property Development Division in 2004. This software compiles data into a single database, allowing for a more reliable integration of management systems and a lower risk of material errors. SAP BFC can be upgraded for compliance with new regulations. ALTAREA has begun studying options for using a standard configuration at a corporate level and at the branches within each division so as to generate financial statements more efficiently.

(IV) FINANCIAL PLANNING AND REPORTING SOFTWARE

In 2008 the Company installed SAP BPC financial planning and reporting software. This software supplements the existing software for managing property transactions, and uses operational data from business systems to generate consolidated forecasts which are later compared with actual results. Any significant variations between actual and forecasted values are explained.

(V) RENTAL PROPERTY SOFTWARE

The Company's French and Italian operations started using Altaix rental property management software on 1 January 2007. The Company's accounting data has been automatically transferred from Altaix to Sage since the first half of 2008. Inputs of supplier invoices and monitoring of commitments made by shopping centres have been automatically passed on to the centralised rental management system via Altaix. In late 2009 a feature was added that can track the revenue declared by retailers. In October 2009 version 5 of this software was installed, which allows for the generation of pdf files.

(VI) PRIMPROMO PROPERTY TRANSACTION SOFTWARE

The Property Development Division primarily uses a software package that enables it to manage its property transactions efficiently through each step of the development and sales process. With the real-time integration of marketing data, daily accounting information and cash flow positions, also on a daily basis, this software allows for budget monitoring and steering for each of the Division's property transactions.

(VII) PAYROLL SOFTWARE

In 2009 the Company ordered a report on a comparison of existing systems in order to select a single HR information system for its French operations.

(d) Other risks related to ALTAREA's businesses

ALTAREA may be exposed to other risks and has the resources to limit these risks and manage the consequences should they materialise.

RISKS RELATED TO TRENDS IN THE PROPERTY MARKET

ALTAREA operates in several sectors of the property market, mainly commercial property (mostly shopping centres) and residential property. The Company is exposed to systemic risks and uncertainties specific to the property market, most notably its cyclical nature, including the risk of a turnaround in the residential property market, as well as the risks inherent to each property asset. The Company's risk management strategy and measures taken aim to limit the negative consequences should one of these risks materialise. However, abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate could have a negative impact on ALTAREA's businesses, asset values, earnings, development projects, and investments.

RISK OF TENANT INSOLVENCY

ALTAREA's ability to collect rental income depends on the solvency of its tenants. The Company carefully reviews potential tenants before granting any leases, although it may occur that a tenant does not pay its rent on time or defaults on its rental payments, which would impact ALTAREA's operating income.

In order to anticipate this risk as best possible, the Portfolio Management department produces systematic reports on payments in arrears by 30 days, 60 days and 90 days. Follow-ups in the procedure for recovering rental payments have also been stepped up.

LEGAL, REGULATORY, ENVIRONMENTAL, INSURANCE, AND TAX RISKS

Legal and regulatory risks

ALTAREA must comply with regulations in a variety of areas, including urban planning, construction, leases, operating permits, health and safety, the environment, commercial lease regulations, the corporate law and taxes (most notably the tax rules governing SIICs).

Changes to any of these regulations could require ALTAREA to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values, and expenses, and may slow or halt progress on some of the Company's property development or marketing activities.

ALTAREA is involved in legal procedures as part of its regular business operations, and is subject to tax or regulatory audits. The Company recognises a provision whenever a risk is identified and its cost can be reasonably estimated.

ALTAREA's entities are subject to changes in regulatory requirements due to the nature of their businesses.

<u>Altarea France, Altarea Italia, and Altarea España:</u> The legal departments of ALTAREA and its subsidiaries ensure compliance with all applicable regulations and the possession of all permits needed to carry out their operations (except for Altarea España, which uses an outside law firm). The regulations relate mostly to urban planning (commercial licences, building permits, etc.), construction, and commercial leases. ALTAREA's Corporate Secretary coordinates the efforts of the subsidiaries' legal departments. The Chief Financial Officer oversees the Corporate Legal Department, which ensures that ALTAREA and its main subsidiaries comply with workplace legislation and the requirements of being a listed company.

Cogedim: Cogedim's operating managers use outside law firms on a regular basis. In addition, Cogedim occasionally asks ALTAREA's Property Legal Department for assistance, especially when dealing with complicated arrangements. The legal secretary functions of Cogedim SAS's subsidiaries were carried out by a specialised outside firm in 2008. As of 2009, Cogedim's main subsidiaries will be overseen by the Corporate Legal Department of the Group and companies in charge of development projects will continue to be monitored by outside firms or by employees themselves, depending on the regional subsidiary.

Tax risks related to SIIC status

ALTAREA is subject to SIIC tax rules, which means that it is exempt from French corporate income tax if it meets certain criteria regarding dividend distributions and share ownership. More specifically, the criteria stipulate that no single shareholder or group of shareholders acting in concert can own more than 60% of ALTAREA's shares or voting rights – which is why ALTAREA's Articles of Association cap voting right ownership at 60%. If ALTAREA fails to meet these criteria it will be required to pay corporate income tax under French common law for the fiscal years in which it does not meet these criteria, which would have a negative impact on its earnings.

ALTAREA could be liable for an additional income tax charge if it pays an exempt dividend to a shareholder not subject to French corporate income tax (or an equivalent tax) and which owns at least 10% of ALTAREA's shares, and if ALTAREA cannot pass the charge on to this shareholder. ALTAREA's Articles of Association state explicitly that shareholders must pay this charge, but ALTAREA may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the shareholder becomes insolvent before the payment is made. Finally, ALTAREA is subject to changes in existing tax laws.

Risk related to the cost and availability of insurance coverage

ALTAREA feels that the type and amount of insurance coverage it has is consistent with the practices in its industry.

Nevertheless, the Company could experience losses that are not fully covered by its insurance policies, or the cost of its insurance policies could go up. The Company could be faced with insufficient insurance or an inability to cover some or all of its risks, which could result from capacity limitations in the insurance market. The cost or unavailability of appropriate coverage in the case of damages could have a negative impact on the Company's asset values, earnings, operations, and financial position.

Health and environmental risks (asbestos, lead, classified facilities, etc.) and the risk of flood or building collapse

ALTAREA's assets could be exposed to health and safety risks such as those related to asbestos, termites, and lead. As the owner of buildings, facilities, and land, ALTAREA could be formally accused of failure to adequately monitor and maintain its property against these risks. Any proceedings invoking the Company's liability could have a negative impact on its operations, outlook, and reputation. Therefore, ALTAREA closely follows all applicable regulations in this area, and has a preventive approach to carrying out property inspections and carrying out any building work needed to come into compliance.

ALTAREA's property could be exposed to natural and technological risks. One or more of its properties may receive an unfavourable inspection report from a safety commission, which could require the full or partial closure of the premises. This could make the Company's assets less attractive, and have a negative impact on the Company's operations and earnings.

RISK OF CONFLICTS OF INTEREST

ALTAREA has entered into partnerships or protocol agreements with other organisations, mostly for the purposes of carrying out joint property development projects. In the future, conflicts of interest could arise in one or more of these partnerships or agreements.

RISKS RELATED TO THE COMPANY'S FINANCING POLICY AND FINANCIAL CAPACITY

Borrowing capacity and liquidity risk

ALTAREA finances some of its investments through fixed- or floating-rate loans and through the capital markets. The Company may not always have the desired access to the capital markets or be able to obtain financing under favourable conditions. This situation could result from a crisis in the bond or equity markets, deterioration in the property market, or any change in ALTAREA's businesses, financial position, or shareholder structure which affects investors' perception of ALTAREA's credit quality or attractiveness as an investment.

ALTAREA manages its liquidity risk by keeping track of its debt maturity and available lines of credit, and diversifying its sources of financing.

ALTAREA does not feel it has a significant exposure to liquidity risk as of the date of this Registration Document.

Equity risk

ALTAREA does not feel it has a significant exposure to equity risk as of 31 December 2009.

Currency risk

ALTAREA generates almost all of its revenue in the Eurozone and pays almost all of its expenses (investments and capital expenditures) in euros. ALTAREA's operations in non-Eurozone countries, such as Russia, are still minor. Therefore, ALTAREA does not feel it has a significant exposure to currency risk.

Interest rate risk

ALTAREA has adopted a prudent approach to managing interest rate risk. The Company uses fixed/floating rate swaps as hedging instruments to cover the interest rates on mortgages backing its property and therefore preserve the cash flow generated by its operating assets.

IT SYSTEM RISK

Every ALTAREA operating entity (Altarea France, Cogedim, Altarea Italia, and Altarea España) has a data back-up system that allows for secure, remote storage of critical data.

Visual Scope: a management software package for holding companies and subsidiaries was installed in 2009. This centralised system, currently operational, allows for the management of participating interests and mandates, automatically provides legal and tax parameters, and checks compliance with applicable regulations. It has been rolled out in France, Italy and Spain under the responsibility of the Corporate Legal Department.

As mentioned earlier, Altarea France installed an electronic data management system in the first half of 2009. All of the Company's original paper documents – such as lease contracts, administrative authorisations, and various protocols – have been scanned and the files are stored externally, meaning that all of the original documents generated by the Company are now secure.

PROCEDURE TO PREVENT MONEY LAUNDERING

As a preventative measure, Altarea France has implemented a procedure to identify suppliers and clients. Cogedim's Contracts Department is systematically involved in all tender invitations and consultations. It plays a decision-making role in choosing companies and prioritises working with companies offering a full range of guarantees.

6.3.3. IMPROVEMENTS IN 2010

the Company has already taken the following measures in 2010 to further improve its internal controls.

- An employee from Cogedim's management control department was transferred to the Corporate Secretary function effective 1 April 2010 in order to reinforce the function's operations.
- The ALTAREA COGEDIM Code of Ethics was finalised and presented to the ALTAREA Works Council.
- This Code of Ethics outlines ALTAREA COGEDIM's values and rules of conduct, which all employees and corporate officers must follow when working for the Company. It sets forth clear, specific guidelines that can inspire employees in their day-to-day activities and help them deal with issues related to ethics, conduct, and conflicts of interest in an unambiguous and coherent manner.
- The Code of Ethics reminds employees that they must act with professionalism, integrity, loyalty, and discretion in their own behaviour (Part 1) as well as towards colleagues and other professionals at other companies (Part 2) while complying with the Code's principles and all relevant laws and regulations.
- The following items are also attached to the Code of Ethics:
  - Prudential rules that should be followed in a listed company;
  - Guidelines for the Company's IT system;
  - Procedures for using the company cars and phone system; and
  - A description of the housing benefits available to employees.
- In late 2009 the Company hired PricewaterhouseCoopers to map the risks related to its operations in France; a second risk map for Italy is also planned.
- This risk map is based primarily on discussions with most of ALTAREA's main Managers, and will be presented at the next Audit Committee meeting.
- The risk map outlines the Company's key risks, including both their degree and probability, and aims to help the Company better understand its current level of risk management.
- In order to better track the commitments made by the Retail Property Division (comprised of Foncière Altarea, Altarea Italia, and Altarea España), a new procedure was introduced in early 2009. The Division now generates quarterly statements giving the commitments and financing methods for each project being developed or completed.

- In early 2010 the Company issued a request for proposals (RFP) for new Statutory Auditors, since their term will be up for renewal at the AGM held to approve the 2009 financial statements. The RFP procedure follows the transparency criteria included in the Company's internal controls.
- The Company's internal controls aim to enhance existing procedures and develop new procedures in response to the risks faced by the Company.

6.4. *MANAGEMENT POWERS*

6.4.1. EXERCISING OF MANAGEMENT POWERS

Because the Company is a partnership limited by shares, it is managed by a Management team.

A Manager may be a natural or legal person and may have the status of a General Partner.

The first Managers were named in the Company's Articles of Association as amended at the time of its transformation into a partnership limited by shares. During the Company's existence, any new Managers are appointed unanimously by the General Partners, without requiring the agreement or approval of the Supervisory Board or the Annual General Meeting.

6.4.2. LIMITS ON MANAGEMENT POWERS AND INFORMATION PROVIDED TO THE SUPERVISORY BOARD ABOUT THE COMPANY'S FINANCIAL SITUATION, NET CASH POSITION, AND COMMITMENTS

In accordance with Article 13.4 of the Articles of Association, each Manager has broad powers to act on behalf of the Company, within the scope of the Company's corporate purpose and subject to the powers explicitly given to Annual General Meetings or the Supervisory Board by either French law or the Articles of Association.

Article 17.1 of the Articles of Association states that the Supervisory Board has the right to be provided the same documents by the Managers as those made available to the Statutory Auditors.

6.5. *PROCEDURE FOR ESTABLISHING THE COMPENSATION AND BENEFITS PAID TO CORPORATE OFFICERS*

6.5.1. MANAGEMENT TEAM

The compensation paid to Managers is set by Article 14 of the Articles of Association.

This compensation includes a fixed portion and a variable portion; the variable portion is calculated as a percentage of the value of completed property developments and any divestments or asset sales.

Any other compensation paid to Managers as a result of their position in the Company must be approved by an Annual General Meeting and unanimous vote from the General Partners, in accordance with Article 14.3 of the Articles of Association.

6.5.2. SUPERVISORY BOARD

The compensation and benefits paid to Supervisory Board members is set by Article 19 of the Articles of Association.

The Annual General Meeting can allocate annual compensation that may be paid to Supervisory Board members exclusively in respect of their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and maintained until decided otherwise. The Supervisory Board divides this amount between its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interest.

6.6. PARTICIPATION IN THE ANNUAL GENERAL MEETING AND INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

Other than the conditions set forth in the applicable laws and regulations, there are no particular conditions relating to shareholders' participation in Annual General Meetings.

The information required by Article L. 225-100-3 of the French Commercial Code is given in the appendix to the Management Report to the Annual General Meeting.

This report was prepared by the Chairman of the Supervisory Board, with the help of the Corporate Secretary and the Corporate Finance Division. It has been distributed to Supervisory Board members and presented to the Board, and was approved by the Board on 15 March 2010.

Jacques Nicolet

Chairman of the Supervisory Board

6.7. STATUTORY AUDITORS' REPORT ON THE SUPERVISORY BOARD CHAIRMAN'S REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE

(For the fiscal year ended 31 December 2009)

To the shareholders,

In our capacity as ALTAREA SCA's Statutory Auditors, and in accordance with Articles L. 226-10-1 of the French Commercial Code, we hereby present you with our report on the Supervisory Board Chairman's report submitted in accordance with this Article for the fiscal year ended 31 December 2009.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board a report on the Company's internal control and risk management procedures and providing the other information required by Article L. 226-10-1 of the French Commercial Code relating in particular to corporate governance.

It is our responsibility:

- to give you our observations on the information set out in the Supervisory Board Chairman's report on internal control and risk management procedures relating to the preparation and treatment of accounting and financial information;
- to certify that the report contains the other information required by Article L. 226-10-1 of the French Commercial Code, it being specified that it is not our responsibility to verify the fair presentation of this other information.

We conducted our audit in accordance with the professional standards applicable in France.

Information concerning internal control and risk management procedures relating to the preparation and treatment of accounting and financial information

Professional guidelines require us to perform procedures to assess the fair presentation of information concerning internal control procedures relating to the preparation and treatment of accounting and financial information set out in the Chairman's report. These procedures notably consist of:

- obtaining an understanding of internal control procedures relating to the preparation and treatment of accounting and financial information underlying the information provided in the Supervisory Board Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to prepare this information and existing documentation; and
- determining whether appropriate information is provided in the Supervisory Board Chairman's report about the major shortcomings in internal control relating to the preparation and treatment of accounting and financial information identified within the framework of our audit.

On the basis of these procedures, we have no matters to report concerning the information in the Supervisory Board Chairman's report on the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information, submitted in accordance with Article L. 226-10-1 of the French Commercial Code.

Other information

We certify that the Supervisory Board Chairman's report contains the other information required by Article L. 226-10-1 of the French Commercial Code.

Paris and Paris-La Défense, 27 April 2010

The Statutory Auditors

A.A.C.E. Ile-de-France	Ernst & Young Audit
Michel Riguelle	Marie-Henriette Joud

7 Draft resolutions of the Combined Annual General Meeting of 28 May 2010

7.1. *ORDINARY RESOLUTIONS*

First resolution

(Approval of the parent company accounts for the financial year ending 31 December 2009)

The General Meeting, having heard the management report of the board of Managers, the report of the Supervisory Board and the general report of the Auditors on the accounts for the financial year ending 31 December 2009, approves the parent company accounts as presented, showing a net profit of €7,842,664.

It also approves the operations reflected in those accounts or summarised in those reports.

Second resolution

(Appropriation of the distributable profit)

The Ordinary General Meeting notes that the result for the financial year ending 31 December 2009 is a profit of €7,842,664.

The Ordinary General Meeting resolves to appropriate 5% of the profit for the financial year, namely €392,133.20, to fund the legal reserve.

The Ordinary General Meeting resolves to distribute a dividend of €7.20 per share, namely an overall amount of €73,287,482.40, after payment of a bonus dividend of 1.5% of this amount, namely €1,099,312.24, to which the General Partner is entitled in accordance with the provisions of Article 32 paragraph 5 of the Articles of Association, namely a total dividend of €74,386,794.64, charged to:

- the balance of the profit for the financial year in the amount of: €7,450,530.80;
- the deferred earnings account in the amount of: €408,108.00;
- the "statutory or contractual reserves" account in the amount of: €44,239,678.00;
- the "issue premiums" account in the amount of: €22,288,477.84.

The above amounts are calculated on the basis of the number of shares entitled to the dividend in respect of the 2009 financial year, namely 10,178,817 and will be adjusted by the board of Managers according to the number of shares entitled to the dividend on the date of its actual payment.

The Ordinary General Meeting resolves that, in accordance with the provisions of Article L. 225-210 of the Commercial Code, the amount corresponding to treasury shares on the date of payment of the dividend, together with any amount which shareholders might waive, will be allocated to the "Issue, merger and contributions premium" account.

The dividend will be paid in cash with effect from 1 July 2010.

From a fiscal point of view, this dividend constitutes:

- a distribution of income insofar as it is deducted from the profit for the financial year, from the deferred earnings account and from the statutory or contractual reserves account, namely as regards €52,098,316.80; and
- a non-taxable repayment of capital contributions insofar as it is deducted from issue premiums (excluding any other premiums), namely as regards €22,288,477.84.

In the case of shareholders who are natural persons resident for tax purposes in France, the fraction of the dividend constituting a distribution of income is eligible for the 40% allowance provided by Article 158.3-2 of the General Taxation Code, unless the option for levy at source mentioned below is taken up. Alternatively, those shareholders can opt to pay the levy at source of 18% provided by Article 117 *quater* of the General Taxation Code, plus social security deductions. The option for the levy at source must be exercised by taxpayers no later than upon receipt of the dividend.

Furthermore, the Ordinary General Meeting recalls that the Company has opted for the regime provided by Article 208 C of the General Taxation Code and is consequently exempt from tax on part of its income. It is therefore specified that the fraction of the dividend constituting a distribution of income from a tax point of view shall be deemed to be deducted from the profits exempt from tax pursuant to the said regime, in the amount of €677,694.00. Only the balance of that fraction of the dividend, namely €51,420,622.80, will be eligible, if applicable, for the parent companies and subsidiaries regime provided by Article 145 and 216 of the General Taxation Code.

The final breakdown of the dividend is set out in the following table:

	General Partner	Other partners	
Distribution of income	€769,925.87	€51,328,390.93	(namely €5.04 per share)
▸ Of which deducted from exempt profits	€10,015.18	€667,678.82	(namely €0.07 per share)
▸ Of which deducted from other profits	€759,910.68	€50,660,712.12	(namely €4.98 per share)
Repayment of capital contribution	€329,386.37	€21,959,091.47	(namely €2.16 per share)
TOTAL	**€1,099,312.24**	**€73,287,482.40**	**(NAMELY €7.20 PER SHARE)**
DIVIDEND			**€74,386,794.64**

In the event that, on the date of payment of the dividend, the Company owns some of its own shares, the distributable profit corresponding to the dividend that is not paid due to the ownership of the said shares will be appropriated to the deferred earnings account.

The Ordinary General Meeting notes that the sums distributed by way of dividend in respect of the last three financial years were as follows:

	Number of shares entitled	Dividend distributed	Dividend entitled to the allowance (*)
2006 financial year	7,891,697	€4.00	€4.00
2007 financial year	7,893,029	€6.00	€6.00
2008 financial year	10,098,187	€7.00	€7.00

(*) These dividends carried entitlement to the 40% allowance applicable to natural persons resident for tax purposes in France with effect from 1 January 2006.

Third resolution

(Approval of the consolidated accounts for the financial year ending 31 December 2009)

The General Meeting, having heard the management report of the board of Managers, the report of the Supervisory Board and the report of the Auditors on the consolidated accounts for the financial year ending 31 December 2009, approves the consolidated accounts for that financial year, as presented, showing a Group share of net profit of €(108,453,000).

It also approves the operations reflected in those accounts or summarised in those reports.

Fourth resolution

(Approval of the agreements referred to in Article L. 226-10 of the Commercial Code and previously authorised by the Board)

The General Meeting, having heard the special report of the Auditors on the agreements referred to in Article L. 226-10 of the Commercial Code which were previously authorised by the Supervisory Board, approves the conclusions of the said report and the agreements mentioned therein.

Fifth resolution

(Ratification of the co-optation of a member of the Supervisory Board)

The General Meeting ratifies the provisional decision of the Supervisory Board on 15 March 2010 to co-opt to the office of Member of the Supervisory Board the company APG, whose head office is at Gustav Mahlerplein 3, 1080 MS Amsterdam, Netherlands, to replace the resigning company Stichting Pensioenfonds ABP, whose head office is at Oude Lindestraat 70, 6411EJ Heerlen, Netherlands, for the remaining period of its predecessor's term of office, namely until the conclusion of the Annual Ordinary General Meeting to be held in 2013 for the purpose of approving the accounts for the financial year ending 31 December 2012.

Sixth resolution

(Expiry of the term of office held by the firm AACE Ile-de-France, joint Principal Auditor, and the decision to be taken)

The General Meeting, having noted that the office of Principal Auditor held by the firm AACE Ile-de-France, of 10, rue de Florence, 75008 Paris, expires at the end of this Ordinary General Meeting, and having considered the report of the board of Managers and its annexes and the report of the Supervisory Board including, in particular, a list of applicants drawn up in accordance with Article 17.4 of the Articles of Association, and adopting the recommendations of the Audit Committee, Resolves to renew the office of Principal Auditor held by the firm AACE Ile-de-France, of 10, rue de Florence, 75008 Paris, which accepts the said office, for a period of six financial years ending at the end of the Ordinary General Meeting called to approve the accounts for the financial year 2015.

Seventh resolution

(Expiry of the term of office held by the firm Ernst & Young Audit, joint Principal Auditor, and the decision to be taken)

The General Meeting, having noted that the office of Principal Auditor held by the firm Ernst & Young, Audit, of Tour Ernst & Young, Faubourg de l'Arche, 11, allée de l'Arche, 92037 Paris-La Défense, expires at the end of this Ordinary General Meeting, and having considered the report of the board of Managers and its annexes and the report of the Supervisory Board including, in particular, a list of applicants drawn up in accordance with Article 17.4 of the Articles of Association, and adopting the recommendations of the Audit Committee,

Resolves to appoint as Principal Auditor, for a period of six financial years ending at the end of the Ordinary General Meeting called to approve the accounts for the financial year 2015:

The firm of Ernst & Young et Autres, of Tour Ernst & Young, Faubourg de l'Arche, 11, allée de l'Arche, 92037 Paris-La Défense, which accepts the said office.

Eighth resolution

(Expiry of the term of office held by the firm Auditeurs Associés Consultants Européens, joint Deputy Auditor, and the decision to be taken)

The General Meeting, having noted that the term of office as Deputy Auditor held by the firm Auditeurs Associés Consultants Européens, of 10, rue de Florence, 75008 Paris, expires at the end of this Ordinary General Meeting, and having considered the report of the board of Managers and its annexes and the report of the Supervisory Board including, in particular, a list of applicants drawn up in accordance with Article 17.4 of the Articles of Association, and adopting the recommendations of the Audit Committee,

Resolves to renew the office of joint Deputy Auditor held by the firm Auditeurs Associés Consultants Européens, of 10, rue de Florence, 75008 Paris, which accepts the said office, for a period of six financial years ending at the end of the Ordinary General Meeting called to approve the accounts for the financial year 2015.

Ninth resolution

(Expiry of the term of office of Mr Jean-Louis Robic, joint Deputy Auditor, and the decision to be taken)

The General Meeting, having noted that the term of office as Deputy Auditor of Mr Jean-Louis Robic, of Tour Ernst & Young, Faubourg de l'Arche, 11, allée de l'Arche, 92037 Paris-La Défense, expires at the end of this Ordinary General Meeting, and having considered the report of the board of Managers and its annexes and the report of the Supervisory Board including, in particular, a list of applicants drawn up in accordance with Article 17.4 of the Articles of Association, and adopting the recommendations of the Audit Committee,

Resolves to appoint as Deputy Auditor, for a period of six financial years ending at the end of the Ordinary General Meeting called to approve the accounts for the financial year 2015:

The firm of Auditex, Tour Ernst & Young, Faubourg de l'Arche, 11, allée de l'Arche, 92037 Paris-La Défense, which accepts the said office.

Tenth resolution

(Authorisation to be given to the board of Managers to proceed with the purchase by the Company of its own shares)

The General Meeting, acting under the conditions as to quorum and majority required for Ordinary General Meetings, having considered the report of the board of Managers, authorises the board of Managers, in accordance with the provisions of Articles L. 225-209 et seq. of the Commercial Code and of European Regulation no. 2273/2003 of 22 December 2003, to arrange for the Company to purchase its own shares.

This authorisation is given in order, insofar as necessary, to enable:

- the market in the shares or their liquidity to be stimulated by an investment services provider pursuant to a liquidity contract in accordance with professional rules of the AMAFI recognised by the Financial Markets Authority;
- the acquisition of shares to be retained and subsequently delivered by way of payment, exchange or otherwise in the context of external growth operations, being a practice accepted by the Financial Markets Authority;
- the allocation of shares to employees and/or executive officers (under the conditions and in the manner provided by law), particularly in the context of a stock option plan, a bonus shares allocation plan or a company savings plan;

- the allocation of shares to the holders of negotiable securities convertible into shares of the Company upon the exercise of the rights attached to such securities, in accordance with the regulations in force;
- the potential cancellation of the shares acquired, subject to the adoption of the extraordinary resolutions appearing in the agenda of today's General Meeting.

The purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocs of shares. Such transactions make take place with shareholders who are executive officers (on condition that such transactions take place at a price equal to the average of the last 20 stock market trading days, on the understanding that if this average is greater than the last stock market price, the transaction will take place at a price equal to the last stock market price).

These transactions may take place at any time, including during periods of takeover bids for the Company's shares, provided that such bids are paid for entirely in cash and subject to any abstention periods provided for by current legal and regulatory provisions.

The General Meeting fixes the maximum number of shares that can be purchased pursuant to this resolution at 10% of the authorised share capital, adjusted for transactions after the date of this General Meeting affecting the capital, on the understanding (i) that in the context of use of this authorisation, the number of treasury shares must be taken into consideration in order for the Company to remain at all times within the limits of the maximum number of treasury shares, equal to 10% of the authorised share capital, and (ii) that the number of treasury shares delivered by way of payment or exchange in the context of a merger, demerger or capital contribution cannot exceed 5% of the capital.

The General Meeting resolves that the total amount devoted to these purchases may not exceed €100 million, and resolves that the maximum purchase price may not exceed €200 per share.

In the event of a capital increase by the incorporation into the capital of premiums, reserves, profits or other items in the form of an allocation of bonus shares during the period of validity of this authorisation, and in the event a share split or consolidation, the maximum unit price referred to above will be adjusted by the application of a coefficient multiplier equal to the ratio between the number of securities comprising the capital before the transaction and the number of such securities after the transaction.

The General Meeting confers on the board of Managers all necessary powers, including the power to delegate such powers under the conditions provided by law, for the purpose:

- of deciding on the implementation of this authorisation;
- of placing any stock market orders and concluding any agreements with a view, in particular, to the keeping of records of share purchases and sales in accordance with current stock market regulations;
- of making any declarations and completing any other formalities, and, in general, doing whatever may be necessary.

The board of Managers shall inform the shareholders of all transactions carried out pursuant to this resolution, at Annual Ordinary General Meetings.

This authorisation is granted for a period of 18 months with effect from the date of this General Meeting. This authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

7.2. EXTRAORDINARY RESOLUTIONS

Eleventh resolution

(Authorisation to be given to the board of Managers to cancel shares held by the Company following the purchase of its own shares)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, and having considered the report of the board of Managers and the special report of the Auditors, authorises the board of Managers, in accordance with the provisions of Article L. 225-209 of the Commercial Code, to cancel, on its sole initiative and on one or more occasions, all or part of the Company's shares that the Company holds or might hold in the context of the aforementioned Article L. 225-209, and to reduce the authorised share capital by the global nominal amount of the shares thus cancelled, subject to a maximum of 10% of the capital per 24-month period.

The General Meeting confers all necessary powers on the board of Managers for the purpose of completing such capital reductions, charging the difference between the purchase price of the cancelled shares and their nominal value to any reserves and premiums, to make the consequential amendments to the Articles of Association, to make any declarations to the Financial Markets Authority, to complete any other formalities, and, in general, to do whatever is necessary.

This authorisation is given for a period of twenty-six months with effect from today's date.

This authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Twelfth resolution

(Delegation of competence to be given to the board of Managers for the purpose of deciding upon the issue (i) of ordinary shares and/or negotiable securities convertible into shares of the Company, or (ii) conferring a right to the allocation of debt securities, while maintaining preferential subscription rights)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with the provisions of the Commercial Code and in particular of Articles L. 225-127, L. 225-128, 225-129, L. 225-129-2, L. 225-132, L. 225-133, L. 225-134, L. 228-91, L. 228-92 and L. 228-93:

1. delegates to the board of Managers its competence to decide, on one or more occasions, in such proportions and at such times as it may see fit, upon the issue, in France and/or abroad, in euros or in any other currency or unit of account established by reference to a basket of currencies, and while maintaining preferential subscription rights, to issue ordinary shares of the Company and/or any other negotiable securities issued for valuable consideration or free of charge, such issues being governed by Articles L. 228-91 et seq. of the Commercial Code, including warrants or purchase warrants issued on a standalone basis, and convertible into shares of the Company or debt securities, in such forms and on such conditions as the board of Managers shall deem appropriate;
   on the understanding that issues of preference shares and negotiable securities convertible immediately or in the future into preference shares are excluded from this delegation;
2. fixes the period of validity of this delegation of competence at twenty-six (26) months with effect from the date of this General Meeting;
3. resolves that in the event that the board of Managers uses this delegation of competence, the total nominal amount of the capital increases capable of being completed pursuant to this delegation shall be €120 million, on the understanding that:
   - in the event of a capital increase by the incorporation into the capital of premiums, reserves, profits or other items in the form of an allocation of bonus shares during the period of validity of this delegation of competence, the total nominal amount (excluding issue premium) referred to above will be adjusted by the application of a coefficient multiplier equal to the ratio between the number of securities comprising the capital after the operation and the number of such securities before the operation,
   - if applicable, the nominal amount of the shares to be issued to preserve the rights of holders of negotiable securities convertible into shares will be added to this upper limit, in accordance with Article L. 228-99 of the Commercial Code,
   - in addition, the global maximum nominal amount of issues of negotiable securities representing debts of the Company and convertible into shares or debt securities may not exceed €120 million or the exchange value of that amount on the date hereof in any other currency or unit of account established by reference to a basket of currencies;
4. resolves that in the event that this delegation of competence is used:
   - shareholders will have a preferential subscription right and will be entitled to subscribe on an irreducible basis in proportion to the number of shares then owned by them, the board of Managers having the option to introduce a reducible subscription right,
   - if irreducible, and, if applicable, reducible, subscriptions have not absorbed the entirety of the issue of shares or

negotiable securities, the board of Managers may use the various powers provided by law, in such order as it may determine, in particular to offer the unsubscribed shares and/or negotiable securities to the public, whether in whole or in part;

5. gives all necessary powers to the board of Managers to implement this delegation under the conditions provided by law, to charge the expenses of the increases in the authorised share capital to the amount of the premiums relating thereto, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital after each increase;
6. notes that in the event of use of this delegation of competence, the decision to issue negotiable securities convertible into shares of the Company will involve the express waiver by shareholders, in favour of the holders of the securities issued, of their preferential subscription rights in respect of the capital securities to which the negotiable securities issued carry a right;
7. notes that this authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Thirteenth resolution

(Delegation of competence to be given to the board of Managers for the purpose of deciding upon the issue (i) of ordinary shares and/or negotiable securities convertible into shares of the Company, and/or (ii) conferring a right to the allocation of debt securities, in the context of a takeover bid, while cancelling preferential subscription rights)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with the provisions of the Commercial Code and in particular of Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 et seq., L. 225-148, L. 228-91, L. 228-92 and L. 228-93:

1. delegates to the board of Managers its competence to decide, on one or more occasions, in such proportions and at such times as it may see fit, to issue, by way of public offering in France and/or abroad in euros or in any other currency or unit of account established by reference to a basket of currencies, ordinary shares and/or of other negotiable securities issued for valuable consideration or free of charge, such issues being governed by Articles L. 228-91 et seq. of the Commercial Code, including warrants or purchase warrants issued on a standalone basis, and convertible into shares of the Company or carrying a right to a debt security, in such forms and on such conditions as the board of Managers shall deem appropriate, while cancelling preferential subscription rights,
   - on the understanding that issues of preference shares and negotiable securities convertible immediately or in the future into preference shares are excluded from this delegation;
2. fixes the period of validity of this delegation of competence at twenty-six (26) months with effect from the date of this General Meeting;
3. resolves that in the event that the board of Managers uses this delegation of competence:
   - the total nominal amount of the capital increases capable of being completed pursuant to this delegation shall be €120 million, on the understanding that:
     - in the event of a capital increase by the incorporation into the capital of premiums, reserves, profits or other items in the form of an allocation of bonus shares during the period of validity of this delegation of competence, the total nominal amount (excluding issue premium) referred to above will be adjusted by the application of a coefficient multiplier equal to the ratio between the number of securities comprising the capital after the operation and the number of such securities before the operation,
     - if applicable, the nominal amount of the shares to be issued to preserve the rights of holders of negotiable securities convertible into shares will be added to this upper limit, in accordance with Article L. 228-99 of the Commercial Code,
     - in addition, the global maximum nominal amount of issues of negotiable securities representing debts of the Company and convertible into shares or debt securities may not exceed €120 million or the exchange value of that amount on the date hereof in any other currency or unit of account established by reference to a basket of currencies;
4. resolves to cancel the preferential subscription right of the shareholders to the shares and other negotiable securities that might be issued by the Company pursuant to this resolution, while leaving the board of Managers, pursuant to Article L. 225-135 paragraph 2 of the Commercial Code, the power to grant the shareholders, in relation to all or part of an issue, a priority subscription period not giving rise to the creation of negotiable rights, which must be exercised in proportion to the number of shares owned by each of them and which may potentially be supplemented by a reducible subscription, for a period and on such terms as it shall determine in accordance with the applicable legal and regulatory provisions;
5. resolves that in accordance with Article L. 225-136 of the Commercial Code:
   - the issue price of the shares issued directly will be at least equal to the minimum fixed by current laws and regulations at the time that use is made of this delegation,
   - the issue price of the negotiable securities convertible into shares will be such that the sum received immediately by the Company, plus any sum that it might receive subsequently, is at least equal to the minimum subscription price defined in the foregoing paragraph for each share issued as a consequence of the issue of such negotiable securities,
   - each negotiable security convertible into shares will be converted, redeemed or generally transformed into such a number of shares, having regard to the nominal value of

the said negotiable security, that the sum received by the Company for each share is at least equal to the minimum subscription price defined for the issue of the shares in this resolution;

6. resolves that, if subscriptions of shareholders and the public have not absorbed the entirety of an issue of negotiable securities, the board of Managers may use one and/or another of the following powers, in such order as it may determine:
   - to limit the issue to the amount of the subscriptions, provided that amount is at least three quarters of the amount of the issue initially decided upon,
   - to distribute all or part of the unsubscribed shares as it sees fit;
7. gives all necessary powers to the board of Managers to implement this delegation under the conditions provided by law, to charge the expenses of the increases in the authorised share capital to the amount of the premiums referable thereto, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital after each increase;
8. notes that in the event of use of this delegation of competence, the decision to issue negotiable securities convertible into shares of the Company will involve the express waiver by shareholders, in favour of the holders of the securities issued, of their preferential subscription rights in respect of the capital securities to which the negotiable securities issued carry a right;
9. notes that this authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Fourteenth resolution

(Delegation of competence to be given to the board of Managers for the purpose of deciding upon the issue of ordinary shares and/or negotiable securities conferring a right to shares of the Company, or to the allocation of debt securities, in the context of a private placement)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with the provisions of the Commercial Code and in particular of Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 et seq., L. 228-92 and L. 228-93, and the provisions of Article L. 411-2 II of the Monetary and Financial Code:

1. delegates to the board of Managers its competence to decide, in the context of an offer of the kind referred to in Article L. 411-2 II of the Monetary and Financial Code, on one or more occasions and in such proportions and at such times as it may see fit, in France and/or abroad, in euros or in any other currency or unit of account established by reference to a basket of currencies, to issue ordinary shares and/or other negotiable securities issued free of charge or for valuable consideration, such issues being governed by the provisions of Article L. 228-91 et seq. of the Commercial Code, including warrants or purchase warrants issued on a standalone basis and convertible into capital of the Company or conferring a right to debt securities in such form and on such terms as the board of Managers shall deem appropriate,
   on the understanding that issues of preference shares and of negotiable securities convertible immediately or in the future into preference shares are excluded from this delegation;
2. fixes the period of validity of this delegation of competence at twenty-six (26) months with effect from the date of this General Meeting;
3. resolves that in the event that the board of Managers uses this delegation of competence:
   - the total nominal amount of the capital increases capable of being completed pursuant to this delegation shall be €120 million, on the understanding that:
     - in the event of a capital increase by the incorporation into the capital of premiums, reserves, profits or other items in the form of an allocation of bonus shares during the period of validity of this delegation of competence, the total nominal amount (excluding issue premium) referred to above will be adjusted by the application of a coefficient multiplier equal to the ratio between the number of securities comprising the capital after the operation and the number of such securities before the operation,
     - if applicable, the nominal amount of the shares to be issued to preserve the rights of holders of negotiable securities convertible into shares will be added to this upper limit, in accordance with Article L. 228-99 of the Commercial Code,
     - issues will be limited to 20% of the authorised share capital per year,
   - in addition, the global maximum nominal amount of issues of negotiable securities representing debts of the Company and convertible into shares or debt securities may not exceed €120 million or the exchange value of that amount on the date hereof in any other currency or unit of account established by reference to a basket of currencies;
4. resolves to cancel the preferential subscription right of the shareholders to the shares and other negotiable securities that might be issued by the Company pursuant to this resolution, while leaving the board of Managers, pursuant to Article L. 225-135 paragraph 2 of the Commercial Code, the power to grant the shareholders, in relation to all or part of an issue, a priority subscription period not giving rise to the creation of negotiable rights, which must be exercised in proportion to the number of shares owned by each of them and which may potentially be supplemented by a reducible subscription, for a period and on such terms as it shall determine in accordance with the applicable legal and regulatory provisions.
5. resolves that, in accordance with Article L. 225-136 of the Commercial Code and subject to the decision taken pursuant to the 15th resolution:

- the issue price of the shares issued directly will be at least equal to the minimum fixed by current laws and regulations at the time that use is made of this delegation,
- the issue price of the negotiable securities convertible into shares will be such that the sum received immediately by the Company, plus any sum that it might receive subsequently, is at least equal to the minimum subscription price defined in the foregoing paragraph for each share issued as a consequence of the issue of such negotiable securities,
- each negotiable security convertible into shares will be converted, redeemed or generally transformed into such a number of shares, having regard to the nominal value of the said negotiable security, that the sum received by the Company for each share is at least equal to the minimum subscription price defined for the issue of the shares in this resolution;

6. resolves that, if subscriptions of shareholders and the public have not absorbed the entirety of an issue of negotiable securities, the board of Managers may use one and/or another of the following powers, in such order as it may determine:
   - to limit the issue to the amount of the subscriptions, provided that amount is at least three quarters of the amount of the issue initially decided upon,
   - to distribute all or part of the unsubscribed shares as it sees fit;
7. gives all necessary powers to the board of Managers to implement this delegation under the conditions provided by law, to charge the expenses of the increases in the authorised share capital to the amount of the premiums referable thereto, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital after each increase;
8. notes that in the event of use of this delegation of competence, the decision to issue negotiable securities convertible into shares of the Company will involve the express waiver by shareholders, in favour of the holders of the securities issued, of their preferential subscription rights in respect of the capital securities to which the negotiable securities issued carry a right.

Fifteenth resolution

(Authorisation to be given to the board of Managers in the event of issue of shares or of negotiable securities convertible into shares while cancelling shareholders' preferential subscription rights, to fix the issue price in the manner determined by the General Meeting, subject to a maximum of 10% of the Company's capital per year)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with the provisions of Article L. 225-136 of the Commercial Code, authorises the board of Managers, in the event of the implementation of resolutions 13 and 14 cancelling preferential subscription rights, to fix the issue price in the following manner:

- the issue price of the Company's shares may not be lower, at the election of the board of Managers (a) than the opening stock market price of the shares quoted on the stock market trading day preceding the fixing of the issue price; or (b) than the opening stock market price of the shares quoted on the stock market trading day on which the issue price is fixed; or (c) than the average volume-weighted prices quoted on the last 30 stock market trading days; in all three cases potentially reduced by a maximum discount of 5%; or (d) than the last price of the shares quoted on the stock market trading day preceding the fixing of the issue price, potentially reduced by a maximum discount of 10%, on the understanding that the board of Managers shall be authorised to adopt the said price in the event of an offer of the kind referred to in Article L. 411-2-II of the Monetary and Financial Code, subject to the provisions of Article L. 225-136 1 of the Commercial Code;
- the issue price of the negotiable securities convertible into shares will be such that the sum received immediately by the Company, plus any sum that might be received by the Company subsequently, if applicable, for each shares issued as a result of the issue of these negotiable securities, will be at least equal to the amount referred to in the foregoing paragraph;
- the nominal maximum amount of the capital increases resulting from the implementation of this resolution may not exceed 10% of the authorised share capital in each 12 month period or the upper limit fixed by the resolutions concerned and to which they are charged.

This authorisation is granted for a period of twenty-six (26) months with effect from the date of this General Meeting.

This authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Sixteenth resolution

(Delegation of competence to be given to the board of Managers to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, in the context of over-allocation options)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, and having considered the report of the board of Managers and the special report of the Auditors, delegates to the board of Managers, for a period of 26 months with effect from jour of this General Meeting, and in the context of issues decided upon pursuant to the delegated powers conferred on the board of Managers by the 12th, 13th and/or 14th resolutions, its competence to increase the number of shares to be issued as initially anticipated, in the event of surplus demand, under the conditions provided by Articles L. 225-135-1 and R. 225-118 of the Commercial Code, subject to the upper limits provided by the said resolutions and for the periods provided in the said resolutions.

Seventeenth resolution

(Delegation of powers to be given to the board of Managers to issue shares to pay for contributions in kind of equity securities or negotiable securities convertible into shares)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with Article L. 225-147 of the Commercial Code:

- delegates to the board of Managers the powers necessary to proceed, up to a maximum of 10% of the Company's current capital, with an issue of shares of the Company, possibly combined with securities convertible into shares, to pay for contributions in kind made to the nature made to the Company and consisting of equity securities or negotiable securities convertible into shares, when the provisions of Article L. 225-148 of the Commercial Code do not apply;
- resolves that issues of shares completed pursuant to this delegation of powers will be charged to the upper limits referred to in the 20th resolution below;
- notes that the Company's shareholders will not have preferential subscription rights in respect of any shares issued pursuant to these delegated powers, nor in respect of any shares and other equity securities of the Company to which any negotiable securities issued on the basis of these delegated powers might confer a right, such negotiable securities being intended exclusively to pay for the contributions in kind;
- gives the board of Managers the power to implement this authorisation, to approve the value of the contributions, to charge the expenses of the increases in the authorised share capital to the amount of the premiums referable to such increases and to make the consequential amendments to the Articles of Association.

This delegation of powers is granted for a period of (twenty-six) 26 months with effect from the date of this General Meeting.

This authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Eighteenth resolution

(Delegation of competence to be given to the board of Managers to issue ordinary shares and/or negotiable securities convertible into shares or conferring a right to the allocation of debt securities while cancelling preferential subscription rights in favour of a class of persons)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138, L. 228-91, L. 228-92 and L. 228-93 of the Commercial Code:

1. delegates to the board of Managers its competence, on one or more occasions, in such proportions and at such times as it may see fit, to issue ordinary shares and/or negotiable securities convertible immediately or in the future into shares of the Company or conferring a right to the allocation of debt securities, while cancelling preferential subscription rights, whether in France or abroad and whether in euros or in any other currency or unit of account established by reference to a basket of currencies, in such form and on such terms as the board of Managers may deem appropriate, and reserved for the classes of shareholders referred to in 4;
2. fixes the period of validity of this delegation of competence at eighteen (18) months with effect from the date of this General Meeting;
3. resolves that in the event that the board of Managers uses this delegation of competence:
   - the nominal maximum amount of the Company's capital increases capable of being completed pursuant to the delegated powers set out above will be €20 million, on the understanding that:
     - in the event of a capital increase by the incorporation into the capital of premiums, reserves, profits or other items in the form of an allocation of bonus shares during the period of validity of this delegation of competence, the total nominal amount (excluding issue premium) referred to above will be adjusted by the application of a coefficient multiplier equal to the ratio between the number of securities comprising the capital after the operation and the number of such securities before the operation,
     - if applicable, the nominal amount of the shares to be issued to preserve the rights of holders of negotiable securities convertible in the future into shares will be added to this upper limit, in accordance with Article L. 228-99 of the Commercial Code,
   - in addition, the global maximum nominal amount of the issues of negotiable securities representing debt of the Company and convertible into shares or debt securities may not exceed €20 million or the exchange value of that amount in any other currency or unit of account established by reference to a basket of currencies, on the date hereof,
   - issues of shares and/or of negotiable securities convertible into a proportion of the capital of the Company or conferring a right to the allocation of debt securities pursuant to this delegation of competence will be charged to the upper limits referred to in the above sub-paragraphs;
4. resolves to cancel shareholders' preferential subscription rights in respect of these shares and negotiable securities, which will be issued pursuant to this delegation of competence and to reserve the subscription right to the following classes of persons:

- minority shareholders of Altarea's subsidiaries or sub-subsidiaries subscribing by the re-use of the sale price of their investment in an Altarea group company, or
- natural or legal persons re-using the sale price of a portfolio of property assets;

5. resolves that the price of the Company's ordinary shares issued or to which the negotiable securities issued pursuant to these delegated powers are capable of conferring a right must be at least equal to the weighted average price on the three stock market trading days preceding its fixing, possibly reduced by maximum discount of 5%;
6. confers all necessary powers on the board of Managers to implement this delegation, to settle the list of beneficiaries in the categories defined above and the number of shares to be allocated to each of them, to charge the expenses of the increases in the authorised share capital to the amount of the premiums referable thereto, and to deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital after each increase;
7. notes that this authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Nineteenth resolution

(Issue of ordinary shares and negotiable securities convertible into shares, intended to pay for securities tendered in the context of public exchange offers, while cancelling preferential subscription rights)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and of the Auditors, and in accordance with the provisions of Articles L. 225-129-2, L. 225-148 and L. 228-92 of the Commercial Code:

1. delegates to the board of Managers its competence, on one or more occasions, to decide upon and complete a capital increase for the purpose of paying for securities tendered in the context of public exchange offers initiated by the Company, while cancelling preferential subscription rights, and in particular:
   - to fix the exchange parity and, if necessary, the amount of the balancing payment to be made in cash; to record the number of securities tendered in the exchange and the number of ordinary shares or negotiable securities to be created to pay for them,
   - to determine the dates and terms of issue, and in particular the price and date of dividend entitlement, of the new ordinary shares, or, if applicable, of the negotiable securities convertible into the Company's shares,
   - to enter the difference between the issue price of the new ordinary shares and their nominal value in the balance sheet, as a liability contained in an "Issue premium" account, which will be subject to the rights of all the shareholders;
2. fixes at €120 million the maximum amount of the capital increase capable of resulting from the issues authorised by this resolution;
3. delegates all necessary powers to the board of Managers for the purpose, if necessary, of charging all the expenses and duties occasioned by the capital increase to the transfer premium, to deduct from the transfer premium the sums necessary to fund the legal reserve, and to make the consequential amendments to the Articles of Association.

This delegation of competence to the board of Managers is valid for a period of 26 months from the date of this General Meeting.

This authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Twentieth resolution

(Fixing of a general upper limit on the delegations of competence and powers)

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, and having considered the report of the board of Managers, resolves the fix the overall limits on the amounts of the issues that could be decided upon pursuant to the delegations of competence and powers to the board of Managers resulting from the foregoing resolutions, as follows:

- the nominal maximum amount (excluding issue premium) of the capital increases by way of the issue of shares or negotiable securities convertible into shares may not exceed €120 million, plus the nominal amount of the capital increases to be completed to preserve the rights of the holders of such securities in accordance with the law. In the case of capital increases by the incorporation into the capital of premiums, reserves, profits or other items, in the form of an allocation of bonus shares during the period of validity of the said delegations of competence, the nominal maximum amount (excluding issue premium) referred to above will be adjusted by the application of a multiplier equal to the ratio between the number of securities comprising the authorised share capital after the operation and the number of such securities before the operation;
- the global maximum nominal amount of the issues of negotiable securities representing debt of the Company and convertible into shares or debt securities may not exceed €120 million or the exchange value of that amount in any other currency or unit of account established by reference to a basket of currencies, on the date hereof.

Twenty-first resolution

(Delegation of competence to the board of Managers to increase the capital by the incorporation of reserves, profits, or premiums)

The General Meeting, acting under the conditions as to quorum and majority required for Ordinary General Meetings, having considered the report of the board of Managers, and in accordance with the provisions of the Commercial Code and in particular of Articles L. 225-129, L. 225-129-2 and L. 225-130:

1. delegates to the board of Managers its competence, on one or more occasions, in such proportions and at such times as it may see fit, to incorporate into the capital all or part of profits, reserves or premiums capitalisation of which is permitted by law and by the Articles of Association, in the form of an allocation of ordinary bonus shares, by way of an increase in the nominal value of existing shares or by the use of both these procedures;
2. fixes the period of validity of this delegation of competence at twenty-six (26) months with effect from the date of this General Meeting;
3. fixes at €120 million the nominal maximum amount of the capital increases capable of being completed pursuant to this delegation of competence;
4. gives all necessary powers to the board of Managers to implement this delegation of competence under the conditions provided by law, and in particular to resolve that fractional rights will not be negotiable and that the corresponding shares will be sold and the product of such sales will be allocated to the holders of the rights;
5. notes that this authorisation cancels and replaces any authorisations previously granted for the same purpose, if applicable.

Twenty-second resolution

(Delegation of competence to be given to the board of Managers to issue of shares and/or negotiable securities convertible into shares of the Company while cancelling preferential subscription rights in favour of the members of the Group's Company Savings Plan(s))

The General Meeting, acting under the conditions as to quorum and majority required for Extraordinary General Meetings, having considered the report of the board of Managers and the special report of the Auditors, and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-138, L. 225-138-1, L. 228-91 and L. 228-92 of the Commercial Code and L. 3332-1 et seq. of the Employment Code, and also in order to satisfy the provisions of Article L. 225-129-6 of the Commercial Code:

1. delegates to the board of Managers its competence (i) on one or more occasions, to increase the authorised share capital by the issue of shares or negotiable securities convertible into shares of the Company reserved for the members of the Group's Company Savings Plans (PEE), and (ii) if necessary, to make allocations of performance shares or negotiable securities convertible into shares whether partially or totally instead of the discount referred to in 3 below, under the conditions and subject to the limits provided by Article L. 3332-21 of the Employment Code, on the understanding that insofar as necessary, the board of Managers may replace all or part of this capital increase by the transfer, on the same terms, of securities already issued and owned by the Company;
2. resolves that the number of shares capable of resulting from all the issues decided upon pursuant to these delegated powers, including those resulting from issues of shares or negotiable securities convertible into shares that may potentially be allocated free of charge by way of total or partial replacement of the discount under the conditions provided by Article L. 3332-18 et seq. of the Employment Code, must not exceed a maximum nominal amount of €10 million. If applicable, the number of additional shares to be issued to preserve the rights of holders of negotiable securities convertible into shares of the Company will be added to this number;
3. resolves that (i) the issue price of the new shares will be determined under the conditions provided by Articles L. 3332-18 et seq. of the Employment Code and may neither exceed the average of the opening prices of the old shares quoted on the Eurolist of Euronext on the twenty trading days preceding the date of the decision of the board of Managers fixing the opening date of the subscription, nor more than 20% lower than that average; on the understanding that the board of Managers may if necessary reduce or cancel any discount that might be decided upon, to take account, in particular, of legal and fiscal regimes applicable outside France, or choose to replace this maximum discount of 20% in whole or in part by the allocation of bonus shares and/or negotiable securities convertible into shares, and that (ii) the issue price of the negotiable securities convertible into shares will be determined under the conditions provided by Article L. 3332-21 of the Employment Code; nevertheless, the discount may be as much as 30% when the lock-up period provided by the plan pursuant to Articles L. 3332-25 and L. 3332-26 is equal to or greater than ten years;
4. resolves to cancel shareholders' preferential subscription rights in respect of the shares or negotiable securities convertible into shares of the Company that could be issued pursuant to these delegated powers, and to abandon any right to the shares and negotiable securities convertible into shares that could be allocated free of charge on the basis of this resolution, in favour of the members of the Group's savings plan(s);
5. delegates all necessary powers to the board of Managers, including the power to subdelegate under the conditions provided by law, in particular for the purpose of:

- deciding whether the shares must be subscribed directly by employees that are members of Group savings plans, or whether they must be subscribed through a company mutual fund (FCPE) or employee shareholder mutual fund (SICAVAS) acting as intermediary,
- determining which companies' employees will be able to benefit from the subscription offer,
- determining whether it is appropriate to allow employees time to fully pay up their securities,
- fixing the terms and conditions of membership of the Group's company savings plan(s) (PEE), and drawing up or amending their regulations,
- fixing the opening and closing dates of the subscription and the issue price of the securities,
- within the limits set by Article L. 3332-18 et seq. of the Employment Code, making allocations of bonus shares or of negotiable securities convertible into shares and fixing the nature and amount of the reserves, profits or premiums to be incorporated in the capital,
- settling the number of new shares to be issued and the rules of reduction applicable in the event of over-subscription,
- charging the expenses of the increases in the authorised share capital, and of the issues of other securities convertible into shares, to the amount of the premiums referable to such increases, and deducting from this amount the sums necessary to increase the legal reserve to one tenth of the new capital after each increase.

This delegation of competence is granted for a period of (twenty-six) 26 months with effect from the date of this General Meeting.

If applicable, this delegation of competence cancels and replaces any delegations of competence previously granted for the same purpose.

Twenty-third resolution

(Information to be included in the Articles of Association – Update of Article 24.1 relating to the General Partners following the transfer of the General Partner's registered office)

The General Meeting notes the transfer of the registered office of the Company's General Partner Altafi 2, to 8, avenue Delcassé, 75008 Paris, and resolves to make the consequential amendments to the address stated in Article 13.2 of the Articles of Association.

Twenty-fourth resolution

(Powers for formalities)

The General Meeting confers all necessary powers on the holder of an original, copy or certified true extract of the minutes of this meeting to carry out any filings and formalities required by law.

8 Cross-reference table

8.1. IN ACCORDANCE WITH APPENDIX I OF EUROPEAN COMMISSION REGULATION (EC) 809/2004 OF 29 APRIL 2004

Title		Sections
11.	**Research and development**	N/A
12.	**Trend information**	
12.1.	Trends since the end of the 2009 financial year	2.1. / 3.2.17.8.
12.2.	Trends that may have a material impact on the outlook for 2010	4.9.
13.	**Profit forecasts or estimates**	N/A
13.1.	Statement concerning forecasts	N/A
13.2.	Report on forecasts or estimates	N/A
13.3.	Comparison with historical financial information	N/A
13.4.	Validity of forecast at date of document	N/A
14.	**Administrative and management bodies**	
14.1.	General information	5.1.
14.2.	Conflicts of interest	5.3.
15.	**Compensation and benefits**	
15.1.	Amount of compensation and benefits in kind	5.2.
15.2.	Total amount of provisions for retirement	3.2.13.10.
16.	**Board practices**	
16.1.	Date of expiration of current term of office	5.1.1. / 5.1.2. / 6.2.2.2.
16.2.	Service contracts linking board members	3.2.17.3.
16.3.	Audit Committee	6.2.2.8.
16.4.	Compliance with corporate governance regime	5.7.
17.	**Employees**	
17.1.	Statistics	1. / 3.2.17.6. / 4.6.2.
17.2.	Shareholding, stock options and bonus shares	3.2.13.8.
17.3.	Arrangements involving employees in the issuer's capital	3.2.13.8. / 4.6.5.
18.	**Major shareholders**	
18.1.	Ownership and voting rights	3.2.17.3. / 4.2.2. (h)
18.2.	Different voting rights in favour of major shareholders	N/A
18.3.	Control and absence of abusive control	5.4.
18.3.	Arrangements relating to change in control	N/A
19.	**Related-party transactions**	3.1.5. / 3.2.17.3.
20.	**Financial information concerning the issuer's assets, liabilities, financial position, profits and losses**	
20.1.	Historical financial information	1. / 3.1.
20.2.	Pro forma financial information	N/A
20.3.	Financial statements	3.2.
20.4.	Auditors' verifications	3.1.4. / 3.1.5. / 3.2.19 / 6.7.
20.5.	Age of latest financial information	Hedging
20.6.	Interim and other financial information	N/A
20.7.	Dividend policy	4.4.
20.8.	Legal and arbitration proceedings	3.2.17.7.
20.9.	Significant change in the issuer's financial or trading position	N/A

Title		Sections
21.	**Additional information**	
21.1.	Share capital	
21.1.1.	Amount and characteristics	4.2.2. (b)
21.1.2.	Shares not representative of share capital	N/A
21.1.3.	Treasury shares	4.2.2. (d) / 3.2.13.8.
21.1.4.	Shares giving access to share capital	4.2.2. (e) / 3.2.13.8.
21.1.5.	Rights or obligations attached to share capital not paid	N/A
21.1.6.	Capital of a member of the group subject to an option	N/A
21.1.7.	History of changes in capital	4.2.2. (g)
21.2.	Deeds of constitution	
21.2.1.	Corporate purpose	4.2.1. (f)
21.2.2.	Provisions concerning corporate officers and directors	5.1.1. / 5.1.2. / 6.2.2.1.
21.2.3.	Rights, privileges and restrictions relating to shares	4.2.1. (j) (l) / 4.2.2. (a)
21.2.4.	Specific conditions for amending shareholders' rights	N/A
21.2.5.	Convening of meetings and admission	4.2.1. (k)
21.2.6.	Provisions that may delay, defer or prevent a change of control	N/A
21.2.7.	Declaration of shareholding thresholds	4.2.1. (n)
21.2.8.	Specific conditions for changes to capital	N/A
22.	**Material contracts**	3.2.13.13.
23.	**Third party information and statement by experts**	2.1.2.2.
24.	**Documents on display**	4.1.4.
25.	**Information on holdings**	3.2.10.1.

8.2. ARTICLE 222-3 OF THE AUTORITÉ DES MARCHÉS FINANCIERS GENERAL REGULATIONS (ARTICLE L. 451-1-2 OF THE FRENCH MONETARY AND FINANCIAL CODE)

ALTAREA COGEDIM
8 avenue Delcassé
75008 Paris - France
Tél. : + 33 (0)1 56 26 24 00