2011 REGISTRATION DOCUMENT

RETAIL - RESIDENTIAL - OFFICES

ALTAREA COGEDIM

2011 REGISTRATION DOCUMENT

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This Registration document was filed with the Autorité des Marchés Financiers on April 5, 2012 in accordance with Article 212-13 of the AMF General Regulation. This document may be used in support of a financial transaction only if it is supplemented by an offering circular ("note d'opération") approved by the Autorité des Marchés Financiers.

In accordance with Article 222-3 of the AMF General Regulation, this Registration document includes the annual financial report for 2011.

This document has been drawn up by the issuer and is the responsibility of its signatories.

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

- The consolidated financial statements and corresponding audit report provided on pages 104 and 192, the annual financial statements and corresponding audit report provided on pages 194 and 216, as well as the management report provided on page 71 of the 2010 Registration document filed with the Autorité des marchés financiers on April 29, 2011 under number D 11-0414.

- The consolidated financial statements and corresponding audit report provided on pages 120 and 218, the annual financial statements and corresponding audit report provided on pages 93 and 116, as well as the management report provided on page 65 of the 2009 Registration document filed with the Autorité des marchés financiers on April 30, 2010 under number D 10-0385.

SUMMARY

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2011 ANNUAL AND SUSTAINABLE DEVELOPMENT REPORT

ENTREPRENEURSHIP IN THE SERVICE OF URBAN QUALITY OF LIFE

Our environment and our lifestyles change at a faster pace than property cycles. It takes three to four years to develop a residential or office project and at least 10 years for a shopping center. Altarea Cogedim' challenge is to identify trends and anticipate the needs of customers, retailers, partners, local authorities and investors to provide innovative, sustainable and functional solutions adapted to their specific needs.

As both a real estate investment trust (REIT) and a developer operating in the three major property markets (retail, residential, offices and hotels) Altarea Cogedim's differentiation reflects its customer-driven approach. This focus on customer needs is the cornerstone of the company's product development process. Its responsiveness and ability to adapt to market trends in turn boost the Group's performance. Finally, by analyzing and seizing market opportunities, with an entrepreneurial spirit that often disregards conventional assumptions, Altarea Cogedim's business model creates added value.

Altarea Cogedim's mission is to address the fundamental needs of customers to improve urban quality of life: living and shopping creatively, living and flourishing at home, living and working efficiently, living and sharing sustainably.

With operations in France and Italy, Altarea is listed on compartment A of NYSE Euronext Paris.

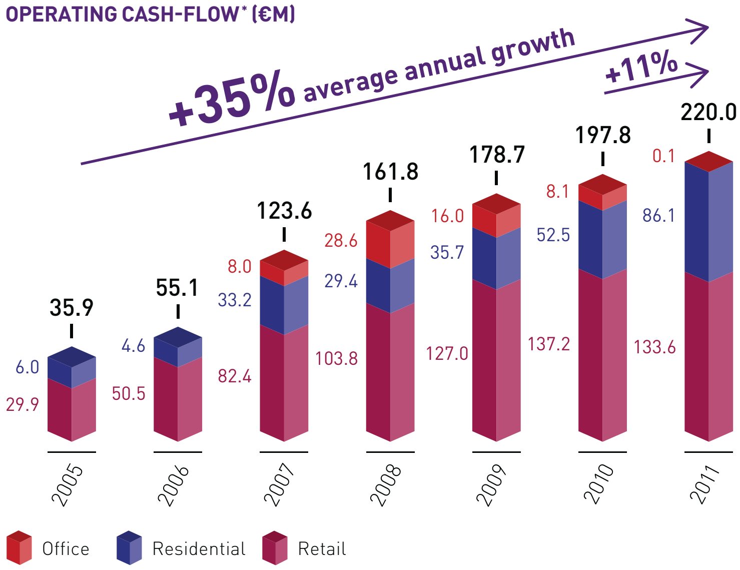
Nouvelle Vague, in Paris 4th district.

GROUP

A business model combining recurring revenue with added value

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

OPERATING CASH-FLOW* (€M)



* FFO before financial expenses and income tax.

RETAIL

3rd largest commercial property company

1st multi-channel property company

OFFLINE RETAIL

€2.6 billion portfolio

€160 million in annual gross rental income

€815 million in projects

ONLINE RETAIL

6 to 8 million single visitors per month

€384 million in business volume

2 million products available online

RESIDENTIAL

4,200 housing reservations

€1,205 million (incl. tax)
in housing reservations

€1.6 billion backlog,
equaling 24 months' revenue

100% of housing programs launched in 2011 feature the low energy consumption buildings (BBC) label

Present in the
10 main French
metropolitan areas

OFFICES

1,830,000 sq. ft.
(170,000 m^2) of completed office property

6,706,000 sq. ft.
(623,000 m^2) in programs under contract

1,238,000 sq. ft.
(115,000 m^2) in programs under development

€102 million
in revenue

€600 million
raised by the AltaFund investment vehicle

INVENTING, CREATING, INNOVATING

Inventing products, creating value

___There are two different approaches to creating living spaces: replicating traditional designs or inventing new kinds of places to live, work or shop. Altarea Cogedim has chosen the second path.

Sustainable customer-driven solutions

___Shopping centers, housing, office buildings, hotels: as a creator of unique habitats for customers, Altarea Cogedim acts as a responsible partner, contributing to the quality of living conditions and the urban environment. As such, the Group is committed to ensuring that each project offers an appropriate solution for the city of today and tomorrow.

Steering our own course in a spirit of entrepreneurship

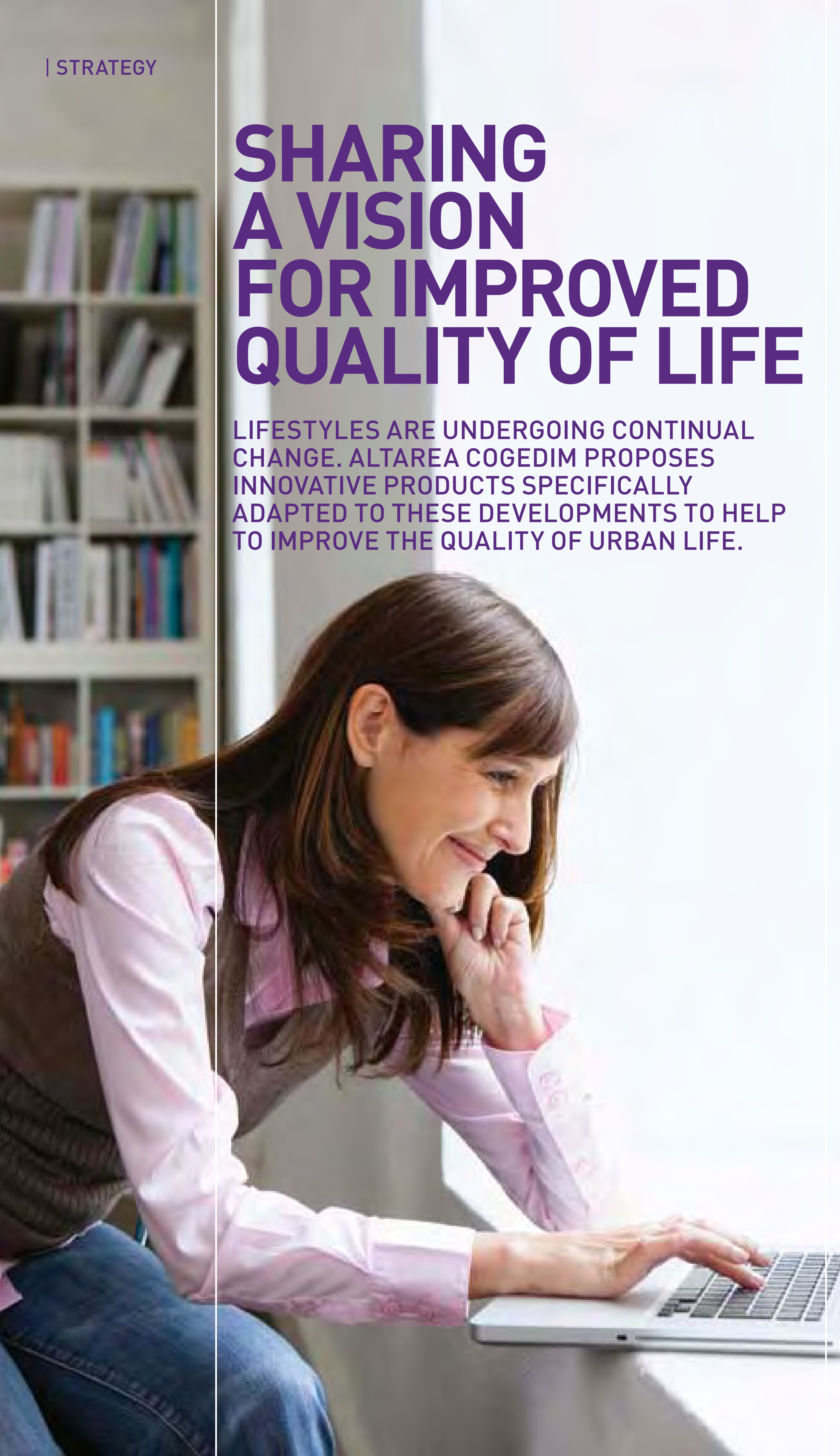
___ Altarea Cogedim has become what it is today by steering its own course, guided by a business model that is unencumbered by conventional assumptions and fleeting trends. This entrepreneurial spirit is shared by all Group employees, who boldly take calculated risks to meet the challenges they face every day.

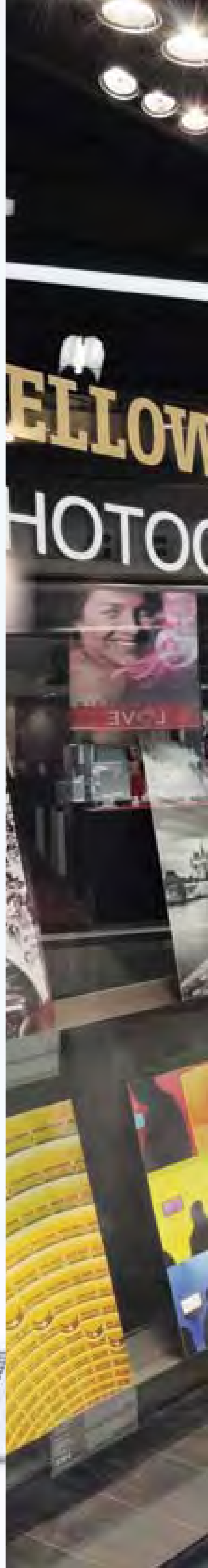
Leveraging growth in our three markets

___ Starting out as a shopping center developer, today Altarea is France's third largest commercial-property company. After acquiring Cogedim 2007, Altarea expanded into residential and office property development. Since then, Cogedim has become the fourth-largest developer in France (No. 1 in Paris and Lyon) with its housing sales having grown twice as fast as the market. Today, Altarea Cogedim operates in the office property market as a service provider, developer and investor with recognized environmental expertise.

SHARING A VISION FOR IMPROVED QUALITY OF LIFE

LIFESTYLES ARE UNDERGOING CONTINUAL CHANGE. ALTAREA COGEDIM PROPOSES INNOVATIVE PRODUCTS SPECIFICALLY ADAPTED TO THESE DEVELOPMENTS TO HELP TO IMPROVE THE QUALITY OF URBAN LIFE.



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The Kooples

WE PROVIDE SOLUTIONS ADAPTED TO CHANGING LIFESTYLES

____ In an uncertain environment, Altarea Cogedim continued its development. What were the highlights of 2011?

In contrast to global economic and financial trends, the growth momentum and strategy implementation for our Group's businesses accelerated further in 2011. We are clearly establishing the strength of our business model, which combines recurring revenue with the ability to capture value according to market opportunities.

For retail, Altarea Cogedim has continued to shift the weighting of its asset allocation to regional shopping centers and large-format retail parks with the Family Village® concept. With a significant presence in markets with stronger demographic growth, i.e., the Paris Region, south-eastern France and northern Italy, these two formats now account for 70% of our portfolio. At the end of 2011 this portfolio included 49 properties with a total value of €2.6 billion. At the same time, the Group sold long-term holdings for €121 million and reinvested in property developments. We also obtained administrative authorizations for the construction of 1,184,000 sq. ft. (110,000 m²) of new retail space. Our strategy is to build a portfolio of 30 to 35 core assets with an average value of more than €100 million. In priority, we are targeting regional shopping centers and Family Village® retail parks as formats ideally adapted to evolving consumer trends.

The recent acquisition of RueduCommerce, a leading online retailer, is a perfect example of this approach of adapting our offer to evolving consumer trends. We are thus the first property company to have integrated online retail into our business model. Operational synergies have already been identified and several "pilot" brick-and-mortar retail sites have been selected for an experimental phase prior to potential larger-scale deployment. Moreover, RueduCommerce is setting an ambitious development goal, ultimately targeting business volume of €1 billion. In the end, this development will involve making transformational changes at every level of the Group's organization, to become the first multi-channel property company.

____ For the residential business, what is your assessment of the past year?

In 2011, Cogedim pursued growth in its domestic market share, which has now risen to 5.5% in value. Building on the very strong commercial gains of the last three years in segments ranging from entry-level products to serviced residences for seniors, Cogedim's revenue on a percentage-of-completion basis rose 42% to reach a backlog of twenty four months' sales. Cogedim also expanded its geographical coverage with the creation of two new entities in Aix-en-Provence and Montpellier. As a "preferred" real estate brand, today Cogedim is France's fourth-largest developer.

____ And for office properties, you changed your business model?

Office development is particularly affected by technological transformations, which in this case are being driven by new environmental requirements. To benefit from this new cycle, we are strengthening our capacity to invest in assets with high environmental added value. After raising €600 million from major French and international institutional investors, we are in a position to take advantage of opportunities.

This strategy provides a perfect fit with our existing expertise as an office real estate developer. Accordingly, in 2011 we delivered 1,830,000 sq. ft. (170,000 m²) of offices, all HQE®-certified. This includes the First Tower,

> 2011 WAS A YEAR OF GROWTH MOMENTUM AND IMPLEMENTATION OF OUR STRATEGY FOR ALL OF OUR BUSINESSES: RETAIL, RESIDENTIAL AND OFFICES
>
> **Alain Taravella**

WE HAVE DEVELOPED STRONG POSITIONS ON EACH OF OUR THREE MARKETS BY FOCUSING ON INNOVATION, PRODUCT QUALITY AND A CUSTOMER-CENTERED APPROACH

a complex refurbishment project awarded the THPE® very high energy efficiency label in La Défense, France's largest office development district.

We have developed strong positions in each of our three markets by focusing on innovation, product quality and a customer-centered approach.

____ Beyond this year's business performances, you speak of the role of your activity for end-users and its contributions to different categories of stakeholders. How does Altarea Cogedim stand out in this field?

Our products are the result of analysis of both developments in society and customer needs. Our focus is on understanding and anticipating changing lifestyles, work practices and consumer behavior. We are able to implement specifically adapted property solutions that are useful for everyone, while providing solutions to address a structural demand for housing, high environmental value-added offices and shopping centers adapted to consumer trends. We thus contribute to making responsible and sustainable improvements to the quality of urban life.

A PROACTIVE, SELECTIVE AND CAUTIOUS MANAGEMENT APPROACH

How did Altarea Cogedim's business model perform in 2011?
Our business model has once again proven its effectiveness. This success is based on our ability to take advantage of opportunities from distinct cycles as a Group operating in three different property markets: retail, residential and offices. In a difficult environment, our retail business remained resilient while, bolstered by strong contributions from residential operations, the Group exceeded its targets. The contribution of offices to earnings remained limited this year, though considerable strides were made in preparing for the rebound by raising equity of €600 million.

What is your approach to risk management and investment?
In today's more complex environment, we continue to be cautious and apply rigorous prudential rules. For that reason, in the retail and residential sector, we invest only in development projects with a pre-let rate of more than 50%. Also in the residential sector, reflecting our rigorous management approach, we have no stock of completed residential property. Finally, for offices, we have not undertaken any speculative property investments. This cautious approach ensures us greater financial flexibility to take advantage of strategic opportunities as illustrated by the recent acquisition of RueduCommerce, a leading French online retailer.

Have you set any objectives with respect to liquidity and managing the balance sheet?
In 2011, the 12% increase in cash-flow over 2010 will significantly strengthen our balance sheet.

> OUR BUSINESS MODEL HAS ONCE AGAIN PROVEN ITS EFFECTIVENESS BASED ON OUR ABILITY TO TAKE ADVANTAGE OF OPPORTUNITIES FROM DISTINCT CYCLES AS A GROUP OPERATING IN THREE DIFFERENT PROPERTY MARKETS
>
> Jacques Nicolet

A SHARED ENTREPRENEURIAL SPIRIT

| 01. **Alain Taravella**
Chairman & CEO, Founder
| 02. **Jacques Nicolet**
Chairman of the Supervisory Board
| 03. **Gilles Boissonnet**
Joint CEO in charge of Retail Property in France
| 04. **Christian de Gournay**
Joint CEO in charge of Residential Property, Regions and Institutional Relations
| 05. **Stéphane Theuriau**
Joint CEO in charge of Office Property and Private Equity
| 06. **Éric Dumas**
Chief Financial Officer
| 07. **Ludovic Castillo**
Deputy CEO of Altarea Italia

ORGANIZATION

___ Out of Altarea Cogedim's total workforce of 831 employees, 288 work in shopping center development and management and 543 are devoted to residential and office property development for third parties.
59% of our staff works in the Greater Paris area and 41% in other French regions, Italy and Spain. Nearly 70% are management level. To meet the expansion needs of the three business segments, 146 new employees joined the company in 2011.

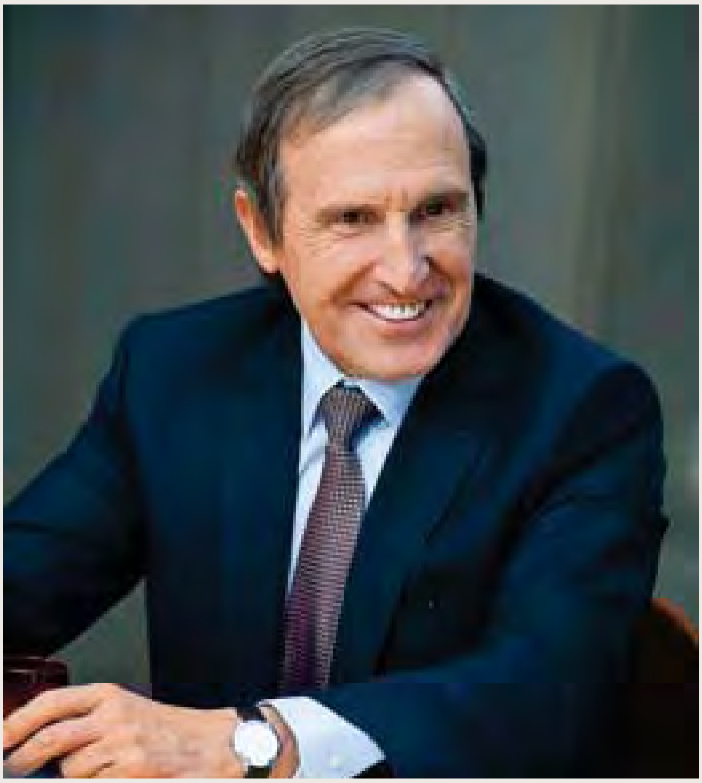
EXECUTIVE COMMITTEE

___ The Executive Committee is comprised of Alain Taravella (Chairman and Founder), Jacques Nicolet (Chairman of the Supervisory Board and Co-Founder), Gilles Boissonnet, Christian de Gournay, Stéphane Theuriau (Deputy CEOs of each of the Group's business divisions), Ludovic Castillo (Deputy CEO of Altarea Italia) and Eric Dumas (Chief Financial Officer). It meets weekly to assist the partnership's management (Managing Partners or "Gérance") in the running of Group operations.

SUPERVISORY BOARD

___ The Supervisory Board is chaired by Jacques Nicolet. Made up of representatives of the major shareholders (the ABP Fund, Prédica-Crédit Agricole Assurances, Foncière des Régions) and independent members, it exercises a role of permanent oversight of the company's management. It determines the amounts for appropriation of earnings, dividend distributions and dividend payment procedures to be proposed to the annual general meeting. It also rules on all proposals for capital increases or decreases and reviews appointments of statutory auditors and appraisers for the property portfolio. For the performance of its duties, it is assisted by several special committees.

ANTICIPATING TRENDS



Alain Taravella

OUR PROSPECTS FOR 2012 CAN BE SUMMED UP IN THREE KEY WORDS: AMBITION, SELECTIVITY AND INNOVATION

Alain Taravella

Alain Taravella

___ After strengthening activity in our three businesses, enhancing our notoriety among the general public and pursuing our strategy in 2011, our prospects for 2012 can be summed up in three key words: ambition, selectivity and innovation.

Gilles Boissonnet

___ We must adjust to a society in perpetual motion, anticipating trends and introducing innovative concepts that meet the needs of retailers and consumers. We believe that a welcoming atmosphere, greater knowledge of the customer, services, entertainment and technology are the future of the retail industry. In 2012, we will accelerate the adaptation of our shopping centers into formats with proven performance – regional shopping centers, edge-of town Family Village® centers and retail-entertainment centers. At the same time, we will implement an asset arbitrage policy for local shopping centers or those that are too small to be in line with our strategy. We are looking to enrich our entertainment strategy, particularly by including multiplex cinemas in several of our shopping centers and offering entertainment activities for children. Several initiatives to integrate technology into our business can already be seen in our shopping centers (Cap 3000, Okabé, etc.), and this trend will only grow stronger with the acquisition of online retailer RueduCommerce. In 2012, we intend to step up online business and study synergies with brick-and-mortar shopping centers.

Ludovic Castillo

___ In Italy, our priority is asset management to optimize returns of our six shopping centers. As part of a dynamic approach to managing our portfolio, we may also carry out asset arbitrage measures according to market opportunities. We are also pursuing our expansion, primarily in northern Italy, which boasts the nation's most robust economy. We are particularly focusing on a project in the heart of the port of Genoa, Ponte Parodi, that will set a new standard in Europe, combining entertainment, shopping and dining activities as part of a public-private partnership for urban regeneration. Thanks to our ten years of experience as a global operator, we will be able to identify any opportunities the current economic environment presents.

Stéphane Theuriau

___ Thanks to the office property investment fund created this year, as of 2012 we will be investing in very selective "core" projects with controlled risks. Today we can offer our clients rental, technical and financial solutions through our unique approach combining investment capacity and development expertise, along with the finest teams on the French market. This model is suited to investissors' needs, because we can work with them both as a co-investor and a service provider. The key challenge for us, in a still uncertain economic environment, is managing the calendar and choosing the right projects to enhance with our added value.


Christian de Gournay


Éric Dumas


Gilles Boissonnet


Jacques Nicolet


Ludovic Castillo


Stéphane Theuriau

Christian de Gournay

___ As we can see in the run-up to the presidential elections, housing remains a major concern in France. With a shortage of 900,000 housing units in our country, building more and better housing remains a fundamental issue. We offer a number of solutions. First of all, we are continuing to work closely with local governments to identify the most appropriate land management practices. At the same time, we are developing products suited to the needs of our clients, be they first-time homebuyers, investors or seniors, while remaining true to our commitment to quality. We are thus continuing to adjust our offer in each of the 10 metropolitan areas where we are present, particularly for entry-level and mid-range housing. We will also implement a commercial policy that provides incentives to bolster buying power for the French people.

Eric Dumas

___ Our 2011 annual results demonstrate our capacity to navigate through the turbulence in the financial markets. The Group's positions in the three main property markets, each with different cycles, contributed to more stable annual performance and earned us the confidence of our bankers and our investors. This model guarantees long-term growth in not only our operating profit, but our net asset value and dividends as well.

Jacques Nicolet

___ We will continue to "play it tight", applying our prudential rules that saw us through the 2008 crisis and while winning increased market share. However, more than ever we must call on our shared customer-centered entrepreneurial spirit and our characteristic boldness to work together in developing projects that highlight the complementary nature of our businesses. Moreover, with the arrival of RueduCommerce this year new synergies will be created to achieve even more together.

Alain Taravella

___ Three key words will guide us in 2012. Ambition: for retail, this means reaching a new milestone with the introduction of a multi-channel model; for office property, it means continuing to develop buildings with high environmental added value while being poised to invest when appropriate; in housing, it means being recognized as a leading property developer thanks to the quality of all our product lines.
Selectivity must be applied in all our activities and choices must be made according to ever-more rigorous standards.
More than ever, innovation will be at the heart of our strategy with the arrival of RueduCommerce, the evolution of our brick-and-mortar shopping centers, the creation of our office property investment fund and new marketing tools, and meeting stringent environmental demands for all our programs. We will continue to create value thanks to the intelligence of our products and the excellence of our teams, and we will be sure to keep the leading position we have on all of our markets.

2011 HIGHLIGHTS

TOUR FIRST in Paris La Défense.

INAUGURATION OF FIRST
A tower of multiple challenges

Inaugurated in May 2011, First is France's tallest high-rise and greatest green construction achievement as a HQE®-certified project. Built entirely from the pre-existing structure of the Axa tower in La Défense, and dating from the 1970s, it was raised to a height of 758 feet (231 m) with 861,000 sq. ft. (80,000 m^2) of office space on 52 floors. As the delegated project manager, Altarea Cogedim spearheaded the definition of the architectural concept, its transformation and high environmental standards (Haute Qualité Environnementale®) certification process. Following the French National Engineering Prize (*Grand Prix National de l'Ingénierie*) in 2009, in 2011 the First tower received the Pierre d'Or award, a MIPIM Award, the Grand Prix SIMI and was inaugurated as part of the Grand Paris project organized under the High Patronage of the President of France.

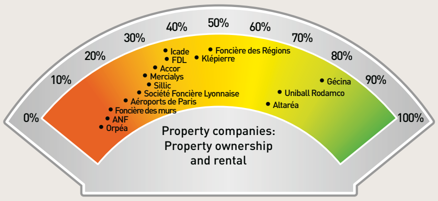
SHOPPING CENTER OPENINGS IN TOURCOING AND THIONVILLE
Bringing new life to city centers

Two shopping centers in central city locations were opened in 2011: Espace Saint-Christophe in Tourcoing Nord-Pas-de-Calais (gross leasable area or GLA of 140,000 sq. ft./13,000 m^2), in April and Cour des Capucins in Thionville (GLA of 93,500 sq. ft./8,700 m^2) in August. With 36,000 visitors for the Tourcoing opening and 22,500 for Thionville, the shopping centers provide new energy to the center of these towns and contribute to their revitalization.

ESPACE SAINT-CHRISTOPHE in Tourcoing

OFFICE PROPERTY INVESTMENT FUND
€600 million raised

Altarea Cogedim raised €600 million for its office property investment vehicle, AltaFund. This fund will eventually have a discretionary investment capacity of over €1.2 billion including leverage, making it one of the largest dedicated office property funds in the Paris Region. It will acquire land or existing office assets, mainly in the Paris region, for repositioning and applying its know-how to create high-quality assets.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY
Number 1 for environmental performance reporting

Altarea Cogedim was ranked number one for property developers and third for property companies for eco-efficiency performance in the property sector in 2011. This survey conducted by Novethic (a subsidiary of Caisse des Dépôts), with the support of the French Environment and Energy Management Agency ADEME, measures the quality of public reporting on energy performance and CO_2 emissions for properties owned by publicly traded developers and property companies. Criteria measured in this survey include transparency in terms of current performance and future commitments, energy and CO_2 emission performances, innovation and the company's general leadership.

ACQUISITION OF RUEDUCOMMERCE
A multi-channel strategy for retail

Altarea Cogedim is the first multi-channel property company. The Group has pioneered a unique “click and mortar” business model with the acquisition of RueduCommerce, one of France’s leading online retailers with business volume of €384 million, between 6 and 8 million single visitors per month and a catalog of 2 million products. RueduCommerce will provide a vehicle to accelerate the Group’s growth both through the development of its own activity and synergies with brick-and-mortar retail.

COGEDIM CONTINUES TO EXPAND IN FRENCH REGIONS
Montpellier and Aix-en-Provence

Pursuing its strategy of expansion in regions with strong population growth, Cogedim strengthened its housing operations in French regions with two new structures: a subsidiary in Montpellier, Cogedim Languedoc-Roussillon and a branch office in Aix-en-Provence of the Marseille-based subsidiary, Cogedim Provence. In 2011, French regions accounted for half of Cogedim’s housing reservations.

PARC EUGÉNIE in Cannes.

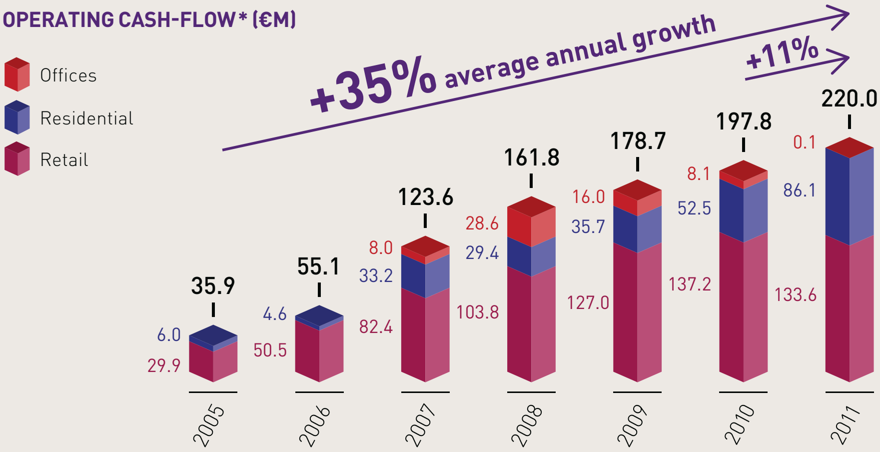
A RECORD YEAR FOR HOUSING
4,200 homes reserved

In 2011, Cogedim, a market leader for high-end residential properties, expanded its offering to mid-range and entry-level properties, applying its commitment to quality to all production. 4,200 new homes were reserved, remaining in line with the level for 2010, though for slightly lower amounts in value terms, reflecting the impact on reservations in the prior year of the exceptional Paris 7 Rive Gauche program.

LES ALLÉES LAURANTINE in the 7th district of Lyon.

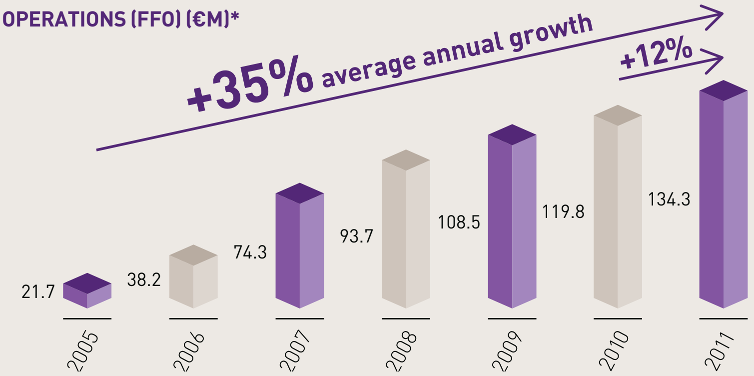
STRONG ANNUAL GROWTH

OPERATING CASH-FLOW* (€M)



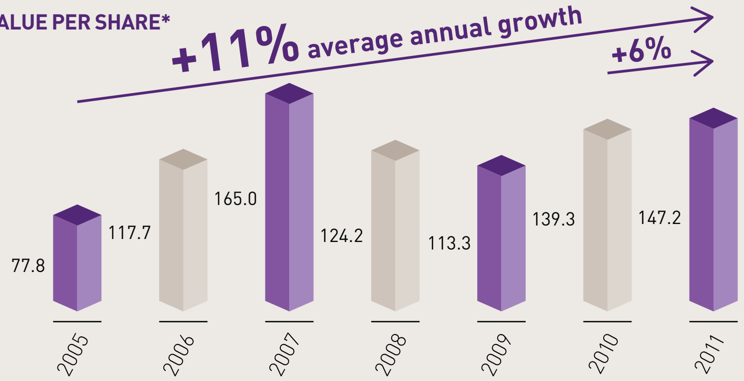
*FFO before financial expenses and corporate income tax.

FUND FROM OPERATIONS (FFO) (€M)*



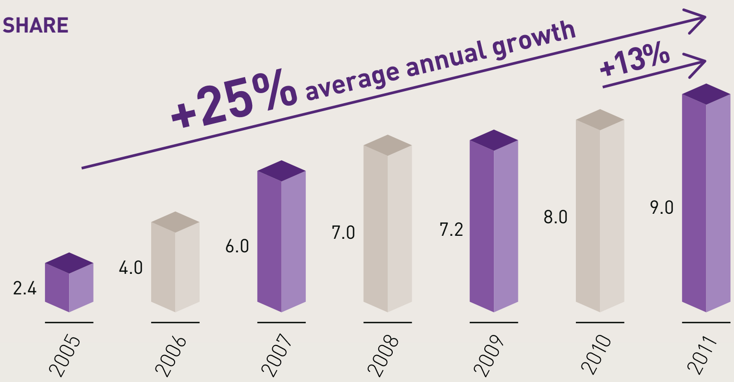
*Net profit before changes in fair value and estimated expenses.

NET ASSET VALUE PER SHARE*



*Diluted going concern NAV after tax (non-SIIC).

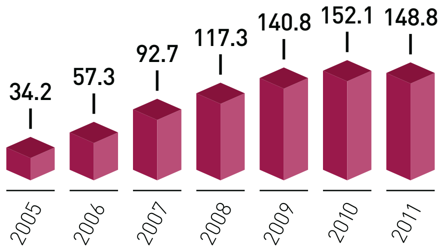
DIVIDEND PER SHARE



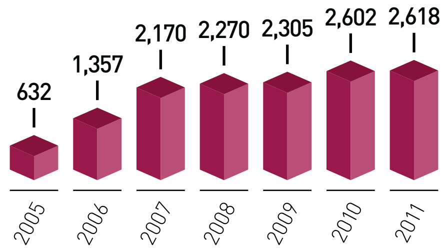
A GROWTH MODEL DRIVEN BY THREE BUSINESSES

RETAIL

NET RENTAL INCOME - RETAIL (€M)

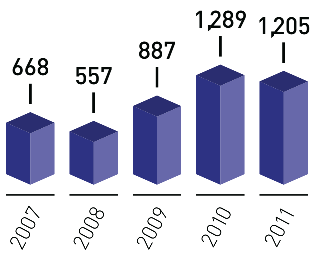


PORTFOLIO VALUE GROUP SHARE (€M)

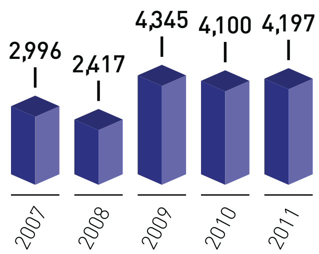


RESIDENTIAL

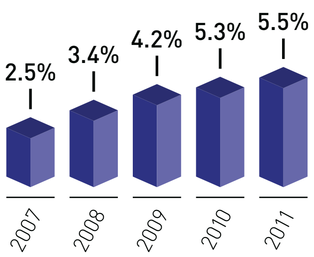
RESERVATIONS (€M INCL. TAX)



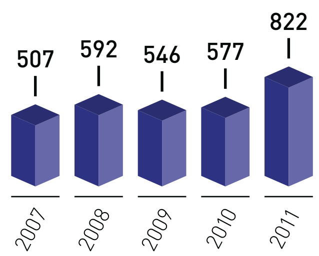
NUMBER OF UNITS



MARKET SHARE IN VALUE



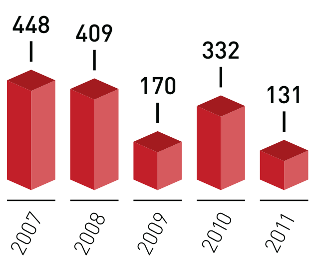
REVENUE (M€)*



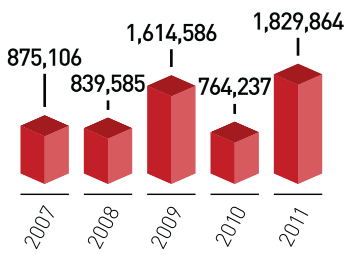
* Revenue as per the percentage-of-completion method.

OFFICES

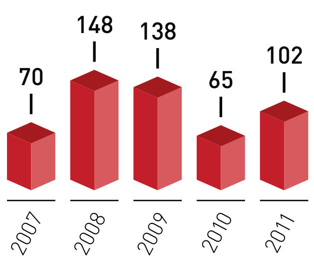
TAKE-UP (€M INCL. TAX)



DELIVERIES (FT.²)



REVENUE (€M)*



* Revenue as per the percentage-of-completion method.

MEETING SHAREHOLDERS EXPECTATIONS

OUTPERFORMING THE STOCK MARKET IN 2011

Bolstered by excellent annual and half-year results, Altarea Cogedim remained resilient during the turbulence in financial markets over the summer of 2011.

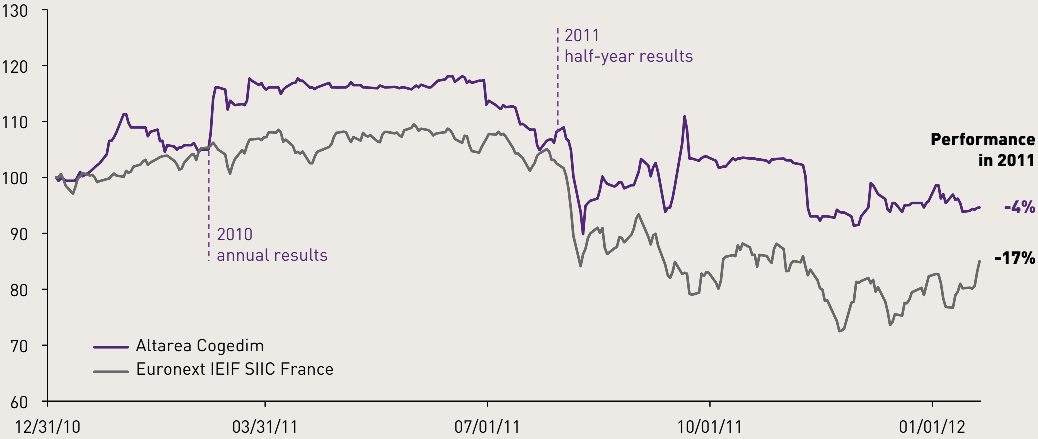
As a result, Altarea Cogedim's share outperformed the IEIF SIIC France benchmark by nearly 13 points, declining only 4% for the year.

Shareholders received a dividend of €8 per share in July 2011 (for fiscal 2010) representing a 6.4% payout ratio based on the share price of January 1, 2011. With a proposed dividend of €9 per share, dividend growth comes to 12.5%, in line with current cash-flow from operations in 2011.

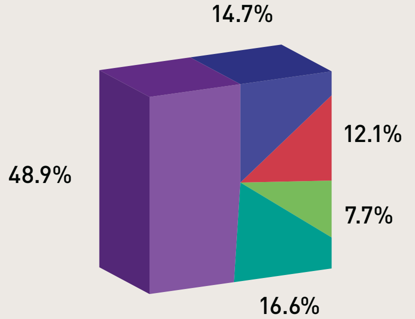
Another significant event in the period was the friendly takeover bid for RueduCommerce, a leading French online retailer. Through this acquisition, Altarea Cogedim became the first multi-channel retail property company.

The Group's positions in the three different property markets (retail, residential, offices) with different cycles also contributed to a more stable annual performance. By deploying a strategy of innovation across all products and business lines, the Group is able to take advantage of all opportunities that arise within each of these cycles.

ALTAREA COGEDIM SHARE IN STOCK MARKET



SHAREHOLDER BASE AT DECEMBER 31, 2011



- Founders
- Prédica Crédit Agricole Assurances
- ABP fund
- Foncière des Régions
- Public and other shareholders

GROUP MEASURES IN FAVOR OF INDIVIDUAL SHAREHOLDERS

All employees of Altarea Cogedim are already shareholders of the company. In 2011, Altarea Cogedim strengthened communications aimed at existing and future individual shareholders to address their specific needs through dedicated and targeted initiatives. With this objective, the Group implemented:

___ a new internal website providing direct access to a shareholders' corner along with a calendar for financial events and information;

___ a shareholder letter ("Actions") providing updates on company news, strategy and key figures as well as sectorial analyses;

___ a special toll-free number to promote exchanges with shareholders and provide quick answers to any questions;

___ first participation at the Salon Actionaria tradeshow, providing an opportunity for meeting and exchanging with shareholders.

SHARE INFORMATION

Market: Compartment A
Securities exchange:
NYSE Euronext Paris (France)
Symbol: ALTA
Indexes: CAC AllShares, IEIF SIIC France
ISIN Code: FR0000033219

Number of shares: 10,178,817
Market capitalization:
€1.226 billion at 12/31/2011

FUND FROM OPERATIONS (FFO)

€13.1
PER SHARE

+21% per year since 2005

DIVIDEND

€9 PER SHARE
PAYABLE IN JULY 2012

+25% per year since 2005

NET ASSET VALUE (NAV)

€147.2
PER SHARE

+11% per year since 2005

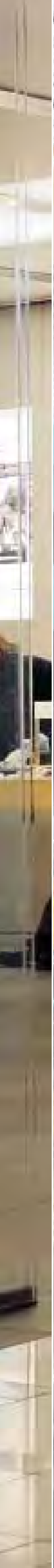
Financial highlights

	2005	2006	2007	2008	2009	2010	2011
Fund from operations FFO* (euros per share)	4.1	5.4	9.4	10.3	10.6	11.7	13.1
Dividend (euros per share)	2.4	4.0	6.0	7.0	7.2	8.0	9.0
Dividend yield	2.2%	2.7%	2.5%	5.3%	6.7%	6.4%	7.5%
Net asset value (NAV) (euros per share)	77.8	117.7	165.0	124.2	113.3	139.3	147.2
Share price at December 31	108.0	148.0	236.8	132.0	107.0	125.0	120.5
Premium or discount to NAV	38.8%	25.7%	43.5%	6.3%	-5.6%	-10.3%	-18.1%

* Funds from operations: net income attributable to the equity holders of the parent before changes in fair value and estimated expenses.

LIVING AND SHOPPING CREATIVELY

A USEFUL PURCHASE, SEARCHING FOR THE "BEST DEAL", A NEW EXPERIENCE. TO ADDRESS THE DIVERSITY OF CONSUMER PROFILES, ALTAREA COGEDIM PROPOSES AN ORIGINAL AND MULTI-CHANNEL RETAIL OFFERING.



400,000

hours, that is the number of hours available for leisure and entertainment in a lifetime

CONSUMER PROFILES ARE DIVERSE AND MULTI-CHANNEL

A high degree of mobility, demand for proximity and social ties, a quest for meaning and guilt-free self-indulgence reflect changing lifestyles and the emergence of new social values. These factors are modifying consumer behavior and creating new forms of interaction at the heart of the marketplace.

Permanently focused on the needs of retail chains and customers, Altarea Cogedim continues to support and anticipate consumer trends.

Despite a bleak economic environment, the retail property market remained buoyant in 2011 with investments reaching €3.3 billion in France, the third best performance in ten years. Against this backdrop, Altarea Cogedim's shopping center portfolio showed good resilience with revenue above 2010 levels.

By establishing positions early on in the better performing formats (regional shopping centers, urban entertainment centers, the edge-of-town Family Village® concept) while continuing to develop its portfolio, Altarea Cogedim has built a model for creating value. Today, retail customers are adapting their strategy for better consumer habits. Some aspire to a large selection through national and international retail chains, others look for greater conviviality and entertainment or a mass-market offering in line with their purchasing power, while placing importance on a pleasant and constantly renewed shopping experience.

At the same time, the emergence of new forms of communications and interaction in the life of consumers is contributing to further diversification in shopping practices. Increasingly on the lookout for the "best deal", consumers are becoming "nomads", alternating their purchasing "strategies" between brick-and-mortar and online formats. With online sales projected to grow 18% per year by 2015, Altarea Cogedim acquired RueduCommerce, one of the top fifteen e-retailers in France. And with retail chains and consumers already multi-channel, Altarea Cogedim has become the first property company to adopt such a strategy. The Group's goal is to accelerate growth in all retail formats, whether brick-and-mortar or online, to respond even better to evolving consumer needs.

73%
of French consumers have multiple hobbies

66.5%
of French Internet users have confidence in the online purchasing experience

+18%
growth in online sales per year by 2015

€815 million
Altarea Cogedim retail property investment pipeline for shopping center programs

A DIFFERENT APPROACH TO RETAIL: A MULTI-CHANNEL RECREATIONAL OFFERING

Altarea Cogedim has strengthened its retail property strategy by developing regional shopping and urban entertainment centers, pursuing the edge-of-town Family Village® concept, consolidating its property portfolio and expanding into online retail.

DEVELOPING RETAIL FORMATS WITH STRONG GROWTH POTENTIAL

Priority on strategically-located large regional shopping centers

As they seek to rationalize their point-of-sale networks and increase customer catchment areas, large shopping centers in strategic locations have become a priority format for major retail chains. These large shopping centers are also highly popular with consumers as a sure place to find a complete range of products and national and international retail brands in a quality venue. Altarea Cogedim has developed a specific response to address this priority.

In Saint-Laurent-du-Var, Cap 3000 is among France's ten largest shopping centers. It hosts France's third-largest Apple Store (with the highest profitability per sq. ft. worldwide) and the country's second-largest pharmacy. In 2011, Altarea Cogedim expanded its offering with the addition of The Kooples, Fossil, Kiko and YellowKorner, among others, contributing to growth in current revenue of 2.7%. In addition to the extension project under review, Altarea Cogedim completed a retail development project for 32,000 sq. ft. (3,000 m²) with the creation of a new mall destined to house 12 stores and restaurants in June 2012.

In Villeneuve-la-Garenne (Greater Paris), strategically located at the intersection of the banks of the Seine and the A86 freeway, the Group is spearheading one of the largest retail property developments in France. Located in a rapidly expanding region where population growth is estimated at more than 9% per year for the next three years, and with a net floor area of 926,000 sq. ft. (86,000 m²) it will include a Carrefour hypermarket, 160 shops and restaurants with panoramic terraces overlooking the Seine, 12 mid-size stores and 3,000 free parking spaces. At the end of 2011, more than 60% has already been pre-let to major national and international retail brands two years before the opening date.

> RETAIL BRANDS AND CONSUMERS ALIKE ARE ATTRACTED TO STRATEGICALLY LOCATED LARGE REGIONAL SHOPPING CENTERS.

IN VILLENEUVE-LA-GARENNE (GREATER PARIS),
a regional shopping center with a net floor area of 926,000 sq. ft. (86,000 m²) combining comfort, service, technology and entertainment.

EXTENSION OF THE FAMILY VILLAGE® LES HUNAUDIÈRES,
a 377,000 sq. ft. (35,000 m²) extension in Ruaudin.

€2.6 billion
commercial property portfolio in France, Italy and Spain

Roll-out of the Family Village® concept

Combining retail and entertainment concepts in a landscaped architectural setting, the Family Village® concept offers a quality-based response for edge-of-town shopping to local authorities, retailers and consumers alike. This concept offers many advantages: revitalization of urban areas that had been downgraded by the proliferation of very small shop formats in the 70s, spacious and well-designed locations with attractive rental prices close to population centers, a comfortable shopping experience and a retail-entertainment offering adapted to families' purchasing power.

On the strength of the successes of the four Family Village® opened in Limoges, Thiais, Aubergenville and Ruaudin (Le Mans), three more are now in the pipeline. One of these is a 296,000 sq. ft. (29,500 m²) site in a prime commercial location in Nîmes Costière. The other in Ruaudin near Le Mans involves the extension of an existing Family Village® with the total net floor area to be increased to 678,000 sq. ft. (63,000 m²) to achieve a leadership position in this catchment area. The third, near the Belgian border servicing the towns of Tourcoing, Roncq and Neuville-en-Ferrain. With a net floor area of 646,000 sq. ft. (60,000 m²), this site represents a focal point and will be incorporated into a 1,076,000 sq. ft. (100,000 m²) commercial hub. Currently in the pre-letting phase, these three Family Village® are scheduled to be opened between 2013 and 2015.

CITY CENTER RETAIL COMPLEXES

In 2011, Altarea Cogedim completed two more city center retail complexes under development for some time: Espace Saint-Christophe, GLA of 140,000 sq. ft. (13,000 m²) in Tourcoing close to Lille, and La Cour des Capucins, GLA of 93,500 sq. ft. (8,700 m²) in Thionville near the Luxembourg border. These local shopping centers contribute to the revitalization of city centers, featuring areas for pedestrians and other non-motorized traffic, and are designed to attract shoppers back to the city centers.

Good performance for shopping centers compared with the national index

Revenue from Group shopping center tenants rose 0.5% like-for-like compared with the national index, which contracted 0.8%. Retail parks and Family Village® continue to outperform other formats in line with the structural trend since 2006. The portfolio's large shopping centers also performed well in 2011. Altarea Cogedim's good performance in relation to the CNCC (Conseil National des Centres Commerciaux) industry benchmark has confirmed the relevance of its asset arbitrage strategy and focus on "winning formats".

+0.5% in revenue from tenants compared with -0.8% for the national index

€160 million in gross annual rental income

86% OF SURFACE AREA IN THE PIPELINE IS LOCATED IN REGIONS WITH BRISK DEMOGRAPHIC GROWTH AND EXPANDING DEMAND FOR RETAIL PROPERTY: THE PARIS REGION, SOUTH-EASTERN FRANCE AND NORTHERN ITALY.

France's **3rd** largest listed commercial property company

Making urban entertainment centers more attractive

Since its creation, the Group has developed projects for shopping centers combining traditional retail and entertainment concepts. By redesigning the shopping experience, this original model has demonstrated its resilience. As a new scene for everyday life, it provides true opportunities for exchanges and encounters. After Bercy Village, which will host the Fnac and 6 new stores and restaurants in 2012, to be followed by Carré de Soie in south Lyon, the urban entertainment concept has become one of the Group's strategic priorities.

In Toulon-La Valette, one of the most important regional retail hubs in the south of France (Grand Var), a 400,500 sq. ft. (37,200 m²) urban entertainment project is under development. Designed with an open-air shopping street featuring access to public transportation, this complex by architect Jean-Michel Wilmotte is part of an urban renewal project that includes a hotel, housing and offices.

In the same spirit, the Ponte Parodi project in the port of Genoa in northern Italy plans to redevelop the jetty covering more than 721,000 sq. ft. (67,000 m²), including 458,500 sq. ft. (42,600 m²) of retail and entertainment space. As a multi-functional hub, this facility will include recreational and cultural activities, along with close to 80 stores and restaurants. A cruise ship terminal will also be built along with a roof terrace of nearly 5 acres (2 hectares) as a boardwalk promenade overlooking the sea, the only one of its kind in Genoa.

IN TOULON-LA VALETTE (VAR),
an urban entertainment center under development.

THE GROUP CONTINUES TO FOCUS ON INCREASING THE VALUE OF EXISTING RETAIL PROPERTY ASSETS THROUGH REFURBISHING AND EXPANSION PROJECTS. THIS STRATEGY IS DESIGNED TO ACHIEVE OPTIMAL RETURNS ON ASSETS.

1,184,000 sq. ft.

(110,000 m²) of retail space with planning authorizations granted

Optimizing the management of portfolio assets

For its asset management activities, the Group has continued to focus on increasing the value of existing retail property assets through refurbishing and expansion projects. These investments carried out both for the Group itself and for third parties represent a gross leasable area of more than 1,507,000 sq. fr. (140,000 m²). Efforts over the last four years have focused on boosting the attractiveness of shopping centers in operation to achieve optimal returns on assets.

In late 2011, a new above-ground parking area, increasing the total capacity to 1,200 spaces, was added to the Espace Gramont. This shopping center is strategically located in northeast Toulouse in one the most important retail hubs of the metropolitan area and was already extended in 2009. The site boasts major advantages, with the first Auchan hypermarket in the metropolitan area and easy access by a metro line and a ring road. Already with more than 80 stores and restaurants and 7.5 million visitors a year, Espace Gramont will add 15 new stores and restaurants by fall of 2012.

The same approach has been applied for the –X% center in Massy, destined to become a regional shopping center. Built in the 1980s and owned by the Group since 2005, Jean-Paul Viguier was selected as architect to modernize the facility and make it once again a leading shopping center. With a new mainstream positioning (mid-range and general public), this project covers 269,000 sq. ft. (25,000 m²) of retail space for a total offering of more than 100 stores and restaurants adjoining a Cora hypermarket.

Finally, in Aix-en-Provence, the extension of the Jas de Bouffan shopping center will expand the catchment area in a rapidly developing urban city.

EXTENSION OF THE ESPACE GRAMONT,
in Toulouse to accommodate the opening of fifteen new stores and restaurants.

MODERNIZATION OF –X%
IN MASSY (GREATER PARIS),
to become a leading commercial center.

PURSUING ITS ARBITRAGE STRATEGY, ALTAREA COGEDIM COMPLETED DISPOSALS OF FOUR ASSETS IN 2011. THE GROUP WILL REMAIN THE PROPERTY MANAGER."

4 CHEMINS IN VICHY,
Les Quatre Chemins in Vichy was sold at the end of 2011.

Asset disposals to focus on more targeted developments

In 2011, Altarea Cogedim continued its arbitrage strategy by selling off more mature or smaller format shopping centers to refocus on developing regional shopping centers, the edge-of-town Family Village® concept and urban entertainment centers. On this basis, four assets were sold or have preliminary agreements for sale for an amount totaling €121 million: Parc des Bouchardes in Crèches-sur-Saône (125,000 sq. ft. [11,600 m^2]), Les Quatre Chemins in Vichy (153,000 sq. ft. [14,000 m^2]), La Cour des Capucins in Thionville (93,500 sq. ft. [8,700 m^2]) and Espace d'Erlon in Reims (76,500 sq. ft. [7,100 m^2]) whose sale was completed in early January 2012. Confirming its expertise in property operations, Altarea Cogedim remains the property manager for the four sites. The goal over the next four years is to concentrate the portfolio on 30 to 35 shopping centers with an average value of €100 million, compared with the Group's current holdings of some fifty assets worth more than €50 million each. By 2016, the Group targets a retail property portfolio of between €3 billion and €3.5 billion.

/ 100% CONSUMERS

Noémie Le Maux
Deputy Manager
of Cap 3000 in charge
of marketing

INTERACTIVITY SIMPLIFIES LIFE BY PUTTING EVERYTHING AT CONSUMERS' FINGERTIPS.

___ How do you use mobile technology to enhance customer relations at Cap 3000?
We launched a Cap 3000 iPhone application, soon to be extended to Androïd smartphones, that met with immediate success. Participating customers are offered advanced access to promotions and news as well as exclusive access to contests. A gift card will be added to these benefits. To stay as close as possible to our customers, we use all new communication tools: website with a blog, Facebook, Twitter, e-newsletters and soon interactive terminals. We are currently exploring the use of position determination technologies or PDT so that consumers online can receive targeted offers during visits to the shopping center according to their profile.

___ How does interactivity contribute to customer well-being?
It simplifies life by putting everything at consumers' fingertips. PDT also makes it possible for them to find their car if they forget where it was parked. Along with interactive technology there is also physical interactivity. We have created a play area based on the model of a day care center where children can be left for two hours on Wednesdays, Saturdays, school vacation periods and holidays. Another example is during sale periods when we propose free massages and a dressing room. These different services contribute to a truly relaxing shopping experience.

___ What is your day-to-day role on this project?
I remain attentive to technological innovations developed in other sectors and seek to imagine how they may be adapted to a shopping center, constantly keeping in mind the ways that shoppers wish us to communicate with them. Creating new tools is effective only if they work correctly every day. Using technology to render the site more vibrant requires constantly raising retailers' awareness about these new tools.

PONTE PARODI (ITALY),
an urban entertainment project in Genoa by architect Van Berkel & Bos.

Altarea Italia, priority on asset management and Ponte Parodi

Since 2010, Altarea Italia has focused on asset management operations to optimize returns of its six shopping centers.
In a challenging economic environment, the occupancy rate has reached nearly 100%, reflecting continuing efforts to enhance commercial appeal by high value-added retail chains such as H&M, Scarpe&Scarpe, etc.
In 2012, Altarea Italia plans to strengthen property management by insourcing the function of shopping center manager at Casetta Mattei in Rome and Le Due Torri in Stezzano to bring even greater focus to the day-to-day management of these sites.

Today, Italy still has relatively few large shopping centers. With a more robust economy, Northern Italy has historically represented a region of significant development for Altarea Italia, where four of its six centers were opened.

The Group is pursuing its expansion with the Ponte Parodi, a major project for a large shopping and entertainment center as part of the revitalization program for the historic port of Genoa (Liguria). Architectural firm UNStudio Van Berkel & Bos, winner of an international competition, developed the original concept for the urban renovation of this 721,000 sq. ft. (67,000 m²) industrial site. Ponte Parodi, a truly multi-functional hub of 458,500 sq. ft. (42,600 m²) will offer Genoa's residents and tourists trendy shopping areas, recreational and cultural activities, a large urban fitness center with a climbing wall, an auditorium, exhibition spaces and a cruise terminal for large ships (capacity of more than 4,000 passengers). In addition, a nearly 4.9 acre (2 hectares) roof will provide a landscaped area and walkway between the city and the sea, a first in Europe. More than 15 million visitors are expected at Ponte Parodi every year.

6 **shopping centers representing GLA 1,076,000 sq. ft. (100,000 m²)**

36 **employees**

458,500 sq. ft.
(42,600 m²) of GLA of retail property under development

LE DUE TORRI,
opened in 2010 in Stezzano (Italy), one of the wealthiest regions in Europe, will now have an Altarea Cogedim manager.

RUEDUCOMMERCE.COM

ALTAREA COGEDIM, THE FIRST MULTI-CHANNEL PROPERTY COMPANY

With the growing influence of Internet and mobile technology (smartphones, handheld devices), Altarea Cogedim has chosen to develop a unique "click and mortar" model with the acquisition of RueduCommerce, a leading French online retailer. RueduCommerce will provide a considerable boost to the Group's growth both through development of its own activity and synergies with brick-and-mortar retail.

RUEDUCOMMERCE
is one of France's top online retail sites.

"THE RUEDUCOMMERCE BUSINESS MODEL IS SIMILAR TO THAT OF A SHOPPING CENTER WITH AN AVERAGE COMMISSION RATE COMPARABLE TO THE OCCUPANCY COST RATIO OF BRICK-AND-MORTAR OPERATIONS.

With business of €384 million* in fiscal 2010-2011 and traffic of between 6 and 8 million single visitors per month and an online catalog of 2 million products, RueduCommerce is one of France's top fifteen online retailers. Its business model is similar to a shopping center with an average commission rate of 8% to be compared with the occupancy cost ratio of brick-and-mortar operations. By joining forces with RueduCommerce, Altarea Cogedim's goal is to increase revenue from online retail threefold in five years, eventually reaching €1 billion in business.

The Group is also adding new resources to better identify end-customers by incorporating Internet-related technologies into its shopping centers. Using new marketing approaches, it will be able to propose increasingly targeted offers and services to customers whether they are online or in stores.

This €100 million investment (4% of its portfolio) has given Altarea Cogedim a head start by inventing a new multi-channel business model. Yet another illustration of the Group's innovative vision as a pioneer in developing different approaches to retail.

* For the calendar year.

Online retail investments represent 4% of Altarea Cogedim's portfolio

Gauthier Picquart and Patrick Jacquemin
founding partners of RueduCommerce

> OUR GROWTH HAS GONE HAND-IN-HAND WITH THE LAUNCH OF A NUMBER OF PRODUCTS THAT REVOLUTIONIZED THE WORLD: PALM PILOT, LAPTOP COMPUTER AND CELLULAR PHONE, MP3 WALKMAN, DIGITAL CAMERAS, GDS, DVD READERS, TOUCHSCREEN TABLETS.

RueduCommerce is one of France's top online retail sites. Tell us its story.

Founded in 1999, RueduCommerce is one of the top fifteen e-commerce sites in France. The company began as a retailer of high tech products with a catalog of 10,000 items at prices 20% to 30% less than the market. It registered extremely strong growth with a business model including a mix of features of Amazon, eBay, and "Classified", a website for classified ads, that combined marketing with sales. This growth was bolstered by the launch of a number of products that revolutionized the world: Palm Pilot, laptop computer and cellular phone, MP3 Walkman, digital cameras, GDS, DVD readers, touchscreen tablets. Our company was listed in 2005 and in 2007, we created the first online marketplace, "La Galerie". This platform, by enabling merchant partners to sell their products through RueduCommerce, expanded our offering even further. In 2009, we created a media-buying company that was followed by the acquisition of Topachat, Alapage and Clust. In 2010, we launched restructuring measures to improve our competitiveness. With a catalog of 2 million products, we are certainly one of the largest shopping centers!

What benefits do you expect from the backing of a Group that is both a commercial property company and a developer?

The universe of retail is undergoing a new revolution in both online activities and brick-and-mortar stores. Historically, online sales have developed in juxtaposition with brick-and-mortar operations. Today however, major retailers are moving to online formats while major online sites are moving to off-line formats. The result is a gradual convergence of these two worlds. However this evolution requires significant investments.

After considering joining forces with a retailer, we instead decided in favor of a property company with a business model closer to our own. At the same time, Altarea Cogedim was looking for a partner in the e-retail universe. This was clearly an opportune encounter! We were particularly won over by Alain Taravella's entrepreneurial project. Within just three months, Altarea Cogedim had acquired a share in our capital and is today the majority shareholder with a stake of more than 96.5%. Joining forces with a Group like Altarea Cogedim clearly offers a competitive edge for a specialist in online retail like us. And it must not be forgotten that our very name RueduCommerce naturally predestines us to pursue our activity as a retailer by inventing new formats!

6 to 8 million
individual shoppers per month

€384 million
in business volume*

5.5 million
customer accounts

An online marketplace of more than
2 million
products

Average shopping basket of
€218 including VAT

280 employees

* For the calendar year.

LIVING AND FLOURISHING AT HOME

AS A PLACE OF SHARING AND WELL-BEING, THE HOME PROVIDES A SENSE OF REASSURANCE. SO THAT HOMEBUYERS CAN GET MAXIMUM ENJOYMENT, COGEDIM PROPOSES QUALITY HOUSING ADAPTED TO THE LIFESTYLE OF EACH OCCUPANT.

92%

of people in France feel that home is a place where one feels secure

RESIDENTIAL DESIGN TAILOR-MADE TO INDIVIDUAL LIFESTYLES

Altarea Cogedim's goal is for all customers to feel completely at home in their living space.

This aim is expressed by an unwavering focus on quality in terms of location, urban integration, aesthetics and innovation. The customer is at the heart of our product culture.

Housing demand has been rising without interruption over the last 25 years (14%) in response to population growth, a breakdown in family units, longer lifespans and a positive net migration. Despite efforts to increase supply, there remains a shortage in France of nearly 900,000 homes.

As building quality and comfort has improved, new demands have developed for housing solutions adapted to new family configurations and eco-responsible practices. Under the impetus of the French Grenelle Environment Round Table, environmental quality is considered a plus by today's buyers. The residential space evokes notions of sharing, freedom and well-being. Furthermore, in an environment of uncertainty, it remains as much as ever a safe haven investment.

Cogedim's housing products adapt to both evolving lifestyles and diverse residential trajectories. Guided by a commitment to rigorous quality standards, their design focuses on the pleasure of the living space with beautiful and modular rooms, well-conceived plans and outside living areas: balconies, terraces and gardens. Considerable attention is also paid to the location and access to public transportation, stores and public infrastructure.

92%
of the French claim to be satisfied with their housing

25%
of household budgets are devoted to housing

100%
of housing development projects launched by Cogedim in 2011 are certified as low energy consumption buildings (BBC®)

4,200
Cogedim homes reserved in 2011

PERSONALIZED, QUALITY RESIDENTIAL HOUSING

In a difficult environment in 2011, Cogedim continued to expand through its offering of quality products adapted to the diversity of demand. While remaining the reference for upscale products, Cogedim intends to expand its offering into the mid-range and entry-level market through the New Districts and Cogedim Club® serviced residences for seniors.

COGEDIM IS AMONG THE LEADERS IN ITS MAIN MARKET, WHICH INCLUDES IN PARTICULAR THE PARIS REGION, RHÔNE-ALPES AND THE PROVENCE-ALPES-CÔTE D'AZUR REGIONS.

FROM HIGH-END TO EXCEPTIONAL

A market reference in the high-end segment, Cogedim has a diversified offering from luxury apartments to exceptional products. In 2011, 1,265 high-end residential units were put on the market in Paris and other French regions.

The flagship product for 2012, Nouvelle Vague, a unique development through its distinctive architectural quality and original design. Located in the heart of Paris' 4th district along the Seine, this project is being designed by one of today's most prestigious architectural firms: Finn Geipel - Lin agency. The building is in the form of a wave with terraces offering exceptional views of Notre-Dame, the Jardin des Plantes and the city of Paris. It also includes a very beautiful interior landscaped area. The 73 market-rate residential units (to which are added 70 social housing units and the construction of a daycare facility) propose original design plans, rare volumes and high-quality services.

In French regions, Cogedim has also launched a number of high-end development projects including L'Élégante in Cannes, À l'Ombre des Jasmins in Toulouse, Vendôme Rive Gauche in Lyon and Rive Lémania in Divonne-les-Bains.

L'ÉLÉGANTE,
a luxury residence in Cannes.

A COMMITMENT TO QUALITY IN ALL RANGES

Lofoten, launched in Cergy-Pontoise (Greater Paris) in 2011, offers a perfect illustration of the quality of our entry-level residential units. For this project as for all others in the Paris Region, Cogedim deploys the "Quality" team from the design and works phase to "after sales" to produce a fully finished product while the "Customer Relations" department ensures that the housing unit is then customized to individual requirements. Inspections are also carried out at key phases during the project. Customers benefit from well-designed housing units representing valuable investments at affordable prices.

A major new player in the mid and an entry-market range

To meet housing demand both in the Paris Region and in other French regions, Cogedim has continued to expand its offering in mid-range and entry-level markets by developing accessible products that meet its quality standards. The selection of locations and access to public transportation, architectural elegance, the landscaped environment, generous architectural volumes, the decoration of the common areas as designed by a specialized architect and the quality of the internal fixtures and materials are the signature of the distinctive quality of Cogedim's offering.

In 2011, mid-range and entry-level units represented nearly 60% of units offered for sale by Cogedim, addressing the different needs of first-time homebuyers, other buyers and investors.

9,800 housing units in the portfolio or thirty months' revenue

GRAND DARNAL
an entry-level project in Bruges near Bordeaux, delivered in 2011 to the Société Nationale Immobilière.

EMALIA
Emalia, an economic housing development project in Montreuil (Greater Paris).

COGEDIM OFFERS LOCAL AUTHORITIES INNOVATIVE HOUSING SOLUTIONS COMBINED WITH A STRATEGY OF ECONOMIC COST MANAGEMENT.

914
social housing units taken up

Cogedim partnering with cities

Cogedim is particularly attentive as a partner to the needs of local authorities. In this role it proposes original responses for housing combined with a strategy of economic cost management. As such, Cogedim has signed the Developers' Charter with the cities of Saint-Ouen and Montreuil (Greater Paris) to contribute to measures against rising land costs and facilitate the acquisition of quality housing by residents and employees working in these communities. In the French regions, Cogedim is also developing 250 economic housing units in Nice Méridia and, based on this principle, will be launching a number of programs, particularly in Lyon, Nantes and Bordeaux.

Earnings growth and market share gains despite flat demand

Revenue jumped 42% to €822 million resulting in further market share gains since 2007. This trend is expected to continue with a €1.6 billion backlog excluding tax at December 31, 2011 or 24 months' sales.

New housing reservations amounted to €1.205 billion including tax in a less dynamic market than in 2010. Along with the strength of the brand, this performance resulted from Cogedim's positions in stronger growth regions (the Paris Region, Rhône-Alpes, coastal areas) and an expanding product range.

+42%
growth in revenue

€1.6 billion
excluding tax for the residential backlog or 24 months' revenue

TERRES D'OCRE,
a new eco-district in Martigues, in southern France.

€1,205 million
in new housing reservations in 2011

Serviced residences for active seniors

In 2030, nearly three out of ten people in France will be over 60. With continual gains in life expectancy, active seniors increasingly want to live in the inner-city to take advantage of the more vibrant lifestyle and proximity to services. To address these demands, Cogedim is developing a new generation of serviced residential housing.

Already a leader in serviced housing for seniors with Les Hespérides® in the 1980s, its new branded concept for active seniors, Cogedim Club®, offers residents independence, conviviality and opportunities for social activities. These independent living residential facilities combine the benefits of an in-town location with an appropriate offering of services: concierge services, meals and catering, video surveillance, round-the-clock security, as well as a range of pick-and-choose services, etc. Common areas extend onto a terrace and/or garden, depending on the residence. Cogedim directly manages these residences, which are rented as furnished housing units.

After launching its first three residences in 2011 (Les Jardins d'Aragon in Villejuif, Patio Plaisance in Arcachon and Cour des Lys in Sèvres), Cogedim will roll out this concept in 2012 in Chambéry, Aix-les-Bains, Cannes-Pégomas, Nice, Port du Crouesty in Brittany, Bordeaux, Paris 13th district, Mantes-la-Jolie, Saint-Mandé and Massy, to name a few. Thereafter around ten Cogedim Club® residences will be launched each year.

PATIO PLAISANCE, A RESIDENCE FOR SENIORS IN THE HEART OF ARCACHON
In the center of Arcachon near Bordeaux, right next to a Monoprix department store, Patio Plaisance represents a new housing concept for active seniors. The project proposes 98 housing units that include an option for a large choice of services. These units are scheduled for completion in 2013. Unlike the traditional model of the retirement home located in outlying areas and often designed as an area of confinement, Cogedim has located these residences in vibrant central city locations near all urban conveniences and public transportation. Cogedim Club® represents a genuine property investment. Managing the property itself, Cogedim has developed an original concept combining the creativity of a developer with the long-term benefits of a property manager.

The New Districts come to life

Through the New District concept, Cogedim proposes an original response to housing demand and cities' determination to redesign their territories. Working with local authorities, it has created high-quality developments that combine multiple functionalities and uses, quality equipment and ample green spaces.
Le Domaine de Coulanges, located in a new district with 640 housing units in Massy (Greater Paris), represents a perfect illustration. Cogedim completed the first part of the project in 2011, 109 housing units with the remainder to be completed over the course of 2012. The complex is designed as part of a new residential district developed around a vast landscaped park, entirely gated and secure, and located near the RER suburban train and TGV high-speed train stations.
In Suresnes, Cogedim has developed the Promenade Sisley, a new 600 housing unit district including schools and a daycare facility. This program addresses demands generated by new lifestyle trends where green spaces occupy an important place. Pedestrian areas and vehicle areas are clearly separated. Housing units include small condominiums on a human scale, with an architectural design that is well integrated in the surrounding environment, with public facilities available within the new district and stores located nearby.
Cogedim has also developed 240 housing units in the new green district in Martigues. As the first of its kind, it represents the site's main program within an urban renewal project destined to include 2,000 housing units. Two projects launched by Cogedim (Terres d'Ocre with 84 housing units and Gran'Voiles with 156 housing units) along with 110 social housing units, form the cornerstone of the eco-district, which will include areas for pedestrian traffic and non-motorized transport, stores, a school, a sports complex, etc.
Cogedim is also developing other new districts to contribute to the revitalization of regional sites like Nice Méridia or Bassins à Flots in Bordeaux.
In late 2011, the Group won two competitive bids, one in Grenoble to develop a new green district on a peninsula and another in Massy to create the new town center of Quartier Atlantis, one of the most dynamic hubs in the southern part of the Paris Region.

PROMENADE SISLEY,
a new district with 600 housing units in Suresnes (Greater Paris).

/ **100%** UNIQUE

IN THE DOMAINE D'OZ IN MASSY (GREATER PARIS),
a custom-designed and convivial lobby.

Aude Mahieu
Cogedim Résidence interior architect-designer

THE DESIGN OF LOBBIES AND LANDINGS LEND A SENSE OF OWNERSHIP TO BUYERS AND CREATE A FRIENDLIER RESIDENTIAL ENVIRONMENT.

___ Why did you create a department specifically devoted to interior designs of lobby and landing areas?

The design of lobbies and landings is a key feature of our signature quality commitment. It contributes to developing a sense of ownership by buyers and a more convivial residential environment. In upscale properties, the common areas have already been personalized by interior architects. Today, this department includes three architects fully devoted to the common areas for all our entry-level and mid-range residential properties in the Paris Region.

___ How does this interior design contribute to occupants' well-being?

When entering a building, the common areas are the first thing people see. We want to "wow" them. For that reason, we make full use of new materials, color, lights, mirrors, consoles, design chandeliers, or even artwork within a limited budget! While the lobbies and hallways represent transitional spaces, they must be a pleasant area where one can stop a moment to look for one's keys, wait for someone, etc. The challenge is creating an area that is both adapted to existing trends but timeless enough so that it never goes out of fashion.

IN 2011 COGEDIM CREATED TWO NEW ENTITIES: A SUBSIDIARY IN MONTPELLIER , COGEDIM LANGUEDOC-ROUSSILLON, AND A BRANCH OFFICE IN AIX-EN-PROVENCE.

New developments in other French regions

To meet needs created by positive demographic trends in France, and pursue its regional development strategy, Cogedim created two new structures in 2011: a subsidiary in Montpellier, Cogedim Languedoc-Roussillon, and a branch office of the Marseille subsidiary in Aix-en-Provence, Cogedim Provence. To accelerate its development in these new regions, the company has entered into discussions with key market players: the Fontès Group in Montpellier and Pays d'Aix Aménagement in Aix-en-Provence.

As a result, Cogedim is present today in nine French metropolitan regions: Nice, Marseille (including Aix-en-Provence), Lyon, Grenoble, Annecy, Toulouse, Bordeaux, Nantes and Montpellier. In 2011, these regions accounted for one half of housing reservations. Retail sales (individual buy-to-let investors) registered further growth on 2010. Already number one in value terms in the Paris region and in the Greater Lyon, Cogedim's goal is to rank among the top three property developers in each of these nine regions.

A NEW ART OF LIVING

With Nouvelle Vague, Cogedim is offering buyers a new lifestyle. The curving shape of this building, located on the banks of the Seine in the 4th district of Paris, features highly original and wonderfully charming interior spaces: rounded living rooms, angled partitions and corner windows, transparent and extraordinarily bright. The building introduces a new concept of interior design adapted to the rounded shape of its rooms. This development represents Cogedim's contribution to the evolution of buyers' ways of thinking. Cogedim is inventing new approaches to personal space thanks to out-of-the-ordinary housing.

Marie-Catherine Chazeaux
architect and head of Paris Region products for Cogedim Vente

SPECIAL CARE IS TAKEN TO OPTIMIZE THE DESIGN LAYOUT FOR EACH HOUSING UNIT. WE ENSURE "LIVEABILITY" AND OPTIMAL USE OF SPACE.

What's the real story behind developing the apartment design plans?

Cogedim had integrated experts into its teams more than 30 years ago to work with architects to design the best possible apartment plans. There are now six of us in the product department, all DPLG-licensed architects. Special attention is devoted to each housing unit to optimize the plan regardless of the product range. We ensure the habitability and optimal use of space. In a way we serve as the "client's eyes" to make sure that the apartment effectively contributes to a real sense of ownership.

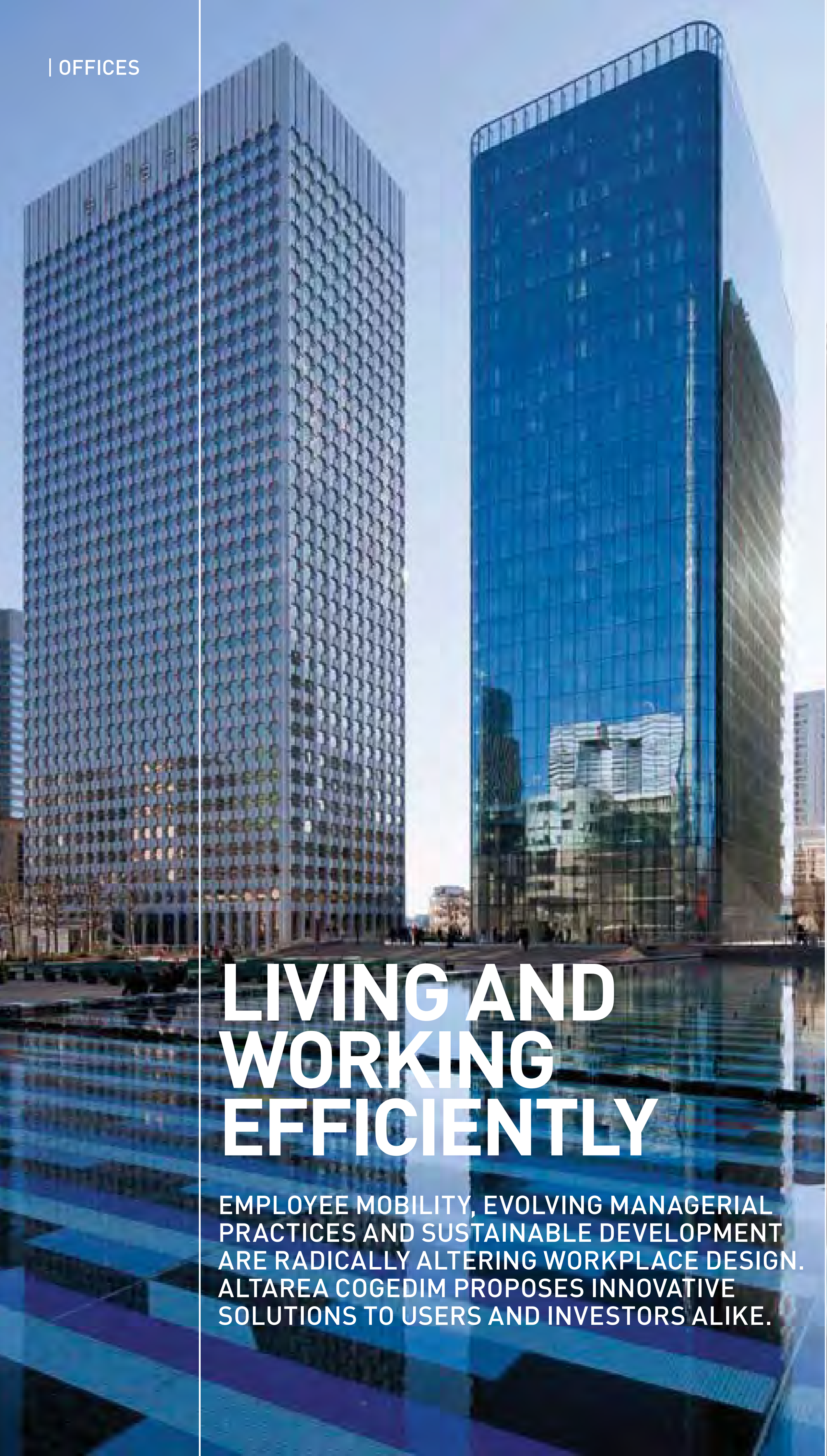
How do the plans contribute to improving customer well-being?

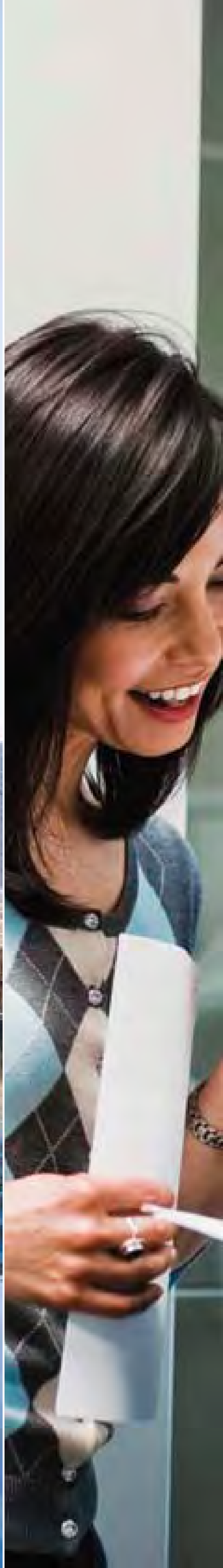
The customer must get a feeling of personal value as soon as he or she enters the building. The upscale design of the lobbies and landing areas, proper positioning of elevators as well as positioning of the apartments themselves all play a role. However, the most important part of this work is the layout. We pay considerable attention to maintaining a balance between living rooms and bedrooms as well as the impression created by the entrance of the apartment, an area of transition from outside to an intimate personal space. And to permit the buyer to easily visualize his or her future interior, furniture is incorporated into our plans. All these small touches undoubtedly contribute to creating a more agreeable and home-like environment.

What are today's major trends for apartment layouts?

Apartments must be modular with at least one bedroom near the living room so that it can be enlarged when the child leaves home or, conversely, create a new room by adding a wall. We have also planned for the possibility of incorporating neighboring studio apartments. Kitchens are flexible and tend to open up at the end of the living room for greater conviviality. And to gain a little extra useful space, hallways are reduced. Finally, today's more stringent safety and security rules must also be taken into account. Our customers' way of life is changing, and we must change with them.

NOUVELLE VAGUE,
a new lifestyle – curved walls, corner windows – in Paris' 4th district.





LIVING AND WORKING EFFICIENTLY

EMPLOYEE MOBILITY, EVOLVING MANAGERIAL PRACTICES AND SUSTAINABLE DEVELOPMENT ARE RADICALLY ALTERING WORKPLACE DESIGN. ALTAREA COGEDIM PROPOSES INNOVATIVE SOLUTIONS TO USERS AND INVESTORS ALIKE.

12%
on average, that is amount of time city-dwellers spend at work over their entire lifetimes

COMBINING ENVIRONMENTAL QUALITY AND USER COMFORT

Altarea Cogedim's expertise is applied to create top quality office properties for users and investors meeting high environmental standards adapted to evolving market trends.

Even though the rental market remained relatively buoyant in 2011, it has still not seen a recovery. Rental values have remained flat near their average since the year 2000 and even declining marginally in the Greater Paris. Deals between lessors and tenants are taking longer to conclude. Take-up was stable in relation to the previous year with gains mainly in the Paris Region for office properties of less than 54,000 sq. ft. (5,000 m²). Finally, vacancy rates have remained at reasonable levels though they are still high. Overall, the ratio between supply and demand continues to benefit users. However, office property continues to be considered as a preferred asset for investors, particularly in the Paris Region were the investment market has risen 27% compared to 2010 (€11.25 billion).

In this environment, Altarea Cogedim has continued its strategy with regard to both users and investors.
Users demand innovative solutions to achieve savings without sacrificing comfort. This trend is reflected by today's interest in campus style office sites in outlying areas that are both modular and economic with good access to transportation. To meet this demand, Altarea Cogedim proposes turnkey rental solutions and technical services, in partnership with users.
Investors are attracted to investment-grade assets offering very secure revenue streams and produced by well-established companies. Through its investment fund AltaFund, Altarea Cogedim is able to purchase land and office property to be refurbished for transformation into top quality assets with high environmental added value.

77%
of international property investors are interested in France (*Baromètre Attractivité du site France*, by Ernst & Young, 2012)

80%
of the 570 million square feet (53 million m²) of office space in the Paris Region represents aging properties

€600 million
raised in 2011 by the AltaFund investment vehicle for office property in the Paris Region

A UNIQUE APPROACH BASED ON INNOVATIVE SOLUTIONS

Altarea Cogedim provides innovative solutions to evolving office space needs through a comprehensive approach combining services, development of complex deals and an investment capacity unique in the Paris Region, totaling more than €1 billion.

"ALTAFUND BRINGS TOGETHER TOP-TIER FRENCH AND INTERNATIONAL INVESTMENT PARTNERS INCLUDING, AMONG OTHERS, PENSION FUNDS AND SOVEREIGN WEALTH FUNDS FROM THE PACIFIC AREA.

A unique investment capacity in the Paris Region

In 2011, Altarea Cogedim completed the final closing of its office property investment vehicle AltaFund. Following an initial closing of €350 million, AltaFund today has total equity commitments of €600 million. AltaFund brings together top-tier French and international institutional investor partners including, among others, pension funds and sovereign wealth funds from the Pacific area. This fund will eventually have a discretionary investment capacity of over €1.2 billion including leverage. In preparation for the market rebound, AltaFund represents a solution to the specific issues facing investors.

PARIS LA DÉFENSE
View of the business district from Suresnes (Greater Paris).

1,238,000 sq. ft.
(115,000 m²) in programs under development

6,706,000 sq. ft.
(623,000 m²) in programs under contract

1,830,000 sq. ft.
(170,000 m²) of completed office property

Growth in revenue and new tools in place for the rebound

At the end of 2011, the Group had 24 development programs under contract for office properties and hotels for a total net floor area of 6,706,000 sq. ft. (623,000 m²). Revenue in the period was up 56% to €102 million compared with 2010 and seven programs completed for a total of 1,830 000 sq. ft. (170,000 m²).

Altarea Cogedim signed five new contracts for 1,001,000 sq. ft. (93,000 m²) increasing the backlog of off-plan properties/property development contracts to €162.5 million. Altarea Cogedim has also positioned itself in the investment market with the creation of a dedicated office property investment fund.

€102 million
in revenue

€162.5 million backlog

REFURBISHMENT OF THE CLUBHOUSE,
Interpol's former headquarters in Saint-Cloud (Greater Paris).

Complex refurbishing projects with a high level of environmental added value

In 2011, Altarea Cogedim completed several complex renovations as a third-party project manager. The most emblematic was the First tower, formerly the Axa tower built in the Paris La Défense business district in the 1970s. Its transformation represented a true revolution in terms of environmental performance. Raised 226 feet (69 meters) to a total height of 758 feet (231 m), now making it France's tallest skyscraper, it has a 215,000 sq. ft. (20,000 m²) double skin providing a natural bioclimatic ventilation with 431,000 sq. ft. (40,000 m²) of glass and facades. Noteworthy features include the combination of single- and double-skin facades exposed to the sun reducing air-conditioning requirements and thermal break joints reducing heating requirements. These characteristics reduced construction costs and optimized the use of daylight, while cutting construction-related CO_2 emissions for refurbishing projects.

Also in La Défense-Courbevoie (Greater Paris), Altarea Cogedim was awarded the contract by the Perella Weinberg Real Estate Fund to refurbish the Chartis tower (CB15). A first-generation tower block built in 1964, it has 26 floors and includes a company

CHARTIS
Renovation of the Chartis tower in La Défense – Courbevoie (Greater Paris).

restaurant and an auditorium. The refurbishment project involves notably renovating the building's façade to meet high sustainable development standards.

This same focus on environmental requirements applied to the refurbishment of the ClubHouse, the former Interpol headquarters in Saint-Cloud, for Swiss Life. Work on other refurbishment projects has continued, including the Laennec Hospital site for life insurer Allianz Vie involving 226,000 sq. ft. (21,000 m²) of high-end office space and residential units.

/ 100% INVESTORS

Jocelyn de Verdelon
Head of Commercial Property Investment,
Laurian Douin
Office Investment COO

BY DEPLOYING OUR PROPERTY, FINANCIAL AND TECHNICAL EXPERTISE IN THIS FUND, WE WILL BE ABLE TO RESPOND TO THE SHORTAGE OF BOTH NEW AND REFURBISHED GREEN PROPERTIES IN THE PARIS REGION.

In raising €600 million, what was Altarea Cogedim's goal?

With the backing of top-tier international investors, AltaFund will acquire land or existing office assets to be repositioned and will apply its know-how in creating core assets of high quality and meeting high environmental standards, with the aim of selling them in the medium term. This "value-added" investment profile combining a reasonable amount of debt with a portion of capital invested in speculative assets reflects the Group's risk management culture and analysis of market needs. After meeting with fifty potential investors, we formed a partnership with a restricted pool of prestigious international investors comprised of insurance companies, pension funds and sovereign funds who supported our project. Along with their financial contribution, these partners also offer their insight and expertise on international property investment trends.

What are the benefits of the AltaFund for the investors?

Investors will benefit by contributing their capital to a dynamic real estate operator with an entrepreneurial culture and an established track record in office property, risk management and commercial real estate investment. Furthermore, Altarea Cogedim's co-investment in this fund highlights our confidence and commitment in this undertaking. By deploying our property, financial and technical expertise in this fund, we will be able to respond to the shortage of green properties in the Paris Region, both new and refurbished. We are certain that Altafund meets the needs of investors and the market. It will then be up to us to intelligently manage the challenge of timing.

FIRST, A VISIONARY REFURBISHMENT PROJECT

A visionary precursor for the high environmental performance offices of tomorrow, the First tower, in Paris La Défense, is the largest NF HQE® certified project ever completed in France with a very high energy efficiency score (THPE®). Following the French National Engineering Prize (*Grand Prix National de l'Ingénierie*) in 2009, the First tower received in 2011 a Pierre d'Or award, a MIPIM Award and the Grand Prix SIMI and was inaugurated as part of the Grand Paris project organized under the High Patronage of the President of France.

KORUS - TRANCHE 2,
head office of a pharmaceutical laboratory entirely custom-designed to specifications, in Suresnes (Greater Paris).

Custom-designed head offices

Both a hub for making strategic decisions and a reflection of the enterprise's unique culture, the head office takes form as a material expression of its core values. That is why Altarea Cogedim develops custom-designed projects that perfectly match user requirements in terms of architectural design, operational comfort and environmental performance.

In 2011, three projects were completed by the Group:

• in Aix-en-Provence, the headquarters of the regional bank Caisse Régionale du Crédit Agricole Alpes Provence, was expanded with the addition of four new buildings for a total net floor area of 158,000 sq. ft. (14,700 m^2) to provide a single location for 600 employees previously based at different sites;

• in Suresnes, 419,000 sq. ft. (38,900 m^2) of office space was developed to house 1,700 employees of a pharmaceutical company. Some of the specific features required by the user included large terraces, green spaces, a VIP restaurant, a multi-purpose meeting facility with movable partitions and a 3,200 sq. ft. (300 m^2) computer room;

• in Paris, in the Pajol business park in the 18th district, Altarea Cogedim delivered Green One, the first office building in the French capital with HQE® certification, a "green" lease, carbon offsetting (*Carbone Compensé*®) and the BBC Effinergie® label. This 56,000 sq. ft. (5,200 m^2) building designed by the Berlin-based architect Finn Geipel, was sold to Amundi Asset Management and rented to Syndex, a consulting firm specialized in employee representation. This building opens onto a new garden and the renovated Pajol Hall which will become the largest urban photovoltaic installation in France.

The Group has also pursued the construction of Pomona's future 145,300 sq. ft. (13,500 m^2) head office in Antony. In 2011, Altarea Cogedim was also selected to build the future corporate campus of Mercedes-Benz France, a project of the highest standards for a total net floor area of 204,500 sq. ft. (19,000 m^2) in Montigny-le-Bretonneux near Paris.

THE HEAD OFFICE OF THE CAISSE RÉGIONALE DU CRÉDIT AGRICOLE ALPES PROVENCE
in Aix-en-Provence, a turnkey program with high quality equipment.

CŒUR DE QUARTIER IN NANTERRE (GREATER PARIS),
Designed by Jean-Paul Viguier, this project covers a total net floor area of 506,000 sq. ft. (47,000 m^2) with 242,000 sq. ft. (22,500 m^2) for offices, housing, shops and accommodations for students and tourists.

90%
of Altarea Cogedim office development programs in 2011 with energy efficiency labels (THPE® or BBC®)

Business and mixed-use developments

These urban hubs that combine offices, hotels, retail shops and services represent a market offering future growth potential where Altarea Cogedim boasts all the required expertise along with a proactive environmental approach.

In 2011 in the Lyon Gerland business district, Altarea Cogedim, in co-development with Icade, signed an off-plan sales agreement with Crédit Mutuel Arkéa for the Ambre and Opale buildings. One of the two buildings has already been leased in full to Banque Postale. Other projects include Landy France in the Saint-Denis business district in the north of Paris launched in collaboration with Icade.

The Group is also developing Cœur d'Orly, a new international green district, in partnership with Foncière des Régions and Aéroports de Paris. This new, international, environmentally-friendly mixed development is located in the Greater Paris in the middle of one Europe's major airport hubs. With 1,722,000 sq. ft. (160,000 m^2), the project includes three BBC Energie® certified office buildings, a hotel, a shopping center, a brand village and local conveniences. Directly connected to Paris-Orly's South terminal through a pedestrian walkway, Cœur d'Orly is a perfect illustration of the "airport city" concept.

A preliminary agreement has been signed with EPADESA development authority (Établissement Public d'Aménagement de La Défense Seine Arche) for the first phase of the Cœur de Quartier project in Nanterre. The complexes include offices, housing, shops and accommodations for students and tourists. Designed by Jean-Paul Viguier, this project covers a total net floor area of 505,900 sq. ft. (47,000 m^2) with 242,200 sq. ft. (22,500 m^2) for offices and is being developed in partnership with Eiffage Immobilier.

Finally, the 108,000 sq. ft. (10,000 m^2) Premium office building in the new eco-neighborhood of Nice Méridia was delivered to Cogedim Office Partner. This building will host the Nice Chamber of Commerce and Industry, the Nice Métropole regional authority, the regional employment agency, laboratories of excellence of the University of Nice specialized in the environment, IMREDD (the Mediterranean Institute for Risk, Environment and Sustainable Development) as well as a business incubator for innovative companies. The first building with the BBC® environmental label in Nice, Premium is HQE® certified and equipped with a 14,000 sq. ft. (1,300 m^2) photovoltaic power facility.

Hotels meeting high environmental quality standards

At the end of 2011, Altarea Cogedim completed two hotels as the third-party project manager, the Suite Novotel in Issy-les-Moulineaux and the Golden Tulip in Saint-Priest near Lyon.

Suite Novotel is one of the first hotels to be certified by Certivea for meeting environmental standards (*"NF Bâtiments Tertiaires - Démarche HQE®, Hôtellerie"*). The 128 suites covering 68,000 sq. ft. (6,316 m^2) (9 levels) are the first to have been built according to the brand's new generation design that will henceforth be deployed for all its future projects.

The Golden Tulip, with its 133 rooms and two suites, provides the most fully developed example of a HQE® label environmental design in the hotel sector in Europe. Maximum insulation for the building with an airtight shell, high-performance equipment including a unique system for collecting wastewater all contribute to achieving optimal savings in energy consumption. This hotel has been sold to the Lyon-based SCSP Group.

SUITE NOVOTEL IN ISSY-LES-MOULINEAUX (GREATER PARIS),
one of the first hotels to be certified by Certivea for meeting environmental standards (*"NF Bâtiments Tertiaires - Démarche HQE®, Hôtellerie"*)

THE MERCEDES-BENZ FRANCE HEAD OFFICE,
in partnership with CFC Développement, on a 4.9 acre (2 hectare) campus at Montigny-le-Bretonneux (Greater Paris).

PREVIOUSLY THE OWNER OF ITS FRENCH HEADQUARTERS, MERCEDES-BENZ WANTED TO RELOCATE TO BRING TOGETHER THREE ENTITIES AT A CAMPUS SITE NEAR PARIS AND BECOME A TENANT. WE WERE COMMITTED TO DEVELOPING AN EXCEPTIONAL OFFICE BUILDING.

Thibault Lauprêtre
Director of Development
of Altarea Cogedim Entreprise,
Jean-Frédéric Heinry
Chief Excutive Officer
of Altarea Cogedim Entreprise

___ You will be developing the future campus of Mercedes-Benz France. How did this project get started?
Previously the owner of its French head office, Mercedes-Benz wanted to relocate to a campus site in Montigny-le-Bretonneux (Greater Paris) to become a tenant and bring together three entities: the Mercedes-Benz France head office, Mercedes-Benz France Financial Services and the Mercedes-Benz Academy. Eighteen bidders submitted applications for the project. We were undoubtedly selected in partnership with CFC Développement because we were committed to developing an exemplary office building that meets international standards on the basis of a fixed 12-year lease for a market rate rental amount.

___ How did you beat your competitors in responding to the needs of Mercedes-Benz?
We boast a track record in successfully addressing the specific cultural characteristics and priorities of international customers. Providing a single point of contact (both as developer, designer and investor), we established a constructive dialogue with Mercedes-Benz and boosted its confidence in our ability to improve the program without modifying costs or delivery. Twelve people participated in this process with weekly meetings held in English in Paris and in Germany. We met requirements by complying with French regulations and German standards for excellence. The building's environmental performance is also exemplary. Its goal is to obtain the Breeam rating of "Excellent". It will also be BBC Energie® certified and compliant with the French 2012 thermal regulations (RT 2012).

___ How will this new head office contribute to the comfort of its users?
Everything has been especially designed for the well-being of its occupants. This includes a unique central block for elevators, a stairway and landing providing natural light to the two wings of the building and both partitioned and open-space work areas for everyone's well-being. The final result is a building that provides a level of comfort far surpassing French standards notably including a reinforced air renewal flow and a ceiling height of 9.35 feet (2.85 m).

SUSTAINABLE THINKING

ENVIRONMENTAL, SOCIAL AND SOCIETAL RULES AND PRACTICES ARE EVOLVING. ALTAREA COGEDIM IS ADAPTING TO THESE TRENDS BY CONTRIBUTING TO SUSTAINABLE AND RESPONSIBLE LIFESTYLES FOR ALL ITS CUSTOMERS, PARTNERS AND STAFF.

Sustainable development is considered a necessity by

71%

of the French people

ALTAGREEN: A COLLABORATIVE CROSS-BUSINESS APPROACH

Altagreen, the progress-based approach launched in 2010 enables Altarea Cogedim Group to improve across all of its business lines, define its environmental and social issues and priorities, develop reliable measurement tools and introduce concrete action plans that work towards advancement.

1 dedicated team

10 Sustainable Development representatives

8 performance indicators verified by an external auditor

BUILDING THE GROUP'S SUSTAINABLE DEVELOPMENT POLICY TOGETHER

In 2009, the Grenelle Environment Round Table defined the initial set of objectives in order to face the challenges of tomorrow. For Altarea Cogedim, the impact is two-fold:

- as a property developer, all new buildings must meet France's 2012 thermal regulations (RT 2012), standardizing the energy performance of Low Energy Buildings (BBC®);
- as a property investor, energy consumption must be monitored and significantly improved for all existing property assets.

The Group's solution was to create a department dedicated to setting out the Altarea Cogedim's sustainable development approach in July 2009.
Twelve working groups specialized in the various businesses and issues specific to the company were set up to begin developing this approach: optimization of existing assets, renewable energy, offices and residential and retail properties with high environmental potential, technology watch, green leases, sponsorship, management of human capital, etc. All of these ideas and proposals helped lay the groundwork for the Group's progress-based approach, Altagreen.

Strengthening and understanding

Altagreen covers the main sustainable development themes, but its strength also lies in the method applied for defining the approach, which boasts three main advantages:

- sharing: involving 90 employees naturally encourages communication and understanding of the Group's approach internally;
- relevance: surveying employee experts about their business ensures a high degree of relevance for each commitment;
- sustainability: every initiative was defined in proportion to available physical, financial and organizational resources.

Building on this sound and pragmatic foundation, Altarea Cogedim can face its sustainable development issues more effectively and grow more sustainably in all of its businesses.

Monitoring sustainable development

Altarea Cogedim's Sustainable Development Department plays an integral part in providing services that involve three more the Group's corporate departments: communication, human resources and corporate services. It comprises a network of ten sustainable development representatives from each Group business. The property investment business faces the greatest environmental challenges. As such, its representative is entirely devoted to preparing environmental reporting, performing carbon assessments (*Bilans Carbone®*) and defining action plans for the entire portfolio.

The Sustainable Development Department also relies on regular contact with a network of advisors in charge of cross-business activities. They focus on more specific areas such as the employee relations policy, communication plans, internal and external reporting and environmental management of the head office and regional subsidiaries.

/ **100%** SUSTAINABLE DEVELOPMENT

IN BOTH NEW AND EXISTING PROPERTY, WE ARE TURNING URBAN RENEWAL INTO A GROWTH DRIVER FOR THE GROUP. THIS APPROACH ALSO PROMOTES BETTER URBAN QUALITY OF LIVING, WHICH IS IN THE COLLECTIVE INTEREST OF ALL OUR STAKEHOLDERS.

____ What is the purpose of your progress-based approach, Altagreen?

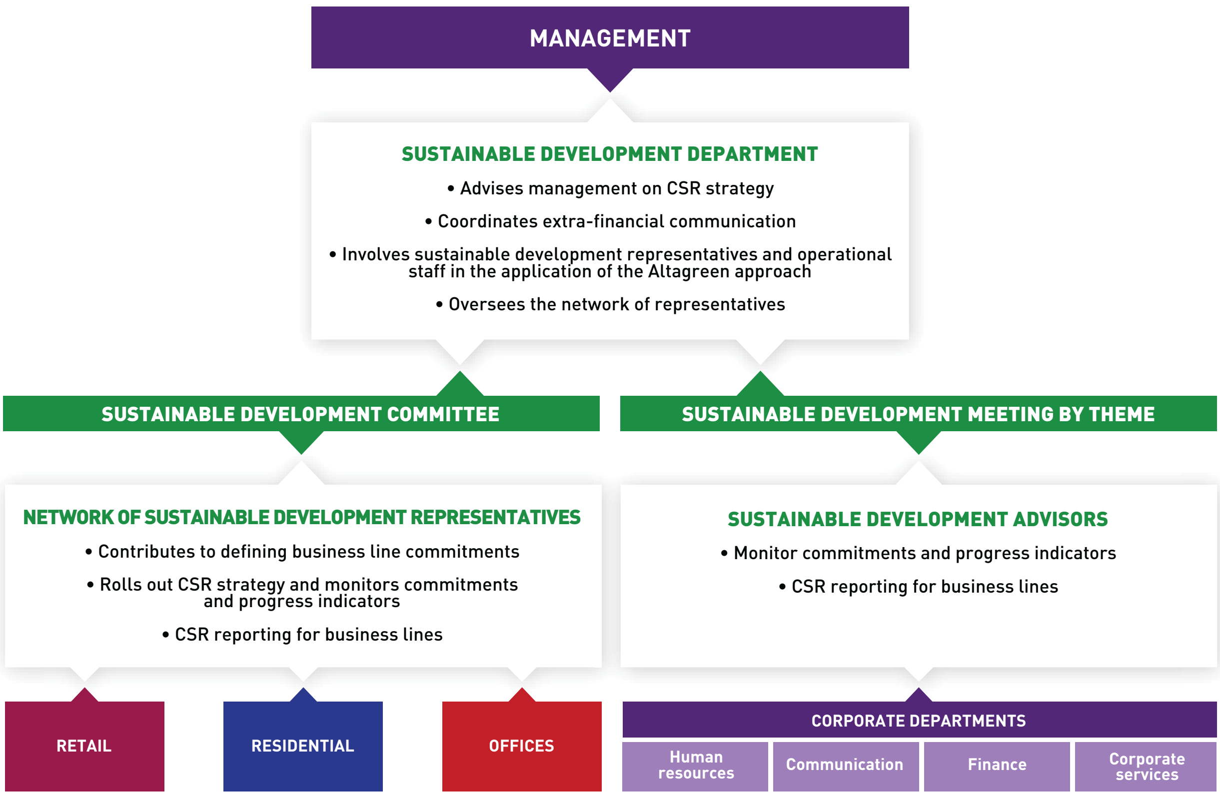
In both new and old property, our business is to build space for tomorrow and foresee how the buildings will be used. The purpose of our progress-based approach is therefore to enable Altarea Cogedim to adapt continuously to its new regulatory, economic, competitive, climate, energy and health environment. As such, the Sustainable Development Department offers the Group guidance in anticipating its clients' needs and designing an offer that better meets their standards. It contributes to developing business while conserving natural resources and regularly measuring its impact using detailed indicators that are recognized by the market and verified by independent experts. Lastly, the Sustainable Development Department encourages the Group to lead in its role as employer in terms of employee relations while also acting as a corporate citizen by promoting all forms of local development.

____ Does your approach foster better urban quality of living?

We aspire to continuous improvement at all levels for all our new projects and existing buildings. This means that we endeavor to maximize the quality of use, accessibility and durability of all our programs and property by reducing the environmental footprint from their development and use. This approach of urban renewal has a direct and lasting impact on the quality of living of people who live and work in urban areas.

Maxime Lanquetuit
Head of Sustainable Development

General organization of sustainable development



ENVIRONMENT

ENVIRONMENTAL PERFORMANCE: INNOVATION AND VALUE PROMOTION

Altarea Cogedim's environmental policy aims to create buildings and spaces that meet the current and future needs of its clients for comfort, health standards, accessibility and energy efficiency, while limiting the environmental footprint from their development. As a property investor, the Group must protect and promote the long-term value of its assets while reducing their environmental impact and preventing them from becoming obsolete in terms of technical and environmental performance.

4 performance indicators to measure environmental quality of all new developments

MEETING ENVIRONMENTAL CHALLENGES

With the growing expectations of Altarea Cogedim's stakeholders with respect to environmental issues and tighter regulations, the Group must maintain ever-higher standards in monitoring its assets. This applies particularly to its scope of analysis, the reliability of its reporting, its action plans (energy, CO_2, water, waste, etc.), anticipation of new market regulations and requirements and, more generally, its capacity to protect the value of its assets over the long term. Furthermore, for its new programs, Altarea Cogedim focuses on creating value for its clients through environmental performance, which has become an essential component of its quality standards.

Today, the company has taken up a triple challenge: improving the quality of use of its programs by seeking the best performance/use/savings ratio, making the environmental quality of its property assets clear and understandable, controlling its overall environmental footprint and carbon dependence for all of its activities.

Areas of progress

DESIGN AND ENVIRONMENTAL CONSTRUCTION

OBJECTIVE	**REDUCE** ENVIRONMENTAL FOOTPRINT	**IMPROVE** QUALITY OF USE	**STRENGTHEN** LONG-TERM VALUE	**PROMOTE** SUSTAINABLE PRACTICES
INDICATOR	**BILAN CARBONE® CONSTRUCTION (CONSTRUCTION CARBON ASSESSMENT)** • Reduce the CO_2/sq. ft. (CO_2/m²) footprint. • Select building materials and processes with a low environmental impact. • Analyze the building's life cycle and anticipate its renovation, deconstruction and recyclability.	**ENVIRONMENTAL CERTIFICATION** • Maximize comfort of use through natural lighting and acoustic insulation. • Reinforce health quality by using healthy materials and efficient equipment.	**ENERGY PERFORMANCE** • Limit energy consumption while preserving thermal and visual comfort. • Optimize the building shell depending on its type and energy needs.	**PROXIMITY TO PUBLIC TRANSPORTATION** • Connect all of our programs to various living spaces. • Promote the use of transportation with low CO_2 emissions.

COMFORT AND SUSTAINABLE USE

IMPASSE MARIE-BLANCHE IN MONTMARTRE (PARIS).
The entire superstructure and all façades on this complex were designed in wood, a 100% natural material that boasts excellent thermal and acoustic properties.

BOOSTING PERFORMANCE FOR ALL NEW PROGRAMS

Altarea Cogedim is boosting the general quality of all of its new developments. Four key indicators were adopted in 2011 to measure this quality: energy performance, environmental certification, proximity to public transportation and the construction carbon assessment (*Bilan Carbone® Construction*). They define the areas of progress for all new programs.

Strengthen environmental performance to improve comfort of use

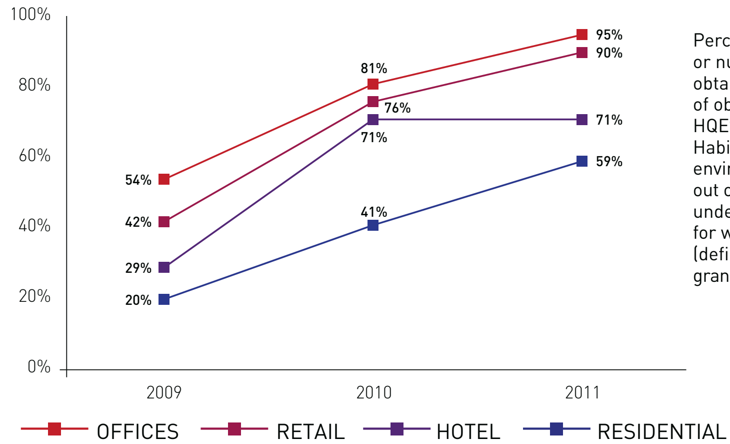
Concrete measures are taken to attain this objective from design to completion of a project: analysis of the site's natural potential, definition of a tailored environmental profile, pursuit of the best construction processes, materials and technical equipment, management of site impacts and guidance for future owners or users during and after delivery.

Altarea Cogedim's efforts aim to optimize the quality of use of its programs. This is reflected in the choice of environmental certification, which is adapted to the issues and economic environment of each business and project.

In 2011, Altarea Cogedim also strengthened the health quality and comfort of its new developments. The design of the Mercedes Benz head office illustrates this progress. Indoor air quality was improved by choosing interior fittings featuring low VOC emissions and a ventilation system designed for a volume of renewed air of 1413 ft^3/hour (40 m^3/hour), above the regulation volume of 636 ft^3/hour (18 m^3/hour).

The Group strives to provide its stakeholders with increasingly well-founded and more informative arguments on the performance of its programs, surpassing certification benchmarks.

Environmental performance levels of new programs



Percentage of surfaces or number of units having obtained or in the process of obtaining NF Démarche HQE®, Breeam or Habitat et Environnement environmental certification, out of all projects completed, under construction or for which a building permit (definitive or not) was granted in the reference year.

NOUVELLE VAGUE (PARIS)
The challenge of this project, with *NF Logement Démarche HQE® certification* (high environmental quality residential property label), entailed achieving outstanding energy performance with a façade made of 60% glass and overlooking the Seine. Thanks to the work on building shell, use of thermal solar panels and connection to the Paris grid, the building complies with the energy standards of the City of Paris climate plan (5.6 kWh p.e./sq. ft./year [50 kWh p.e./m²/year]).

Raise energy performance to strengthen long-term value

The Group is dedicated to optimizing the building shell (ventilation, insulation features, solar protection, etc.) on all of its programs in order to reduce all energy requirements and preserve the use of low-energy technical equipment. However, energy performance must not compromise quality of use. For this reason, the Group opts for solutions and technical equipment that will be readily accessible to the user and future property manager during the operation phase.
This challenge was met for the Premium office building in Nice Méridia, which features conventional energy consumption of 4 kWh of primary energy per square foot per year (45 kWh p.e./m2/year). Altarea Cogedim has capitalized on the program's geographic location to develop a photovoltaic installation covering 55% of the site's conventional energy needs while maintaining a façade that makes extensive use of natural light.

OUR ENVIRONMENTAL APPROACH IMPROVES THE QUALITY OF USE OF THE PROGRAMS WE BUILD AND OPERATE. THE RESULT IS COMFORT, SUSTAINABILITY AND EVER-HIGHER ACCESSIBILITY FOR ALL OF OUR OFFICES, HOUSING AND RETAIL PROPERTIES AND HOTELS.

Since 2010, the Group has been committed to achieving at least BBC® energy performance (Effinergie label) for all its programs. It is now preparing for France's new 2012 thermal regulations whose application will be staggered depending on project type. As a result, office building programs currently being designed must also integrate these future requirements into their calculations.

alta green

2012 Objective

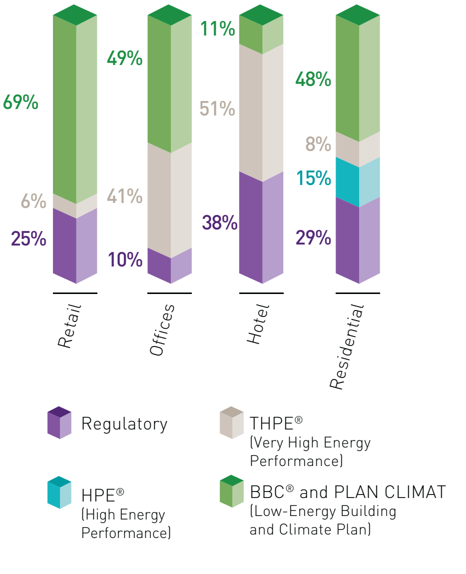
Minimum "Very Good" Breeam environmental certification for all new commercial developments

Favor proximity of new developments to public transportation

Altarea Cogedim aims to connect all the Group's programs to the various surrounding living spaces and to favor the use of more economical transportation with low CO_2 emissions. Location is therefore more than ever a key component of quality. In 2011, the delivery of First, less than 325 feet (100 meters) from the Paris metro, and Suite Novotel, 165 feet (50 meters) from the RER Paris suburban trains, confirmed the Group's efforts towards promoting a sustainable lifestyle.

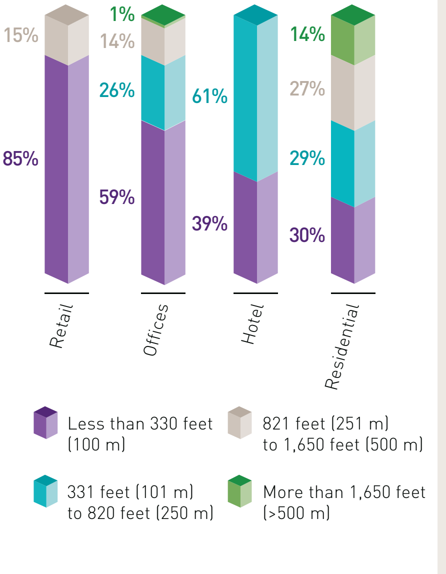
"THE ADVANTAGES OF OUR ENVIRONMENTAL POLICY INCLUDE APPLICATION OF OUR APPROACH TO ALL OUR PROGRAMS, SELECTION OF OUR SITES, WHICH ALL OFFER GOOD ACCESS TO PUBLIC TRANSPORTATION, AND OUR EXPERIENCE WITH A RANGE OF PRODUCTS, ALLOWING OUR BUSINESS LINE TEAMS TO POOL THEIR TECHNICAL EXPERTISE."

Energy performance levels of new developments



Breakdown by energy label of surfaces or number of units in projects completed, under construction or for which a building permit (definitive or not) was granted in 2011.

Level of proximity of new developments to public transportation



Breakdown by proximity to public transportation of surfaces or number of units in projects completed, under construction or for which a building permit (definitive or not) was granted in 2011.

/ 100% HQE®

Auguste Victor
Deputy CEO,
Cogedim Résidence

___ You are a sustainable development representative for the residential segment and supervise *NF Logement Démarche HQE®* (high environmental quality residential property) certifications for Paris Region programs. What is the policy of Cogedim Résidence in this area?

In 2008, we initiated a global sustainable development approach that was integrated into our processes and management system. That is why Cerqual's *NF Logement Démarche HQE®* certification was chosen over the others. Since the right to use the *"NF Logement Démarche HQE®"* brand was approved, Cogedim Résidence was certified and, with this, 100% of its residential production.
Moreover, since January 2010, all of our programs have complied with at least the BBC Effinergie® label. This continuous environmental approach is one of the Cogedim Résidence "Quality Principles".

___ Does your policy foster better urban quality of living?

Cogedim programs have always been founded on the notion of "quality": the site, apartment design, services and client assistance. Our sustainable development approach has merely reinforced our standards, notably in our choice of economical equipment, renewable, healthy materials, use of natural lighting, acoustic and thermal insulation. When all of these ingredients are combined in our residences, we advance the quality of living of city-dwellers.

DOMAINE D'OZ IN MASSY (GREATER PARIS).
The results of the Construction Carbon Assessment (*Bilan Carbone® Construction*) for the Domaine d'Oz project in Massy will allow Altarea Cogedim to reduce the carbon footprint for comparable projects in the future.

BUILDING ON THE GUIDE TO GOOD HOUSING PRACTICES, THE IMPLEMENTATION OF A GENERAL MANAGEMENT SYSTEM FOR OUR SERVICE-SECTOR DEVELOPMENTS WILL HELP ALTAREA COGEDIM FURTHER STRENGTHEN PROJECTS' ENVIRONMENTAL ASPIRATIONS THANKS TO HQE®, BREEAM AND LEED CERTIFICATIONS. AS ALWAYS, THE GOAL IS TO BENEFIT STAKEHOLDERS.

Reduce buildings' environmental footprint

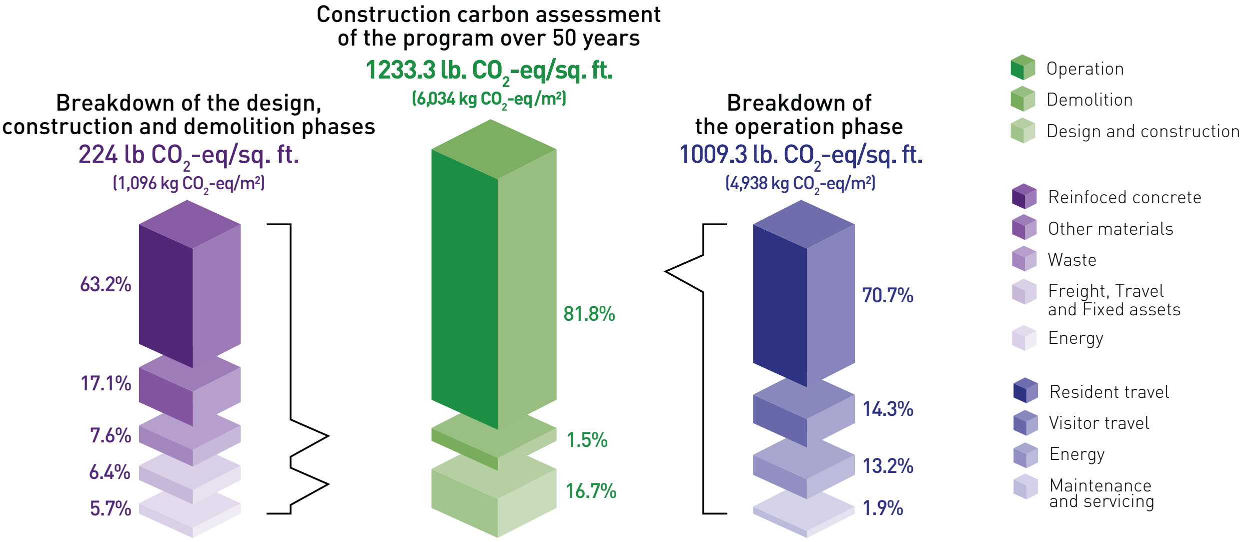
Construction carbon assessments (*Bilans Carbone® Construction*) are used to measure the CO_2 impact resulting from the design and construction of a building. They encourage the reduction of this footprint by raising the project team's awareness and favor the choice of building materials and processes with fewer emissions.
In 2011, a construction carbon assessment was performed on the Villeneuve-la-Garenne shopping center project. In order to reduce its carbon footprint, the Group used low-carbon concrete and significantly limited the construction time, environmental nuisances and CO_2 emissions by making the building structure out of pre-manufactured components delivered directly to the site.
A series of eight construction carbon assessments were performed on the different types of Group programs in 2011.

alta green

2012 Objective

Construction carbon assessment (*Bilan Carbone® Construction*) for all new development programs for shops, offices and hotels with a surface area of over 108,000 sq. ft. (10,000 m²).

Complete carbon assessment of the Domaine d'Oz residential program in Massy

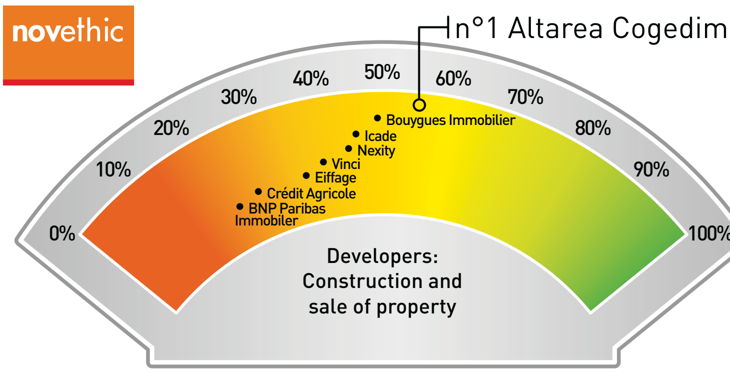


PREMIUM OFFICE BUILDING IN THE NICE MÉRIDIA GREEN DISTRICT.
The first office building certified by Certivea for meeting environmental standards (*NF Bâtiments Tertiaires - Démarche HQE*®) and BBC Energie® certified, Premium's roof terrace is equipped with a 14,000 sq. ft. (1,300 m²) photovoltaic power facility with annual electrical output of 210 MWh, equivalent to the energy consumption of 60 households.

PROTECTING AND PROMOTING THE LONG-TERM VALUE OF GROUP PROPERTY

The objectives of the Grenelle Environment Round Table have a direct impact on Altarea Cogedim's portfolio, which is made up of commercial assets.
As a property investor, the Group faces a dual challenge: designing a reporting method to measure the environmental performance of its assets reliably and systematically, and defining action plans to limit the environmental footprint of operations in the areas of energy, CO_2, water and waste.
Based on EPRA (European Public Real Estate Association) recommendations and in compliance with GRI (Global Reporting Initiative) Construction and Real Estate sector guidance, the Group's reporting and environmental data collection procedures have been reviewed and improved. Taking the approach a step further, the Group had its main performance indicators verified by an independent expert in 2011.

Reporting on
89.5%
of the Group's French commercial assets in terms of value in 2011



SIGNIFICANT IMPROVEMENT IN THE NOVETHIC RANK

As a listed company, Altarea Cogedim is reviewed by Novethic in its Barometer on eco-efficiency performance. Since the rollout of the Altagreen approach, the Group's position has risen quickly. Novethic's 2010 Barometer ranked Altarea Cogedim first among developers and third among property investors in terms of reporting on the eco-efficiency performance of its buildings.

Control the energy consumption of property assets

In 2011, Altarea Cogedim enhanced the reliability of all data used to assess its work on all of its assets. The Group defines its multi-year investment plans, guaranteeing significant responsiveness in their application.

Altarea Cogedim continued implementing a process for systematic collection of environmental and energy data on tenants, thanks to the introduction of green leases on its assets.

Quantify and reduce CO_2 emissions of property assets

In response to the carbon issues facing its assets, Altarea Cogedim first focused on controlling CO_2 emissions due to the energy consumption of the common and private areas over which the Group has direct control. This was done to optimize the energy mix and all energy supplies in order to benefit from the kWh with the lowest CO_2 emissions for the entire portfolio.

The Group's second focus was on quantifying all greenhouse gas emissions throughout the entire building lifecycle: construction, operation and end of life. This measure helps identify the different sources of emissions of a shopping center and determine how vulnerable the center is to fossil fuels and the introduction of a carbon tax.

In 2011, 25% of the Group's assets underwent a complete operation carbon assessment (*Bilan Carbone® Exploitation*) that takes into account emissions from the lessor, tenants and visitors.

OKABÉ, A SUCCESSFUL PARTNERSHIP IN WASTE TREATMENT

The Okabé shopping center in Kremlin-Bicêtre (Greater Paris) is the first shopping center in France to be granted *NF Bâtiment Tertiaire – Démarche HQE® certification* (high environmental quality commercial building label). It is a pilot project for the Group in waste treatment. Downstream from detailed waste sorting – already a criterion in the design – Altarea Cogedim and a partner signed an agreement that includes traceability and recovery of all shopping center waste. In 2011, 100% of the 290 tons of waste from the Okabé shopping center was subject to energy recovery and recycling.

Green leases represent

29.6%

i.e. 448 out of a total of 1,513 leases

A decrease of

8.3% in primary energy consumption and

14.5% in CO_2 emissions in 2011

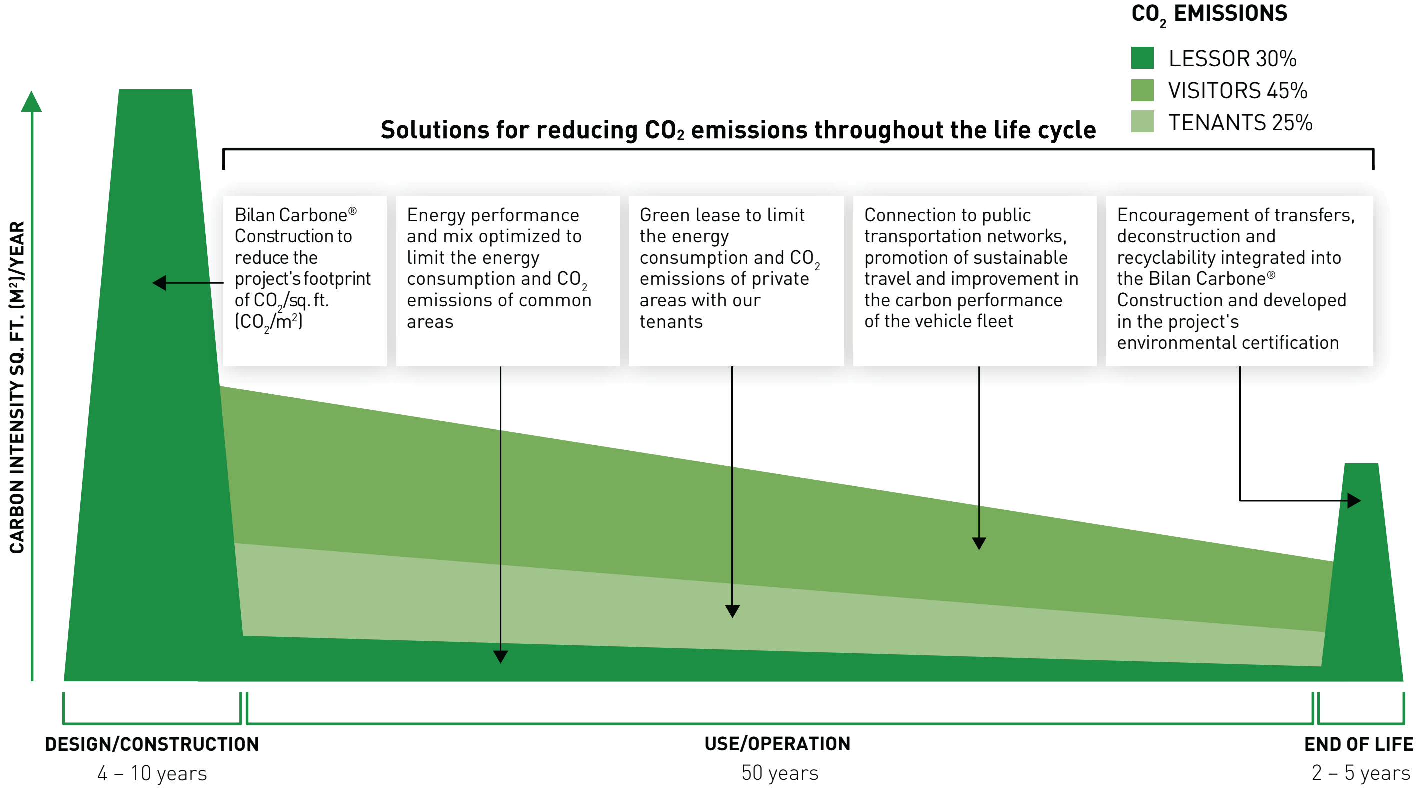
186 kWh

of primary energy and 1,76 lb. of CO_2 equivalent sq. ft. (8,6 kg of CO_2 equivalent/m²) per year for our portfolio in 2011

25%

of the assets were subject to an operation carbon assessment (*Bilan Carbone® Exploitation*) in 2011

Carbon footprint of a shopping center



Control water consumption and limit soil sealing

The water consumption managed directly by Altarea Cogedim is monitored on a regular basis. All of the centers in operation use water-saving equipment and the frequent meter reading produces reliable information.

By nature very space-intensive, shops enjoy a number of advantages to limit their impermeable footprint. For its new developments, Altarea Cogedim limits soil sealing by using asphalt, tiles or grass lawns that encourage rainwater infiltration and installing green roofs that naturally regulate runoff into local sewer systems.

Develop tenant relations

In promoting sustainable practices, Altarea Cogedim develops dialogue and partnerships with its stakeholders. The Group particularly uses green leases, a formal framework that requires the set-up of an environmental committee and the exchange of energy and environmental information between tenants and owner. Since 2010, these agreements have been used for all new programs and all lease renewals.

alta green

2015 Objective

A decrease of

22% in primary energy consumption and

24% in CO_2 emissions between 2010 and 2015

65% of all leases to be green leases

EMPLOYEE RELATIONS

RECOGNIZING TALENT

"CRESCENDO" AT THE OLYMPIA
In March 2011, the famous french music-hall "Olympia" opened its doors to Altarea Cogedim employees for a day-long convention to honor the Group's talent.

Against a backdrop of high growth, Altarea Cogedim continues to develop the expertise of its employees, fostering loyalty and boosting motivation in a company rooted in entrepreneurial spirit.

Nurturing talent

Human capital is an important part of Altarea Cogedim's long-term strategy. The Group believes that investing in human resources means remaining resolutely faithful to its values: welcoming and challenging the talent of the women and men from all horizons, sometimes from different cultures, who are open to innovation and change. That is why the Group emphasizes expertise and well-being in a multi-business company. In short, Altarea Cogedim wants to be a company where people enjoy working.

Boosting recruitment

In line with its growth, Altarea Cogedim significantly bolstered recruitment in 2011: 146 new employees were hired. Headcount now stands at 831 staff members, up 12% on 2010. Most were recruited for the residential division (66%) to support its expansion, in particular, at regional subsidiaries. The retail division accounted for 21% of new hires.

Building on its positive image among students and young professionals in the real estate sector, Altarea Cogedim continues to participate in student forums and attended the first ever real estate forum in Paris in February 2012, organized by the Palladio Foundation.

+12%
growth in Group staff between 2010 and 2011

6 years
average length of service with the Group

Guiding employees

Annual appraisals are a special time for dialogue between employees and managers. Drawing on these appraisals, human resources implemented a comprehensive tool to compile employees' needs and expectations, particularly in terms of training and mobility. In 2011, annual appraisals were carried out, formalized and processed for more than 80% of employees. This figure increases year after year.

Leading the training subjects were IT programs (36%) to teach all employees about their new Windows environment. Representing 30% of the training budget, technical training on the real estate business remains a major focus. Managerial training accounts for nearly one quarter of investments, confirming this area as a constant priority.

Altarea Cogedim focuses on two main formats for providing its employees with professional training: a shared platform of collective training programs and a set of targeted initiatives on technical areas in the real estate sector, in collaboration with the best qualified partner organizations. In all, 1,019 training programs made for a total of 8,392 hours of training.

After three exceptional years of promotion and mobility, the "job transfer process" within the Group has reached its maturity. In 2011, 58 employees were promoted to higher positions and 29 employees "moved", changing departments, positions or geographic locations.

Optimizing the compensation policy

Over the past three years, Altarea Cogedim has undertaken an in-depth review of its remuneration scale. The objective: promote crossover between the three business sectors. Progress includes a) aligning fixed and variable compensation for the main multi-function positions, b) harmonizing performance objectives and/or bonus systems, c) reducing compensation differences between men and women in equivalent positions and d) offering guidance in promotion and mobility.

Sharing success

Employee share ownership, recognition of each employee through development of the different types of compensation and regular information about the company's results and position: these policies inspire loyalty and productivity in Altarea Cogedim's teams.
The teams have made significant efforts these past years, in an environment marked by the latest economic and financial crisis. This dedication was acknowledged in July of 2011 by a special pay raise for all employees. Pay increases varied from 3% to 6% according to seniority.
This ongoing commitment to rewarding staff members is based on a philosophy of sharing in challenges as well as success.

NEW RECRUITS TAKE THE SPOTLIGHT
Seventy-five new staff members attended "Crescendo Days" in 2011. This was the Group's first time organizing these events dedicated to recruitment. On the program: meeting with managers at a morning plenary session and an overview of the emblematic achievements of the Group's three business lines in the afternoon.

59%
of new recruits were women in 2011

80.5%
annual appraisals carried out in 2011

8,392 hours
hours of training given in 2011

Encouraging diversity

Altarea Cogedim is currently developing its diversity policy. Through the agreement on the employment of seniors, tutoring programs and exchanges were organized with workers in the later stages of their career. At present, nine tutoring programs have already been established.

Gender equality is a natural priority for the Group: 55% of those hired in 2010-2011 were women. Company-wide, 40.5% of female staff were given a promotion, 44% benefited from job mobility and 55% took at least one training program during the year. The positive results of the Group's diversity policy stem mainly from initiatives rolled out by human resources: manager awareness at the "HR meetings", targeted benchmarks, policy development in conjunction with recruitment partners.

alta green

2012 Objectives

85% of annual interviews conducted and formalized.

SOCIAL RESPONSIBILITY

GETTING INVOLVED

Altarea Cogedim's primary objective is to create unique living spaces for its clients and manage its property assets in line with its sustainable development policy: foster better urban quality of living through genuine, concrete involvement.

Contributing to local development

Since its beginnings, Altarea Cogedim has been involved with local communities on projects that impact their development. The Group participates in creating green districts, where diversity is essential.

In addition to engaging with local communities concerning its different programs, Altarea Cogedim emphasizes job creation through the opening of new shopping centers.

In Ruaudin, near Le Mans, the Group signed a development agreement with the French national employment agency (Pôle Emploi) and the Sarthe general council (Conseil général) to hire 280 employees who now work at the Les Hunaudières Family Village®. With the future extension of the site, a new three-year partnership agreement was signed in 2011 by the initial partners plus the Pays de la Loire regional council (Conseil régional). The agreement provides for the recruitment of 213 people, with a priority on local candidates, out of a total of 250 new jobs.

IN MAY, CAP 3000 IN SAINT-LAURENT-DU-VAR (NICE) organized the "The Secret Gardener" event that, in addition to showcasing the shopping center's aisles, offered creative fruit and vegetable sculpture workshops for children, an introduction to floral creation and the language of flowers as well as an organic picnic.

EMPLOYMENT FAIR AT THE DUE TORRI (ITALY)

Mission accomplished for the Employment Fair, co-organized by Altarea Italia, from March 31 to April 3, 2011: 200 people found a job. Set up at the Due Torri shopping center in Stezzano, the purpose of the Fair was to help people get back to work sooner, and to direct professionals seeking to change careers towards suitable training programs and career paths. The website created for the event generated some 6,000 connections, including 600 registrations for the 20 seminars available.

/ 100% JOB

Arnaud Vincent
Altarea France Deputy Managing Director for Operations

What are your commitments to local governments?

On the shopping center construction sites that we manage, we help to promote local employment. In this way we contribute to social and economic development. We establish partnerships with local governments and various organizations in the employment sector, such as Pôle Emploi and the *Maisons de l'Emploi*. There are several issues at stake: skill sharing, support for employers in their recruitment, mobility and training initiatives as well as strengthening their employees' skill sets. Over the past three years, we have helped create nearly 2,500 jobs through construction or expansion of retail sites in Vaulx-en-Velin, Crêches-sur-Saône, Paris, Toulouse, Limoges, Kremlin-Bicêtre, Tourcoing and Thionville.

In your opinion, which project has been most significant in terms of job creation?

In Villeneuve-la-Garenne, in the department of Hauts-de-Seine, we signed a charter of commitment for local employment appended to lease agreements. That charter represents two commitments: in the construction phase, 5% of jobs will be offered to residents of Villeneuve-la-Garenne and 5% of hours will be reserved for employment insertion organizations; in the operational phase, 50% of jobs will be reserved for local residents. Thanks to incentives implemented by the city, 1,500 jobs will eventually be created. Having employees who live close to their workplace is a real advantage for both retailers and local officials.

LE CAPITOLE
completed in Villejuif in 2011 is the place of exhibition for the artwork "Le Prisme".

Strengthening relations with stakeholders

Altarea Cogedim naturally affords importance to rolling out special measures for stakeholders. Some of these were further intensified in 2011.

It starts with information, with the launch of two newsletters: *"Le Rendez-vous Retail"* specifically focused on this sector and *"Actions"* covering all three of the Group's business sectors and geared towards individual investors.

The "Place des marchés" platform, devoted to calls for tender on the Group's extranet, encourages operational exchanges with construction service providers (architects, design offices and entrepreneurs). The platform can be used to access personalized profiles (contact information, employees, businesses, etc.) and submit applications. It will be merged for both Altarea and Cogedim as of February 2012 on the website: www.altareacogedim-marches.com

In addition to benefiting from ongoing sustainable development awareness programs, staff members are notified about developments on the environmental management of the head office in Paris, based on the initial carbon assessment performed.

Putting ethics into practice

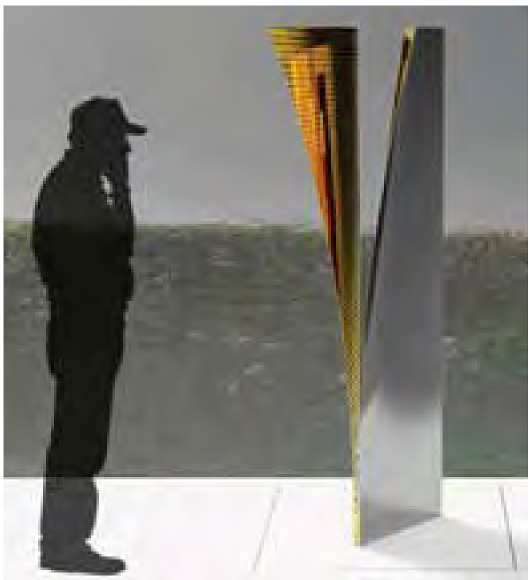
In 2011, Altarea Cogedim made further progress in putting its principles into practice as an ethical employer by adopting a charter now available on its intranet site and attached to employment contracts of new recruits. Its primary goal is to define the values and rules of conduct to be followed in the Group and provide guidance to staff for the day-to-day performance of their tasks with respect to ethics and potential conflicts of interest. This charter will be updated and completed as necessary.

Also as part of its business ethics approach, Altarea Cogedim has also been promoting a "sustainable" supplier policy. This has led to the adoption of a sustainable purchasing policy for the application by all parties involved in a program (internal teams and partners) of good practices with respect to quality, aesthetics, cost, etc. Particular attention is paid to the environmental and health declaration provided by the selected supplier and its sustainable development policy.

Altarea Cogedim is also studying the possibility of adopting a "Clean Worksite" approach for all its building worksites without exception.

THE COGEDIM FIRST WORK PRIZE

to encourage young architects or artists from art schools in France and other countries by giving them the resources to produce their first work to be exhibited in Cogedim buildings. These include architectural projects, sculptures, frescoes or mosaics, etc., all artistic forms that can be harmonioulsy integrated in a building's environment and the history of a district. Cogedim has organized more than twenty Cogedim First Work Prize events in Paris and French regions.



THE "DUAL" SCULPTURE, THE COGEDIM FIRST WORK PRIZE WINNER IN 2011,
will be exhibited in the lobby of the Le Jardin d'Ecriture residential building in the 13th district of Paris.

alta green

2012 Objective

Launch of the "Clean construction site" approach for all new Group developments. This approach covers information provided for local residents on the topics of hazardous materials, waste management, noise, pollution (soil, water, air, visual) and traffic.

Encouraging social integration through housing

Its experience with local communities has encouraged Altarea Cogedim to develop partnerships with actors working towards integration of underprivileged groups. The Group focuses on solutions through housing, which led it to initiate its collaboration with the non-profit organization Habitat and Humanism in 2007. This three-year agreement was renewed in 2010. The initial financial support of €1.1 million was used particularly to launch three social housing developments and create two positions within the organization: a rental properties manager and a manager in charge of identifying, evaluating and acquiring properties.

The new three-year agreement goes even further, aiming to expand on the initiatives already in place with a sponsorship budget of €1.4 million over the period and an emphasis on experimental programs.

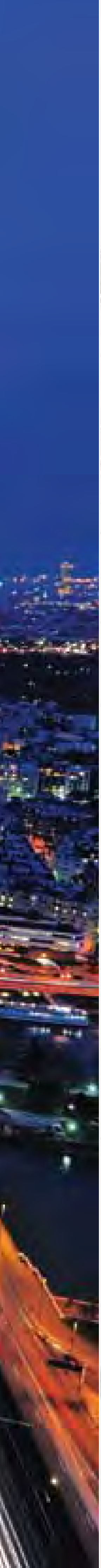
UNDER ONE ROOF

The partnership with Habitat et Humanisme has given rise to experimental projects such as the intergenerational home in Grasse. The idea is to offer a solution to both the challenge of finding housing and the isolation of the elderly. Here, young adults, either employed or unemployed, live with elderly persons in need of assistance. The home was opened in a renovated building in the town center and will be used by Habitat et Humanisme to test the High Social Quality concept. This very socially responsible structure mobilizes a network of contributors: an economic and social group provides job search assistance, organizes the delivery of ready-made meals and manages a restaurant open to all Grasse residents with the social integration caterer *La Table de Cana*...If this bet pays off, the concept will be extended to other regions.
Other solidarity-based initiatives were launched as well, such as the online greeting card. These actions help to raise awareness among a wide audience.

PARTICIPATION IN BUILDING A NURSERY SCHOOL in Armenia.

REPORTING AND MEASURING PERFORMANCE

AS A LISTED COMPANY, ALTAREA COGEDIM PUBLISHES FINANCIAL INFORMATION AND MAINTAINS ONGOING RELATIONS WITH ITS SHAREHOLDERS AND FINANCIAL STAKEHOLDERS.



CONSOLIDATED BALANCE SHEET 2011*

ASSETS

In millions of euros	12/31/2011	12/31/2010
NON-CURRENT ASSETS	**3,241.2**	**3,118.1**
Intangible assets	264.9	199.6
Of which Goodwill	*193.1*	*128.7*
Of which Brands	*66.6*	*66.6*
Of which Other intangible assets	*5.2*	*4.3*
Property, plant and equipment	12.9	12.2
Investment properties	2,820.5	2,757.3
Of which Investment properties at fair value	*2,625.5*	*2,606.4*
Of which Investment properties at cost	*195.0*	*150.9*
Investments in associates and other long-term securities	76.5	77.0
Receivables and other non-current financial assets	16.9	16.4
Deferred tax assets	49.5	55.7
CURRENT ASSETS	**1,402.1**	**1,326.2**
Assets held for sale	55.3	52.7
Inventories and work-in-progress	684.2	631.0
Trade and other receivables	390.2	346.1
Tax receivables	1.0	0.8
Receivables and other current financial assets	7.4	8.5
Derivative financial instruments	0.8	24.7
Cash and cash equivalents	263.2	262.4
TOTAL ASSETS	**4,643.3**	**4,444.3**

EQUITY AND LIABILITIES

In millions of euros	12/31/2011	12/31/2010
EQUITY	**1,116.1**	**1,030.7**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	988.1	989.2
Share capital	120.5	120.5
Other paid-in capital	509.9	586.8
Reserves	269.5	135.9
Net profit attributable to owners of the parent	88.2	146.1
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	128.0	41.5
Non-controlling interests in reserves	122.2	37.4
Not controlling interests' share of profit	5.8	4.2
NON-CURRENT LIABILITIES	**2,259.9**	**2,381.2**
Borrowings and financial liabilities	2,185.4	2,311.3
Of which Participating loans	*81.5*	*81.4*
Of which Bank borrowings	*2,088.0*	*2,211.7*
Of which Other borrowings and financial liabilities	*15.8*	*18.2*
Non-current provisions	23.6	21.8
Deposits and guarantees received	25.2	25.5
Deferred tax liabilities	25.6	22.5
CURRENT LIABILITIES	**1,267.3**	**1,032.4**
Borrowings and financial liabilities	275.4	119.7
Of which Bank borrowings (excluding overdrafts)	*251.0*	*99.8*
Of which Bank borrowings backed by VAT receivables	*0.0*	*5.6*
Of which Bank overdrafts	*5.3*	*5.5*
Of which Other borrowings and financial liabilities	*19.2*	*8.9*
Derivative financial instruments	130.2	118.4
Accounts payable and other operating liabilities	860.5	791.3
Tax due	1.2	3.0
Amounts due to shareholders	0.0	0.0
TOTAL EQUITY AND LIABILITIES	**4,643.3**	**4,444.3**

* Audit procedures have been carried out on consolidated financial statements. The certification report will be issued at a later date.

COSTING-BASED PROFITABILITY ANALYSIS*

In millions of euros	2011 Fund from operations (FFO)	2011 Changes in value. estimated expenses and transaction costs	2011 Total	2010 Fund from operations (FFO)	2010 Changes in value. estimated expenses and transaction costs	2010 Total
Rental income	162.1	-	162.1	164.4	-	164.4
Other expenses	(13.4)	-	(13.4)	(12.3)	-	(12.3)
Net rental income	**148.8**	**-**	**148.8**	**152.1**	**-**	**152.1**
External services	16.5	-	16.5	13.6	-	13.6
Capitalized production and change in inventories	15.1	-	15.1	17.3	-	17.3
Operating expenses	(53.1)	(2.8)	(55.9)	(52.2)	(4.4)	(56.6)
Net overhead expenses	**(21.5)**	**(2.8)**	**(24.3)**	**(21.3)**	**(4.4)**	**(25.7)**
Share of affiliates	**8.2**	**(6.2)**	**2.0**	**9.0**	**(1.5)**	**7.5**
Allowances for depreciation, amortization and reserves	**0.0**	**(1.8)**	**(1.8)**	**-**	**1.0**	**1.0**
Net proceeds from the disposal of assets	**-**	**6.3**	**6.3**	**-**	**37.8**	**37.8**
Gains/(losses) in fair value and impairment of investment property	**-**	**70.0**	**70.0**	**-**	**48.7**	**48.7**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**-**	**-**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**135.4**	**65.0**	**200.4**	**139.7**	**81.6**	**221.3**
Retail revenue	-	-	-	-	-	-
Purchases consumed	-	-	-	-	-	-
Gross margin	**-**	**-**	**-**	**-**	**-**	**-**
Commissions from retail operations	**-**	**-**	**-**	**-**	**-**	**-**
Net overhead expenses	**-**	**-**	**-**	**-**	**-**	**-**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
Revenue	821.5	-	821.5	577.4	-	577.4
Cost of sales and other expenses	(719.9)	-	(719.9)	(518.2)	-	(518.2)
Net property income	**101.7**	**-**	**101.7**	**59.2**	**-**	**59.2**
External services	1.0	-	1.0	3.7	-	3.7
Change and finished goods and in-progress inventory	63.0	-	63.0	63.0	-	63.0
Operating expenses	(79.7)	(3.4)	(83.1)	(73.6)	(5.8)	(79.4)
Net overhead expenses	**(15.7)**	**(3.4)**	**(19.0)**	**(6.9)**	**(5.8)**	**(12.7)**
Share of affiliates	**0.1**	**-**	**0.1**	**0.2**	**-**	**0.2**
Net allowances for depreciation, amortization and reserves	**0.0**	**(1.1)**	**(1.1)**	**0.0**	**(5.9)**	**(5.9)**
Transaction costs	**-**	**(4.6)**	**(4.6)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	**86.1**	**(9.1)**	**77.0**	**52.5**	**(11.7)**	**40.9**
Revenue	102.0	-	102.0	65.2	-	65.2
Cost of sales and other expenses	(98.9)	-	(98.9)	(59.3)	-	(59.3)
Net property income	**3.1**	**-**	**3.1**	**5.9**	**-**	**5.9**
External services	6.1	-	6.1	10.6	-	10.6
Change in finished goods and in-progress inventory	3.9	-	3.9	6.0	-	6.0
Operating expenses	(11.7)	(0.9)	(12.6)	(13.8)	(1.2)	(15.0)
Net overhead expenses	**(1.7)**	**(0.9)**	**(2.6)**	**2.9**	**(1.2)**	**1.6**
Share of affiliates	**(1.3)**	**-**	**(1.3)**	**(0.7)**	**-**	**(0.7)**
Net allowances for depreciation, amortization and reserves	**(0.0)**	**(0.3)**	**(0.3)**	**0.0**	**(12.6)**	**(12.6)**
Transaction costs	**-**	**(6.4)**	**(6.4)**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	**0.1**	**(7.6)**	**(7.4)**	**8.1**	**(13.8)**	**(5.8)**
Other	**(1.7)**	**(0.6)**	**(2.3)**	**(2.5)**	**(0.6)**	**(3.2)**
OPERATING PROFIT	**220.0**	**46.0**	**266.0**	**197.8**	**55.4**	**253.3**
Net borrowing costs	**(78.7)**	**(3.2)**	**(82.0)**	**(74.8)**	**(3.7)**	**(78.5)**
Changes in value and income from disposal of financial instruments	**-**	**(80.4)**	**(80.4)**	**-**	**(10.8)**	**(10.8)**
PROFIT BEFORE TAX	**141.2**	**(37.6)**	**103.6**	**123.0**	**41.0**	**164.0**
Income tax	**(0.8)**	**(8.8)**	**(9.6)**	**(0.5)**	**(13.2)**	**(13.7)**
NET PROFIT	**140.4**	**(46.4)**	**94.0**	**122.5**	**27.8**	**150.2**
Non-controlling interests	**(6.1)**	**0.3**	**(5.8)**	**(2.6)**	**(1.6)**	**(4.2)**
NET PROFIT, ATTRIBUTABLE TO GROUP SHAREHOLDERS	**134.3**	**(46.1)**	**88.2**	**119.8**	**26.2**	**146.1**
Average number of shares after dilution	**10,241,241**		**10,241,241**	**10,274,059**		**10,274,059**
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**13.11**		**8.61**	**11.66**		**14.22**

* Audit procedures have been carried out on consolidated financial statements. The certification report will be issued at a later date.

NET ASSET VALUE*

EPRA presentation	12/31/2011 €M	12/31/2011 €/SHARE	12/31/2010 M€	12/31/2010 €/SHARE	
CONSOLIDATED EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**988.1**	**97.1**	**1,000.1**	**98.3**	
Impact of securities convertible into shares	–		(12.6)		
Other unrealized capital gains or losses	406.5		307.8		
Restatement of financial instruments	127.0		72.1		
Deferred tax on the balance sheet for non-SIIC assets (international assets)	42.9		32.7		
EPRA NAV	**1,564.6**	**153.7**	**1,400.1**	**137.6**	**+11.7%**
Fair value of financial instruments	(127.0)		(72.1)		
Effective tax for unrealized capital gains on non-SIIC assets**	(53.1)		(32.2)		
Optimization of transfer duties**	53.8		57.4		
Partners' share***	(16.8)		(15.8)		
"EPRA NNNAV" LIQUIDATION NAV	**1,421.5**	**139.7**	**1,337.4**	**131.5**	**+6.3%**
Estimated transfer duties and selling fees	77.8		81.0		
Partners' share	(0.9)		(0.9)		
DILUTED GOING CONCERN NAV	**1,498.4**	**147.2**	**1,417.4**	**139.3**	**+5.7%**
Number of diluted shares	10,176,535		10,173,677		

* Audit procedures have been carried out on consolidated financial statements. The certification report will be issued at a later date.
** Varies according to the type of disposal carried out, i.e. sale of asset or sale of shares.
*** Maximum dilution of 120,000 shares.

2 BUSINESS REVIEW

2.1. BUSINESS REVIEW

By operating in the three major property markets (residential, offices and retail), Altarea Cogedim is able to reap the benefits of their different cycles by effectively leveraging its resources in the right market at the right time. In this way, its business model combines recurring revenue with added value for an optimal risk profile.

2.1.1. 2011 HIGHLIGHTS

In 2011 Altarea Cogedim continued to implement its strategic plan across its different business lines.

2.1.1.1. Shopping centers: concentration of core assets and launch of the 1st multi-channel property company with the acquisition of RueduCommerce

In 2011 Altarea Cogedim has continued to shift the weighting of its asset allocation to regional centers and large-format retail parks with the "Family Village®" concept. With a significant presence in the strongest demographic growth regions, these two formats now account for 69% of the Group's portfolio [1]. At 2011 year end, the portfolio included 49 properties for a total value of €2.618 billion [2] (+0.6%). Through asset management operations (investments, refurbishment, disposals) the average unit size of assets increased by 12% in the year to €67.5 million from €60.2 million in 2010 [3].

In 2011, Altarea Cogedim sold long-term holdings for €121 million and reinvested €127 million in property development. The Group also obtained administrative authorizations for the construction of 1,184,000 sq. ft. (110,000 m²) of new retail space [4] and launched two projects representing total investments of €202 million [5] (the future Villeneuve La Garenne regional center and the Nîmes Costières Family Village®).

The goal is to concentrate to a portfolio of 30 to 35 core assets with an average value of more than €100 million, mainly consisting of regional centers and large retail parks with the "Family Village®" concept. Altarea Cogedim considers that these two formats are ideally adapted to evolving consumer trends not only because of their positioning as brick-and-mortar operations, but ultimately as part of the "multi-channel property company" that the Group intends to develop.

With the acquisition of RueduCommerce, Altarea Cogedim is the first property company to have integrated online retail into its revenue model [6]. With sales revenue of €384 million [7] and between 6 and 8 million single visitors per month, RueduCommerce is one of the commercial sites with the highest traffic in France. Beginning as a retailer of high-tech products, RueduCommerce was the first site to have successfully launched an online marketplace in France. This marketplace ("*La Galerie Marchande*") presents strong similarities with a brick-and-mortar operation, since RueduCommerce is paid through commissions on sales generated by online merchants operating through its site. In 2011, merchants operating from this platform had revenue of €95 million (+39%) that generated average commissions of 8.0% compared with 7.3% in 2010. RueduCommerce is also one of France's leading online distributors of high-tech products with revenue in 2011 of €289 million and an estimated market share of between 10% and 13%.

Many operational synergies have already been identified that will benefit both Altarea Cogedim and RueduCommerce. Several "pilot" brick-and-mortar retail sites have consequently been selected for experimental initiatives with potential for larger- scale deployment in a second phase. And for RueduCommerce's e-retail operations, by increasing resources dedicated to the online marketplace, the goal is to reach revenue of around €1 billion for this format. Thus, beyond the issue of technological synergies and allocated resources, this development will involve making transformational changes at every level of the Group's organization to become the first multi-channel property company.

2.1.1.2. Residential property: continuing to capture market share and expand the product range

In a total market showing a decline of approximately 12,000 housing units compared with 2010 [8], Cogedim's reservations for new housings rose slightly to reach 4,200 units (+2%).

(1) *On a Group share basis, that is 22.2% for large retail parks and 47.2% for regional centers and urban entertainment centers.*

(2) *Rights included, on a Group share basis (€3.310 billion at 100%).*

(3) *Figure at 100%. In light of assets held through partnerships, the average size per unit, on a Group share basis, is €53.4 million compared with €48.5 million or up 10%.*

(4) *Group share for 904,168 sq. ft. (84,000 m²).*

(5) *Figure on a Group share basis (€318 million at 100%).*

(6) *After the takeover bid completed on February 21, 2012, Altarea Cogedim held more than 96% of RueduCommerce.*

(7) *For the 2011 calendar year, of which €289 million from the distribution of products and €95 million generated by the online marketplace.*

(8) *103,000 new housings were reserved in 2011, according to the French Ministry of Housing.*

Cogedim's market share in France reached 5.5% in value terms (from 4.2% in 2010), with new housing sales representing €1.205 billion including tax in 2011. This is slightly less than 2010 (€1.289 million including tax), which stood out thanks to exceptional revenue from the Laennec development project (€280 million in 2010). Thus, excluding the exceptional impact of this latter item, Cogedim's reservations grew 14% in value terms.

Building on the very strong commercial gains of the last three years [9], Cogedim's revenue on a percentage-of-completion basis rose 42% to €821.5 million, and the backlog came to €1.6 billion excluding tax or 24 months' sales. Finally, operating profit rose 64% to €86.1 million for an operating margin of 10.5%.

As a "preferred" real estate brand, Cogedim remains France's top developer in the upscale market (53% of sales) in large part thanks to its strong presence in the Paris Region (62% of sales). By leveraging its image and its guiding "quality commitment" across its entire organization, Cogedim is continuing to expand into mid-ranges and entry-level segments, particularly through affordable "controlled-price" housing projects developed in partnership with local authorities. In 2011, Cogedim rolled out its first Cogedim Club serviced residences specially designed for "active seniors," and has reworked highly innovative concepts to reconvert existing office properties into residential housing. Finally, Cogedim expanded its geographical coverage with the creation of two new entities in the strong demographic growth regions of Aix-en-Provence and Montpellier.

To meet the challenges of a highly volatile macroeconomic environment, Cogedim's organization has been adjusted to rapidly adapt to all market conditions. As a result, it has no inventory of completed property and strict investment criteria are maintained [10], the portfolio of land under preliminary sales agreements is above €3 billion or 30 months of business and the product line has been expanded and renewed with innovative concepts. The commercial organization in particular has been the focus of special attention. The most advanced technologies have been made available to the internal and external (expert channels) sales force for customer database management (CRM, intranet, extranet, remote sales assistance tools) to better target potential buyers' issues, thus increasing the conversion rate. Cogedim's residential property website was optimized to integrate the latest functionalities to better showcase the brand. Applications for iPhones [11] and Android smartphones have also been developed to maintain permanent contact with existing or potential customers as part of multi-channel distribution strategy.

2.1.1.3. Office property: an organization ready for all opportunities

In a market still in recovery, investors opt primarily for core office properties that incorporate both environmental concerns and the latest technological innovations and that offer responses to address the users' new working practices.

Altarea Cogedim Entreprise has a solid track record and expertise in deploying the latest technological advances. As a result, it is able to successfully execute complex construction or refurbishment projects. This capability is illustrated by the seven properties delivered in 2011 [12] as well as the most recently completed transactions [13].

In 2011, Altarea Cogedim Entreprise also completed the final closing of the office property investment vehicle AltaFund, to reach total equity commitments of €600 million and a discretionary investment capacity of more than €1.2 billion including leverage. Its objective will be to acquire land or existing office assets to be repositioned, and apply its know-how to create premium quality core assets with high environmental value-added destined to be sold in the medium term.

With the addition of this investment vehicle, the entire office property investment cycle is now covered from development and delegated project management to investment, fund management and asset management. On the strengths of this complete offering of products and services combined with the expertise of its teams, Altarea Cogedim is ready to respond to new demands of investors and take advantage of all opportunities arising over the coming months.

In each of its three markets, Altarea Cogedim occupies a competitive position providing differentiation based on innovation, brand equity and technology.

(9) At the time of its acquisition by Altarea in 2007, Cogedim had a 2.5% market share in France in value terms.

(10) Pre-let rate of at least 50% before the acquisition of the land.

(11) 14,000 existing or potential customers have downloaded the Cogedim apps.

(12) A particularly noteworthy example was the First Tower, which received the French National Engineering Prize (Grand Prix National de l'Ingénierie) in 2010, the Pierre d'Or Award and the MIPIM Award for a refurbished office building.

(13) Including the project to build the headquarters of Mercedes-Benz France with a net floor area of 134,000 sq. ft. (13,000 m²) for offices plus 64,600 sq. ft. (6,000 m²) for a training center, that will be certified NF HQE®, BBC Energie® and BREEAM with a rating of "Excellent".

2.1.2. A MULTI-CHANNEL PROPERTY COMPANY

2.1.2.1. Brick-and-mortar retail

Key figures for the portfolio at December 31, 2011 (share attributable to Altarea Cogedim)

	Operating shopping centres				Shopping centres under development			
December 31, 2011	GLA in sqm	Current gross rental income [14]	Appraisal value [15]	Weighted average capitalisation rate [16]	GLA in sqm	Provisionnal gross rental income	Net investment [17]	Yield
Retail Parks & Family Village®	186,255	27.4	453	6.50%	114,400	22.4	262	8.5%
Shopping Centres	463,592	132.9	2,165	6.15%	124,200	50.4	553	9.1%
Total assets	**649,847**	**160.3**	**2,618**	**6.21%**	**238,600**	**72.8**	**815**	**8.9%**

Brick-and-mortar retail: shopping centers in portfolio

CONSUMER SPENDING [18]

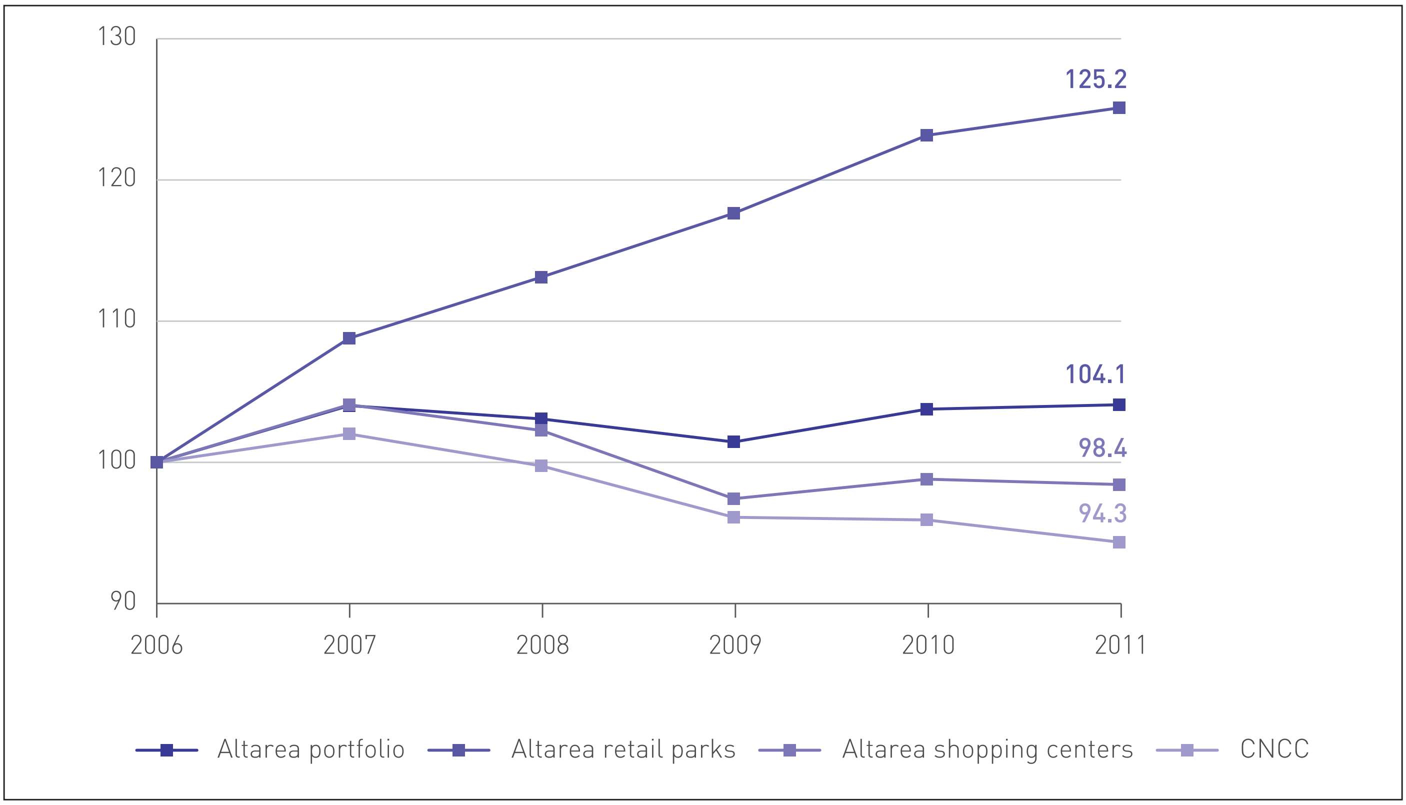
After rising 1.3% last year, consumer spending on manufactured goods registered very marginal growth in 2011 (+0.2%) and is expected to remain steady in 2012 with projected growth of approximately 0.5%.

This very low growth remains in line with forecasts in growth for GDP of 0.5% in 2012.

Tenant revenues: outperformance of the Group's retail parks with the Family Village® format

2011 revenue	Overall	Like-for-like
Retail parks and Family Villages	2.2%	1.6%
Shopping centres	-0.3%	-0.4%
Total	**0.5%**	**0.3%**
CNCC index	*-0.8%*	*-1.6%*

Tenant revenue on a like-for-like basis (base 100 in 2006)



(14) Rental values on signed leases at January 1, 2012.

(15) Appraisal value including transfer duties.

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

(17) Total budget including interest expense and internal costs.

(18) INSEE and CBRE, PLF 2012 publications.

Family Village®: a format adapted to the profile of today's retailers and consumers

With its Family Village® offering specifically designed for an optimal shopping experience and customer convenience, Altarea Cogedim stands out in the segment still largely dominated by a relatively unstructured edge-of-town offering without a marketing component.

Altarea Cogedim's Family Villages are large formats (GLA of up to 646,000 sq. ft. [60,000 m²]) located in outlying urban commercial areas with high-quality architectural features. Its tenants are non-food chains with mass market positions and much larger floor areas than found in a shopping center [19]. Their property [20] and logistics costs are roughly 60% to 70% lower while sales per m² range between €2,000 and €3,000 per annum. With average rents of €100-€150 and rental charges of €10-€20 per m² and per annum, the low break-even point of these retailers allows for a rapid a return on investment. These formats offer consumers competitive prices combined with a comfortable purchasing experience in a quality environment that incorporate sustainable development, event and recreational components as the hallmark of the Altarea Cogedim design.

RENTAL INCOME FROM ALTAREA COGEDIM SHOPPING CENTERS

The Group's net rental income amounted to €148.8 million at December 31, 2011, virtually unchanged like-for-like (+0.2%) from one year earlier.

(€ m)	Dec 31, 2011		Dec 31, 2010
Rental revenues	162.1		164.4
Other expenses	(13.4)		(12.3)
NET RENTAL INCOME	**148.8**	**-2.2%**	**152.1**
% of rental revenues	*91.8%*		*92.5%*
Net overhead expenses	(21.5)		(21.3)
Miscellanious	8.2		9.0
OPERATING CASH FLOW	**135.4**	**-3.1%**	**139.7**
% of rental revenues	*83.5%*		*85.0%*

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

	(€ m)	
Net rental income Dec 2010	**152.1**	
a- Shopping centres opened	5.9	+3.9%
b- Disposals	(12.6)	-8.3%
c- Acquisitions	4.3	+2.8%
d- Refurbishments	(1.1)	-0.7%
e- Like-for-like change	0.3	+0.2%
Total change in net rental income	**(3.3)**	**-2.2%**
Net rental income Dec 2011	**148.8**	

The marginal decline in rental income (-2.2%) reflects mainly disposals in 2010 and 2011 not yet been offset by amounts from assets under development.

a) Shopping centers opened [21]

Three city-center shopping centers (Mantes, Thionville and Tourcoing) were opened in 2011 representing a combined total GLA of approximately 188,000 sq. ft. (17,500 m²) (270,000 sq. ft. [25,100 m²] at 100%) and net rental income of €2.6 million.

Growth in rental income for shopping centers commissioned in the period also includes full-year contributions in 2011 from large shopping centers opened in 2010 (Okabé in Kremlin-Bicêtre, Limoges Family Village®, Due Torri in Italy).

b) Disposals [22]

€121 million in long-term holdings were sold [22], at average sale prices more than 8% higher than the the appraisal value at June 30, 2011. These consisted of small format shopping centers in city-center locations.

The total decline in net rental income from disposals in 2011 and 2010 combined amounted to €12.6 million. Similarly, the impact in 2012 of disposals and preliminary sales agreements in 2011 will result in a €6.7 million decline in net rental income.

(19) Retail tenants of the Family Village format are often also present in shopping centers under a specific concept.

(20) Rent + charges including tax.

(21) Group share

(22) Of which Reims under a preliminary sales agreement whose sale was completed in early January 2012.

c) Acquisitions

This mainly includes the full-year impact in 2011 of the Cap 3000 acquired in June 2010.

d) Refurbishment

The major impact of refurbishment projects in the period concerned the sites of Mulhouse and Massy, which were gradually vacated in preparation of future works.

Occupancy cost ratio [23], bad debt ratio [24] and financial vacancy rate [25][22]

	Retail Parks & Family Village®	Shopping centres	Group 2011	Group 2010	Groupe 2009
Occupancy cost ratio	6.5%	10.8%	9.3%	9.3%	9.5%
Bad debts ratio	0.7%	1.8%	1.7%	2.2%	2.4%
Financial vacancy rate	1.9%	3.0%	2.8%	3.2%	3.2%

Rental activity

	No. of leases concerned	New rent (€m)	Old rend (€m)	Increase (%)
Letting	181	18.8	0.0	NA
Re-letting / Renewal	135	10.7	9.4	13%
Total December 2011	**316**	**29.5**	**9.4**	**NA**

In 2011, the turnover rate was 11% for assets in France.

Lease expiry schedule

€ m	Group share		Group share	
Year	**Rental income reaching lease expiry date**	**% of total**	**Rental income reaching three-year termination option**	**% of total**
Past years	14.4	9.0%	17.6	11.0%
2012	6.3	3.9%	16.7	10.4%
2013	5.3	3.3%	34.2	21.4%
2014	13.3	8.3%	34.6	21.6%
2015	8.1	5.0%	16.1	10.0%
2016	9.1	5.7%	15.8	9.9%
2017	20.2	12.6%	7.8	4.9%
2018	24.0	15.0%	3.5	2.2%
2019	19.2	12.0%	2.7	1.7%
2020	19.0	11.8%	3.3	2.1%
2021	9.9	6.2%	2.8	1.8%
2022	5.1	3.2%	0.4	0.3%
> 2022	6.5	4.1%	4.8	3.0%
Total	**160.3**	**100.0%**	**160.3**	**100.0%**

(23) Ratio of rent and expenses charged to tenants to revenue including VAT generated by the retailer.

(24) Net amount of charges to and reversals of provisions for doubtful receivables plus any write-offs in the period as a percentage of total rent and expenses charged to tenants.

(25) Estimated rental value (ERV) of vacant units as a percentage of total estimated rental value of the portfolio including ERV and excluding property under redevelopment.

(26) Including transfer duties.

VALUE OF COMPLETED PROPERTIES

At December 31, 2011, the Group share's value [26] of completed properties amounted to €2.618 billion, up marginally from the end of last year (+4.1% like-for-like).

Operating shopping centres at December 31, 2011

	GLA sqm	Gross rental income (€ m)	Value (€ m)
Retail Parks & Family Village®	186,255	27.4	453
Shopping centres	463,592	132.9	2,165
TOTAL at 31 December 2011	**649,847**	**160.3**	**2,618**

Portfolio changes

	GLA sqm Group share	Gross rental income (€m) Group share	Value (€m) Group share
TOTAL at 31 December 2010	**670,876**	**159.1**	**2,602**
Centres opened	17,529	2.3	36
Disposals *	(38,558)	(8.4)	(121)
Refurbishments		2.0	101
Like-for-like change		5.3	
Sub-total	**(21,029)**	**1.2**	**16**
TOTAL at 31 December 2011	**649,847**	**160.3**	**2,618**
o/w France	*534,543*	*124.6*	*2,068*
o/w International	*115,304*	*35.7*	*550*

* *including Reims (sold in early January 2012)*

Average size of portfolio assets

Average size (€m)	2011	2010	Change (%)
Assets at 100%	67.5	60.2	+12%
Assets in Group share	53.4	48.5	+10%
No. of assets	49	54	-9%

Geographical breakdown of portfolio assets

	Group share		100%	
Paris Region	924	35%	1,054	32%
PACA / Rhône-Alpes	382	15%	805	24%
Southwest/Coastal areas	538	21%	553	17%
North and East	224	9%	331	10%
International	550	21%	567	17%
Total	**2,618**	**100%**	**3,310**	**100%**

APPRAISAL VALUES

Altarea Cogedim Group's property portfolio valuation is based on appraisals by DTZ Eurexi and Icade Expertise (for shopping center properties in France and Spain), Retail valuation Italia (for shopping center properties in Italy) and CBRE (for hotels or business franchises). The appraisers use two methods:

- the discounted cash flow method (DCF) based on the present value of estimated future cash flows over ten years, taking into account the resale value at the end of the period determined by capitalizing net rental income estimated at the end of the period. In light of prevailing inefficient market conditions, appraisers have in many instances opted to use results obtained from this method;
- the capitalization method according to net rental income. This involves applying a capitalization rate 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 from 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;
- rises in rental income from incremental rent increases.

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 appraisers' 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. Appraisers 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.

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

Expert	Assets	% of the value (*)
Icade	France	28%
Retail Valuation Italia	Italia	14%
DTZ	France & Spain	58%
CBRE	France	0%

(*) % of total value, including transfer duties

CAPITALIZATION RATE [27]

The weighted average capitalization rate declined from 6.35% in 2010 to 6.21% (-14bp.).

	31 Dec 2011 Average net cap. rate	31 Dec 2010 Average net cap. rate
Retail Parks / Family Village®	6.50%	6.68%
Shopping centres	6.15%	6.29%
Total	**6.21%**	**6.35%**
o/w France	*6.10%*	*6.23%*
o/w International	*6.63%*	*6.81%*

Brick-and-mortar retail: Shopping centers under development [28]

At December 31, 2011 the volume of development projects under contract with Altarea Cogedim represented projected net investments [29] of approximately €815 million and potential rental income of €73 million representing a projected gross return on investment of 8.9%.

	Shopping centres under development			
December 31, 2011	GLA in sqm	Provisionnal gross rental income	Net Investment	Yield
Retail Parks & Family Village®	114,400	22.4	262	8.5%
Shopping Centres	124,200	50.4	553	9.1%
Total assets	**238,600**	**72.8**	**815**	**8.9%**
o/w refurbishments / extensions	35,700	23.7	237	10.0%
o/w creations	202,900	49.1	578	8.5%

Altarea Cogedim Group only reports on projects initiated on which work has begun, or under contracts managed by the company [30]. This pipeline does not include projects identified currently being negotiated or in advanced stage of study by the development staff. On average, the pipeline consists of projects scheduled for completion in 2013 and 2014 that are expected to be years of high organic growth for the property portfolio.

NEW PROJECTS

In 2011 Altarea Cogedim concluded a contract for a retail park project for 296,000 sq. ft. (27,500 m²) GLA in a prime location in the south of Nîmes, with a customer base experiencing a strong population retail influx. This project that has received all necessary approvals and is more than 50% pre-let. It will be marketed under the the Family Village® concept developed by Altarea Cogedim.

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

(28) Group share of property assets.

(29) Total budget including interest expense and internal costs.

(30) Development projects initiated: assets under construction.

Development projects under contract: projects for which the land has been purchased or is under contract, partially or fully approved, but on which construction has not yet begun.

The Group has also secured administrative authorizations for:
- a 308,000 sq. ft. (28,600 m²) GLA extension of the Les Hunaudières Family Village® located in Ruaudin, near Le Mans. After this extension has been completed, the Family Village® will have a GLA of more than 559,500 sq. ft. (52,000 m²) and be the largest shopping center in its customer service area;
- the Promenade de Flandre Family Village® project servicing the towns of Tourcoing, Roncq and Neuville-en-Ferrain developed in partnership with Immochan. This project of 646,000 sq. ft. (60,000 m²) GLA will be devoted mainly to home equipment. It will be included within the retail hub of Roncq (net floor area of 1,076,500 sq. ft. (100,000 m²)), also destined to accommodate the second-largest Auchan hypermarket in France;
- as well as refurbishment projects in Toulouse and Massy for a net floor area of 132,500 sq. ft. (12,300 m²).

In 2011 Altarea Cogedim obtained authorizations for nearly 1,184,000 sq. ft. (110,000 m²) of retail space, of which 904,000 sq. ft. (84,000 m²) on a Group share basis.

In total, 86% of space developed and 90% of amounts invested concern projects located in strong demographic growth regions (the Paris Region, south-eastern and northern France and northern Italy).

Construction starts and investments in 2011

Construction starts in 2011	Type	Created GLA sqm *	Total net investment (*)
Villeneuve-la-Garenne	Regional shopping center	31,700	€ 113.6 M
Nîmes	Family Village®	27,500	€ 52.8 M
Toulouse Occitania — Extension	Regional shopping center	5,500	€ 22.4 M
Bercy Village — Refurbishment	urban entertainment center	-	€ 13.1 M
TOTAL		**64,700**	**€ 201.9 m**

(*) Group share

In 2011 Altarea Cogedim invested a total of [31] €127 million in its development project portfolio.

OUTLOOK AND INVESTMENT STRATEGY [32]

On the whole, the French market is mature and well supplied [33]. However, there is still room to expand by following a selected development strategy on the condition that certain fundamentals be taken into account:
- demand for new retail space is heavily concentrated in the Paris Region and southeast France, reflecting strong population growth in these regions (and precisely where Cogedim has registered its highest residential property sales over the past three years);
- retailers prefer stores in existing commercial areas [34] with a proven track record for sales;
- they are also looking for new locations that are modern and rationally structured to meet their needs for expansion and, more generally, adapt to evolving consumer trends;
- in particular, retailers are looking for locations and partners that will allow them to integrate an online retail component into their offering and the growing role of Internet in consumer shopping practices.

Based on these factors, Altarea Cogedim has adopted an investment strategy with the following priorities:
- creation of large shopping centers in the greater Paris area and the PACA region in southeast France;
- development of retail parks throughout France based on the Family Village® format;
- continued redevelopments/extensions of existing centers;
- developing synergies between brick-and-mortar and online retail formats by building on the expertise and potential of its subsidiary RueduCommerce.

These principles also apply to expansion in Italy, where Altarea Cogedim will develop large shopping centers in northern Italy with local and international partners.

The strategy over the next three to four years is to concentrate on a portfolio of 30 to 35 core assets with an average value of more than €100 million [35] while increasing the weighting of shopping centers with a regional draw, urban entertainment centers and large Family Village® retail parks in the portfolio's asset allocation. To date, these formats already account for nearly 70% of the portfolio's assets.

(31) Change in non-current assets net of changes in payables to suppliers of non-current assets.

(32) Total budget including financial carrying (interest expense) and internal costs.

(33) France has 1.399 billion sq. ft. (130 million m²) of commercial space, equal to 2,368 sq. ft. (200 m²) per 1,000 inhabitants, one of the highest figures in Europe.

(34) The notion of "existing commercial area" is broader than the notion of "existing center".

(35) Compared with the current portfolio with approximately 50 assets with a Group share valued at €50 million each.

Breakdown of operating shopping centres at 31 December 2011 (Group share)

Centre	Country	Opening Renovation	Driver brand	Area Group share	Gross rental income (€m) [1] G/S	Value (€m) [2] G/S	Area 100%	Gross rental income (€m) [1] 100%	Value (€m) [2] 100%
Villeparisis	F	2006(O)	La Grande Recré, Alinea	18,623			18,623		
Herblay — XIV Avenue	F	2002(O)	Alinéa, Go Sport	14,200			14,200		
Pierrelaye	F	2005(O)	Castorama	9,750			9,750		
Bordeaux — St Eulalie	F		Tendance, Picard, Gemo	13,400			13,400		
Gennevilliers	F	2006(O)	Decathlon, Boulanger	18,863			18,863		
Family Village® Le Mans Ruaudin	F	2007(O)	Darty	23,800			23,800		
Family Village® Aubergenville	F	2007(O)	King Jouet, Go Sport	38,620			38,620		
Brest — Guipavas	F	2008(O)	Ikea, Décathlon, Boulanger	28,000			28,000		
Limoges	F	2010(O)	Leroy Merlin	21,000			28,000		
Sub-total Retail Parks and Family Village®				**186,255**	**27.4**	**453**	**193,255**	**28.4**	**468**
Toulouse Occitania	F	2005(R)	Auchan, Go Sport	50,050			50,050		
Paris — Bercy Village	F	2001(O)	UGC Ciné Cité	19,400			22,824		
Paris — Les Boutiques Gare du Nord	F	2002(O)	Monoprix	1,500			3,750		
Gare de l'Est	F	2008(R)	Virgin	5,500			5,500		
CAP 3000	F		Galeries Lafayette	21,500			64,500		
Thiais Village	F	2007(O)	Ikea, Fnac, Decathlon,...	22,324			22,324		
Carré de Soie (50%)	F	2009(O)	Castorama	30,400			60,800		
Plaisir	F	1994(O)		5,700			5,700		
Massy	F	1986(O)	La Halle, Boulanger	18,200			18,200		
Lille — Les Tanneurs & Grand' Place	F	2004(R)	Fnac, Monoprix, C&A	25,480			25,480		
Roubaix — Espace Grand' Rue	F	2002(O)	Géant, Le Furet du Nord	4,400			13,538		
Châlons — Hôtel de Ville	F	2005(O)	Atac	2,100			5,250		
Aix en Provence	F	1982(O)	Géant, Casino	3,729			3,729		
Nantes — Espace Océan	F	1998(R)	Auchan, Camif	11,200			11,200		
Mulhouse — Porte Jeune	F	2008(O)	Monoprix	9,600			14,769		
Strasbourg — L'Aubette & Aubette Tourisme	F	2008(O)	Zara, Marionnaud	3,800			5,846		
Bordeaux — Grand' Tour	F	2004(R)	Leclerc	11,200			11,200		
Strasbourg — La Vigie	F	1988(O)	Decathlon, Castorama	8,768			16,232		
Flins	F		Carrefour	6,999			6,999		
Toulon — Grand' Var	F		Go Sport, Planet Saturn	6,336			6,336		
Montgeron — Valdoly	F	1984(O)	Auchan, Castorama	5,600			5,600		
Grenoble — Viallex	F	1970(O)	Gifi	4,237			4,237		
Chalon Sur Saone	F	1989(O)	Carrefour	4,001			4,001		
Toulon — Ollioules	F	1989(O)	Carrefour, Decathlon	3,185			3,185		
Tourcoing — Espace Saint Christophe	F	2011(O)	Auchan , C&A	8,450			13,000		
Mantes	F	2011(O)	Monoprix	3,424			3,424		
Okabé	F	2010(O)	Auchan	25,100			38,615		
Divers	F			26,105			37,452		
Sub-total shopping centres France				**348,288**	**97.2**	**1,615**	**483,742**	**134.5**	**2,275**
Barcelone — San Cugat	S	1996(O)	Eroski, Media Market	20,488			20,488		
Bellinzago	I	2007(O)	Gigante, H&M	19,713			20,491		
Le Due Torri	I	2010(O)	Esselunga	32,400			33,680		
Pinerolo	I	2008(O)	Ipercoop	7,800			8,108		
Rome-Casetta Mattei	I	2005(O)	Conad-Leclerc	14,800			15,385		
Ragusa	I	2007(O)	Coop, Euronics, Upim	12,130			12,609		
Casale Montferrato	I	2007(O)	Coop, Unieuro	7,973			8,288		
Sub-total shopping centres international				**115,304**	**35.7**	**550**	**119,049**	**36.8**	**567**
Total at 31, December 2011				**649,847**	**160.3**	**2,618**	**796,046**	**199.7**	**3,310**
o/w France				*534,543*	*124.6*	*2,068*	*676,997*	*162.9*	*2,743*
o/w International				*115,304*	*35.7*	*550*	*119,049*	*36.8*	*567*

O: Opening — R: Renovation — F: France — I: Italia — S: Spain

(1) Rental value of signed leases at 1 January 2012

(2) Including transfer duties

Breakdown of centres under development at 31 December 2011 (Group share)

Centres	Country	Extension / Creation	GLA sqm Group share	Gross rental (€ m) G/S	Net investment (€ m) G/S	Yield G/S	GLA sqm 100%	Gross rental (€ m) 100%	Net investment (€ m) 100%	Yield 100%
Family Village® Le Mans 2	F	Creation	19,000				19,000			
Family Village® Aubergenville 2	F	Extension	9,400				9,400			
La Valette du Var	F	Creation	37,200				37,200			
Family Village® Roncq	F	Creation	21,300				42,600			
Family Village® Nîmes	F	Creation	27,500				27,500			
Total Retail Parks & Family Village®			**114,400**	**22.4**	**262**	**8.5%**	**135,700**	**25.2**	**292**	**8.6%**
Villeneuve la Garenne	F	Creation	31,700				63,400			
Toulouse Occitania	F	Extension	5,500				5,500			
Massy -X%	F	Refurbishment / Extension	6,800				6,800			
Bercy Village	F	Refurbishment	-				-			
Cœur d'Orly	F	Creation	30,700				122,800			
Cap 3000	F	Refurbishment / Extension	6,100				18,300			
Extension Aix	F	Extension	2,400				4,900			
Misc. refurbishments / extensions		Refurbishment / Extension	-				-			
Total shopping centres France			**83,200**	**37.7**	**417**	**9.0%**	**221,700**	**88.0**	**982**	**9.0%**
Ponte Parodi	I	Creation	35,500				36,902			
Extension Le Due Tori (Stezzano)	I	Extension	5,500				5,717			
Total shoping centres International			**41,000**	**12.7**	**135**	**9.4%**	**42,620**	**13.2**	**141**	**9.4%**
Total			**238,600**	**72.8**	**815**	**8.9%**	**400,020**	**126.4**	**1,414**	**8.9%**
o/w Extensions / refurbishments			*35,700*	*23.7*	*237*	*10.0%*	*50,617*	*40.9*	*382*	*10.7%*
o/w Asset creations			*202,900*	*49.1*	*578*	*8.5%*	*349,402*	*85.5*	*1,032*	*8.3%*

2.1.2.2. Online retail

Acquisition of RueduCommerce

While shopping in stores remains a fundamental and irreplaceable activity for consumers, shoppers are increasingly turning to the Internet and new communications tools as well. Such tools provide opportunities for mobility and exchange, whether to prepare for an in-store purchase or finalize an online transaction.

To adapt to these new consumer trends, Altarea Cogedim has moved to develop a position as the 1st multi-channel property company by launching a friendly takeover bid for RueduCommerce in December 2011.

Altarea Cogedim has a controlling interest in RueduCommerce through its subsidiary Altacom with 96.54% of the RueduCommerce's shares following this takeover bid on February 21, 2012.

This multi-channel positioning has two objectives:

- expand into the rapidly growing e-retail market (+22%) through RueduCommerce;
- achieve synergies between brick-and-mortar and online formats by drawing on the strengths of each:

Altarea Cogedim	RueduCommerce
Brick-and-mortar retail expertise	E-retail expertise
Relational retailers/brands	Relational online retailers/manufacturers
Financial strength	Brand strength
Revenue from retail merchants: €2 billion	Sales volume: €0.4 billion [36]

Several "pilot" brick-and-mortar retail sites have consequently been selected for experimental initiatives combining the two formats with potential for a larger scale deployment in a second phase.

(36) Online sales excl. tax (online marketplace + direct sales)

Online retail

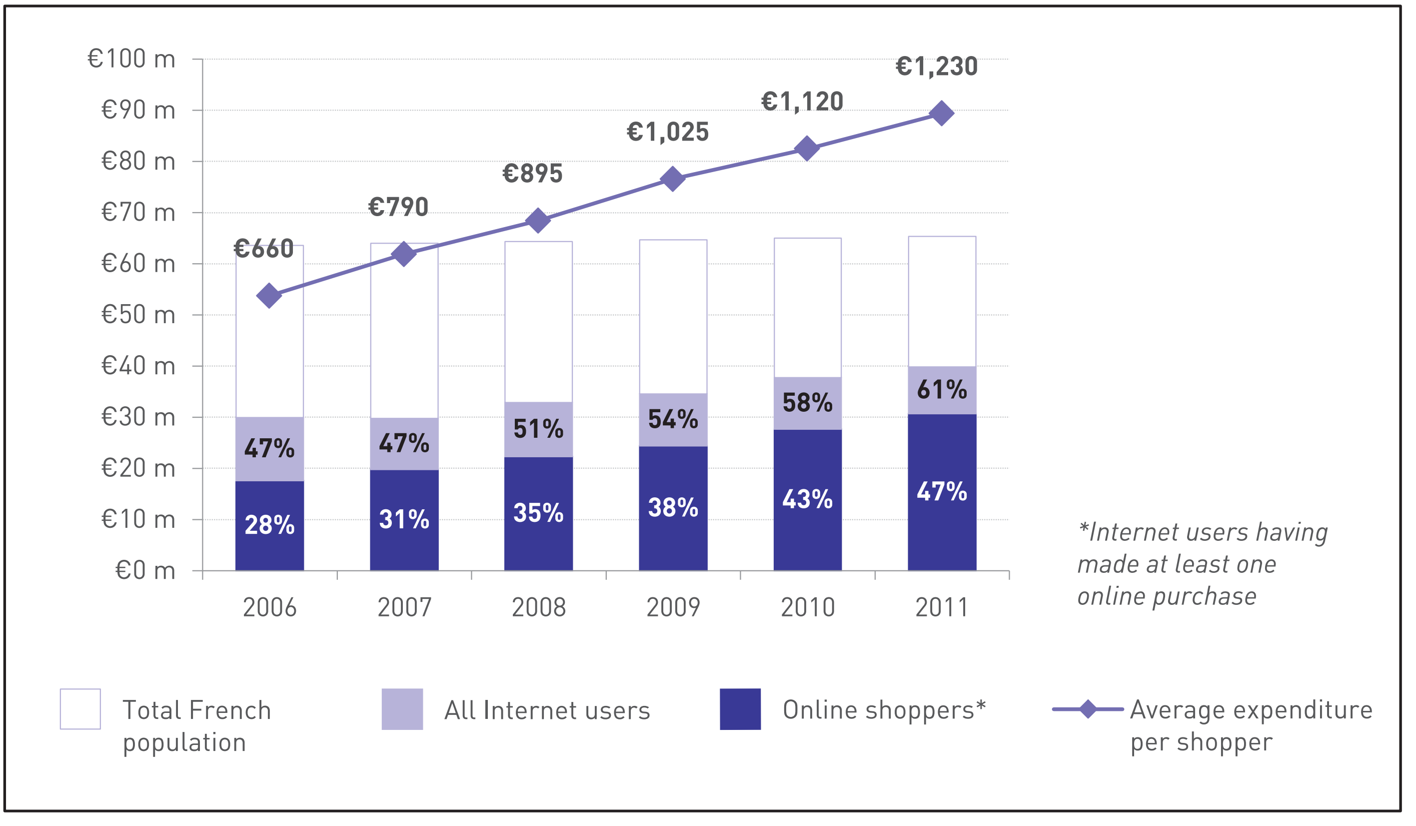
A STRONG GROWTH MARKET [37]

In 2011, online sales in France reached €37.7 billion including tax, up 22% from the prior year. This growth was driven by increases of two key industry benchmark indicators:

- the number of online buyers [38] (+12% per year since 2006);
- And the average annual shopping basket per buyer (x2 since 2006).

This overall growth trend is expected to continue with the FEVAD forecasting online revenue to double by 2015.

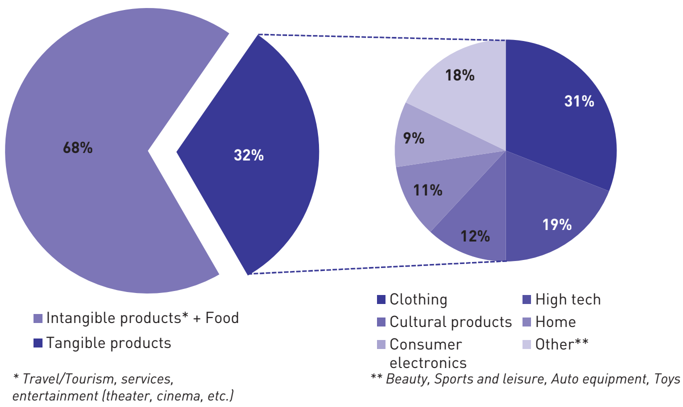
Internet user and online shoppers (% of population)



(37) Data from the French E-commerce and Home Shopping Federation (Fédération E-commerce et Vente à Distance or FEVAD), Médiamétrie//NetRatings and Oxatis.

(38) Internet users having made at least one online purchase.

Breakdown of online sales by product type



Sources : GFK, FEVAD, FEDA, IFM, Sageret, Accuracy

A HIGHLY COMPETITIVE ENVIRONMENT WHERE VISITOR TRAFFIC IS ESSENTIAL

Internet is highly attractive to retailers, as confirmed by the growth in the number of merchant websites, which exceeded the 100,000 milestone in 2011. However, the number of sites that clearly stand out is limited: only 1% had more than 100,000 transactions in 2011 supported by name recognition, a website referencing or a product offering sufficient to attract visitors.

In this context the online marketplace concept [39] becomes increasingly relevant as the larger sites use and strengthen their capacity to concentrate the offering and traffic.

RueduCommerce

Founded in 1999, the RueduCommerce Group is one of France's leading e-retailers [40] with sales revenue of €384 million [41] and between 6 and 8 million visitors per month. The group includes three brands: *RueduCommerce.com* and *TopAchat.com*, specialized in the distribution of mass-market computer and electronic equipment, and *Alapage.com* (cultural products).

On the strength of delivery services and a quality customer relationship performance [42], RueduCommerce has a solid customer base (5.5 million accounts of geotargeted clients) and a very strong brand.

THE ONLINE MARKETPLACE

In 2007, RueduCommerce launched the 1st online marketplace or shopping mall ("*La Galerie Marchande*") presenting significant similarities with a brick-and-mortar retail operation (offering sales to online merchant partners in exchange for a commission on their sales).

	2011	2010	Change (%)
Revenue of merchant partners (excl. Tax)	€ 94.7 m	€ 67.9 m	+39%
No. of 'acquired' merchant partners	658	615	+7%
Commission rate	8.0%	7.3%	+0.7 pts
Number of orders	932,000	736,000	+27%
Average shopping basket (incl. tax)	138	129	+7%

(39) Offer proposed by some generalist websites hosting the products of other merchant sites and providing the latter the benefits of their higher traffic. In France, this concept of the online marketplace was pioneered by RueduCommerce in 2007.

(40) RueduCommerce has ranked among the Top 15 of the since the creation of the French online retail industry benchmark (FEVAD-Médiamétrie//NetRatings).

(41) For the 2011 calendar year, of which €289 million from the distribution of products and €95 million generated by the online marketplace.

(42) RueduCommerce is the only online retail site with an ISO 9001 certified after-sales service.

Through this marketplace, RueduCommerce was able to expand its product offering into a very large range of products including fashion, beauty, household goods, consumer electronics, etc. Today this marketplace hosts 658 partners (+7% in one year) with an offering of approximately 2 million products.

In 2011, the sales volume of this marketplace grew significantly (+39% from 2010 or €95 million excluding tax) boosted in particular by strong growth in the fashion, home goods, gardening and DIY universes. The average commission rate on sales amounted to 8.0%, increasing 0.7 points from 2010 from a more profitable product mix (notably fashion and home goods, the 2^{nd} and 3^{rd} "universes" of the online marketplace, just behind consumer electronics).

A MASS-MARKET RETAILER FOR HIGH-TECH PRODUCTS
RueduCommerce continues to be one of the leading online mass-market distributors of high-tech products in France with a catalog of 12,000 products

Revenue in 2011 amounted to €289 million, representing between 10% and 13% of the online market for high-tech products with a significant average shopping basket (more than €200 including tax).

Results of the RueduCommerce Group [43]

RueduCommerce pro forma income statement *In €m*	Jan. Dec. 2011
Retail revenue	289.0
Raw materials & consumables	(244.2)
Gross margin	**44.8**
Commissions from online marketplace	**7.5**
Net overhead expenses	**(45.9)**
Allowances for depreciation and amortization	**(1.3)**
Impairment charges and net allowances for provisions	**(0.8)**
Transaction costs	**(1.0)**
Operating profit	**3.4**

Because this acquisition was completed at the end of 2011, though fully consolidated in the balance sheet, RueduCommerce did not contribute to the Group's 2011 income statement.

2.1.3. RESIDENTIAL PROPERTY DEVELOPMENT

2.1.3.1. Residential property sales in France in 2011

New housing sales in France slowed in 2011 compared with the prior period with 103,000 sales announced by the French Ministry of Housing, down from 115,000 sales last year. This reversal reflects the slump in sales to individuals after a strong contribution in the previous year (-28% for the first nine months of the year according to the FPI).

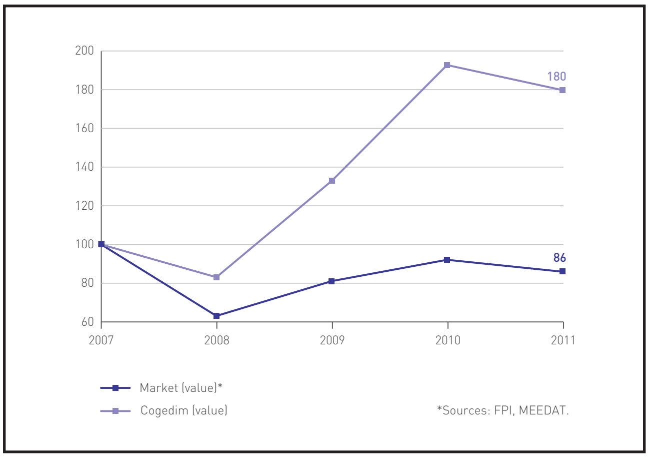
Despite the uncertain political and economic environment, fundamentals for residential property development remain positive. Demand is still strong with a structural shortage of 900,000 housing units in France while real estate still represents a safe investment in preparing for retirement.

Programs to promote homeownership are still attractive for first-time home buyers with the "PTZ+" zero interest loan refocused on new housing along with tax incentives for investors. The latter include the continuation of the 13% tax reduction ("*loi Scellier*") and an 11% tax reduction for furnished rentals combined with a VAT refund ("*loi Censi-Bouvard* ").

2.1.3.2. Altarea Cogedim: a strategy based on brand recognition and innovation

Since 2007, Cogedim has significantly outperformed the French market as a whole.

New housing sales (base: 100 = 2007)



This increase in market share was driven exclusively by organic growth and reflects a strategy developed by the Group based on:

BRAND EQUITY
Cogedim's unique market position is the result of a consistent focus on quality over many years. Already a leading brand in the French market, Cogedim's goal is to become the "preferred brand" for buyers and investors alike. This target positioning is reflected in the locations it selects, the elegance of its architecture, use of durable materials and the quality of its buildings, exemplified by attractive entrance halls, landscaped green areas, habitability of the living areas and ample storage.

PRODUCING EXCEPTIONAL DEVELOPMENT PROJECTS
After the prestigious Laennec development project launched in 2010 in the heart of Paris' 7^{th} district, in November 2011 Cogedim put "Nouvelle Vague" on the market: an exceptional development project along the Seine on quai Henri IV in Paris' 4^{th} district, designed by the Berlin architect Finn Geipel of the Lin firm.

(43) According to pro forma annual results for the period from January 1 to December 31, 2011, as RueduCommerce's fiscal year ends on March 31,.

LAUNCH OF THE FIRST COGEDIM CLUB SERVICED RESIDENCES FOR SENIORS

In 2011, the Group rolled out the first Cogedim Club residences: serviced residences for seniors combining an ideal location with high-quality services (video surveillance, extended concierge services, etc.). The Altarea Cogedim Group also acts as the manager for these residences, providing a guarantee of quality and service continuity for both occupants and investors. After Villejuif, Cogedim Club Residences were successfully rolled out in Arcachon and Sèvres.

EXPANSION OF THE OFFERING INTO MID-RANGE AND ENTRY-LEVELS

To meet housing demand in all ranges, Cogedim has continued to expand its offering in mid-range and entry-levels, while maintaining its standards of high quality. Cogedim has also produced affordable "cost-controlled" residential properties design to address the needs of local authorities by promoting access to quality housing at advantageous financial conditions.

A RECOGNIZED LEADER IN ENVIRONMENTAL PERFORMANCE

Cogedim ranked number one for developers for eco-efficiency performance in the property sector in 2011 in a survey conducted by Novethic. Criteria measured in this survey include transparency in terms of current performance and future commitments, energy performances, innovation and the company's general leadership. All projects launched since 2010 have been certified by Certivea for meeting environmental standards ("*NF Bâtiments Tertiaires — Démarche HQE®*") and virtually all are BBC Energie®-certified.

MANAGING THE PROPERTY CYCLE

By adopting cautious prudential criteria early on, Cogedim exercises control over the majority of its land portfolio through unilateral land options to be exercised if the programs are commercially successful.

A MULTI-CHANNEL ORGANIZATION

Today, the strength of its business assets (staff, products and land options) will allow Cogedim to maintain a lasting market share of 5% to 6% in France, combined with limited risk.

Cogedim has developed different distribution channels to better reach customers, whether individual home buyers, private or institutional investors. Cogedim has a sales force of approximately 160 employees that made it possible to place virtually all the 4,200 units sold in 2011. To complete this sales force, Cogedim has a strong Internet presence through its website www.cogedim.com, which provides complete information on all its development projects. This website has also been supplemented by a smartphone/touchscreen tablet application that has been downloaded 14,000 times, notably for locating nearby development projects using geolocation technology. To strengthen relations with buyers even further, Cogedim developed a customer relationship management (CRM) tool for improved monitoring of both their history and the positioning of the salesforce.

Cogedim has a specific website for expert channels to improve the visibility of the housing offer. Finally, the Group has developed a specific entity focused exclusively on meeting the needs of individual investors, Cogedim Invest.

Besides, operational and commercial synergies are considered with RueduCommerce, as end-users dedicated answers for instance.

2.1.3.3. Geographical coverage and distribution channels

Through its 10 subsidiaries [44], Cogedim's goal is to become one of the top three developers in each of these regions and achieve sustainable market share of more than 6% for France.

With a new branch office in **Aix en Provence** and the opening of a new subsidiary **Cogedim Languedoc-Roussillon, in Montpellier**, Cogedim has strengthened its strategy of developing in southern France in metropolitan regions with strong demographic growth.

(44) Ile-de-France (the greater Paris region), Grand-Lyon, Savoies-Léman, Grenoble, Méditerranée, Provence, Midi-Pyrénées, Aquitaine, Atlantique and Languedoc-Roussillon.

2.1.3.4. Sales activity and operating cash flow

Reservations in 2011 [45]

Reservations in 2011 amounted to €1.205 billion including tax. Excluding the exceptional impact of the Laennec program, reservations rose 14%.

(€ m including tax)	Upscale	Midscale	New District	Serviced residence	Total	Breakdown by region
Paris region	425	279	26	13	743	62%
PACA	28	84	5	4	121	10%
Rhône-Alpes region	150	74	0	0	224	19%
Grand Ouest region	34	68	0	15	117	10%
Total	**636**	**506**	**31**	**32**	**1,205**	**100%**
Breakdown by range	*53%*	*42%*	*3%*	*3%*		
2010					**1,289**	
Change 2011 vs 2010					- 6%	
2009					**887**	
Change 2011 vs 2009					+36%	
2008					**557**	
Change 2011 vs 2008					+116%	
2007					**668**	
Change 2011 vs 2007					+80%	

(€ m including tax)	2011	2010	Change
Net reservations (excl. Laennec)	**1,153**	**1,009**	**+ 14%**
Laennec	***52***	***280***	
Net reservations (incl. Laennec)	**1,205**	***1,289***	***- 6%***

Sales in 2011 totaled €1.327 billion (vs €1.311 billion in 2010).

The Paris Region remains Cogedim's top market (62% of sales) with a number of upscale projects in central Paris (i.e. Laennec — Paris 7 in addition to Nouvelle Vague — Paris 4; Cour St Louis — Paris 11; Canal Parc — Paris 19, etc.).

In today's particularly uncertain economic environment, the upscale segment is the most resilient, continuing to attract investors looking for safe investment products.

Breakdown of reservations in value	2011	2010
Private investors	33%	41%
Home buyers	37%	44%
Institutional investors	30%	15%
TOTAL	**100%**	**100%**

(45) *Reservations net of cancellations*

The number of units reserved for the Group totaled nearly 4,200 [46], up 2% from 2010.

(number of units)	Upscale	Midscale	New District	Serviced residence	Total	Breakdown by region
Paris region	960	1,101	59	44	2,163	52%
PACA	63	440	28	63	593	14%
Rhône-Alpes region	503	373	0	0	876	21%
Grand Ouest region	136	385	0	44	565	13%
Total	**1,662**	**2,298**	**87**	**151**	**4,197**	**100%**
Breakdown by range	*40%*	*55%*	*2%*	*4%*		
2010					**4,100**	
Change 2011 vs 2010					+2%	
2009					**4,345**	
Change 2011 vs 2009					- 3%	

The average price of units sold in 2011 amounted to €276,000 [47], compared to €254,000 [47] in 2010. This increase was due mainly to the higher percentage of reservations in the upscale segment in the Paris Region (29% [47] in 2011 compared with 25% in 2010).

The disposal rate [48] for these developments remained very high at 22% on average for 2011 compared with 19% in 2010.

Notarized contracts

Notarized sales in 2011 amounted to €1.070 billion including tax.

(€ m including tax)	Upscale	Midscale	New District	Serviced Residence	Total	Breakdown by region
Paris region	401	206	35	9	651	61%
PACA	41	89	0	0	131	12%
Rhône-Alpes region	103	80	0	1	184	17%
Grand Ouest region	23	70	0	11	105	10%
Total	**569**	**445**	**35**	**21**	**1,070**	**100%**
Breakdown by range	*53%*	*42%*	*3%*	*2%*		
2010					**1,291**	
Change 2011 vs 2010					- 17%	
2009					**720**	
Change 2011 vs 2009					+49%	
2008					**536**	
Change 2011 vs 2008					+100%	
2007					**771**	
Change 2011 vs 2007					**+39%**	

(46) Consolidated Group share.

(47) Excluding exceptional developments of Paris 7 Rive Gauche and Nouvelle Vague.

(48) The disposal rate is the ratio between reservations in value terms and the inventory of properties for sale.

Revenue [49]

(€ m excluding tax)	Upscale	Midscale	New District	Serviced Residence	Total	Breakdown by region
Paris region	194	144	142	1	480	58%
PACA	73	68	0	0	141	17%
Rhône-Alpes region	49	61	0	13	123	15%
Grand Ouest region	8	55	0	14	77	9%
Total	**324**	**328**	**142**	**28**	**822**	**100%**
Breakdown by range	*39%*	*40%*	*17%*	*3%*		
2010					**577**	
Change 2011 vs 2010					42%	

Net property income [50] and operating cash flow

(€ m)	Dec 31, 2011		Dec 31, 2010
Revenues	821.5		577.4
Cost of sales and other expenses *	(719.9)		(518.2)
NET PROPERTY INCOME	**101.7**	**+72%**	**59.2**
% of revenues	*12.4%*		*10.3%*
HONORAIRES	**1.0**	**-72%**	**3.7**
In-progress inventory	63.0		63.0
Overhead expenses	(84.1)	+10%	(76.3)
Miscellanious	4.5		2.9
OPERATING CASH FLOW	**86.1**	**+64%**	**52.5**
% of revenues	*10.5%*		*9.1%*

* *Due to a change in accounting principles, advertising costs have been charged in retrospect (impact: € -3.8 m in 2011, and € -1.7 m in 2010)*

Strong revenue growth in 2011 (+42%) and net property income (+12.4% or 2.1 points higher) compared with 2010, reflect the rebound in commercial activity since the beginning of 2009 accompanied by gains in market share by Cogedim.

The very strong growth was accompanied by effective management of overhead expenses through significant gains in productivity.

2.1.3.5. Outlook

At the end of 2011, the backlog [51] for residential properties amounted to €1.620 billion, or 24 month sales, up 16% compared with €1.395 billion at the end of 2010. This performance ensures the Group excellent visibility for future results of residential property development.

(€ m excluding tax)	Notarised revenues not recognised on a percentage of completion basis	Revenues reserved but not notarised	Total	Breakdown by region	Number of months
Paris region	759	321	1,080	67%	
PACA	100	58	159	10%	
Rhône-Alpes region	177	72	249	15%	
Grand Ouest region	101	32	133	8%	
Total	**1,137**	**483**	**1,620**	**100%**	**24**
Breakdown	*70%*	*30%*			
2010	**1,030**	**365**	**1,395**		**29**
Change 2011 vs 2010			**+16%**		
2009	**492**	**380**	**872**		**19**
Change 2011 vs 2009			**+86%**		
2008	**389**	**234**	**623**		**13**
Change 2011 vs 2008			**+160%**		

(49) Revenue recognized according to the percentage-of-completion method in accordance with IFRS. Percentage-of-completion is calculated according to the stage of construction without taking into account land.

(50) Net property income is calculated after capitalized interest and after marketing fees and advertising expenses.

(51) The backlog (or order book) comprises revenues excluding tax from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.

In addition to this backlog, the Group has potential revenue of more than €3.6 billion representing three years of business from the residential pipeline based on both properties for sale [52] and the future offer [53].

(€ m including tax)	Dec 31, 2011		Dec 31, 2010
Property for sales	633		403
Future offer (land portfolio)	2,988		2,095
Residential property pipeline	**3,621**	**+45%**	**2,498**

ANALYSIS OF PROPERTIES FOR SALE

At December 31, 2011, property for sale had a value of €633 million, up 57% from the prior year. Growth in the inventory of properties for sale represents an effectively managed risk: 60% of properties for sale concerned programs for which land has not yet been acquired while the inventory of completed residential properties was near zero.

Breakdown of properties for sale (€633 million including tax) at December 31, 2011 by stage of completion.

Risk
- +

Operating phases	**Preparation phase** (land not acquired)	**Land acquired/ project not yet started**	**Land acquired/ project in progress**	**Inventory of completed residential properties**
Expenses incurred *(in € millions excluding tax)*	**34**	**11**		
Cost price of properties for sale *(in € millions excluding tax)*			**170**	**1**
Properties for sale *(€633 million including tax)*	**377**	**59**	**196**	**1**
(%)	*60%*	*9%*	*31%*	*-%*
	o/w due for completion in 2012:		*€43 million*	
	o/w due for completion in 2013:		*€121 million*	
	o/w due for completion in 2014:		*€32 million*	

MANAGEMENT OF PROPERTIES FOR SALE

- 69% of properties for sale concern developments on which construction had not yet begun and for which amounts invested correspond primarily to research costs and land order fees (or guarantees) paid upon the signature of preliminary sales agreements for land with the possibility of retraction;
- 31% of properties for sale are currently under construction. Only €43 million relate to units to be completed by the end of 2012;
- there are virtually no unsold completed products (€1 million).

The breakdown of developments by stage of completion reflects the prudential criteria adopted by the Group based largely on the following principles:

- recourse in priority to the signature of unilateral preliminary sales agreements for the purchase of land rather than bilateral sale and purchase agreements whose use is restricted to higher-margin developments;
- requiring a high pre-let rate when the land is acquired and when construction works begin;
- an agreement must be obtained from the Investment Committee at each stage of the development: signature of the preliminary sale agreement, marketing launch, land acquisition and beginning of work.

The launch of new business originating from the future offer is contingent on the sale of properties for sale to ensure a prudent management of Group investments.

(52) Properties for sale represent units currently available for sale, expressed as revenue including tax.

(53) The future offer consists of projects under contract (through a preliminary sales agreement) not yet launched, expressed as revenue including tax.

2.1.4. OFFICES

In the office property market, the Group offers institutional investors three different products or services:

- as a developer, by signing off-plan sale agreements or property development contracts under which it makes a commitment to build a property;
- as a service provider ("delegated project manager"), the Group provides development services for the owner of a property in return for fees;
- as an asset manager through AltaFund in exchange for fees.

The Group also intervenes as an investor in AltaFund for a limited share of approximately 17%.

2.1.4.1. Economic environment [54]

INVESTMENT IN OFFICE PROPERTY

The investment market in France amounted to €15.1 billion in transactions in 2011. Investors continued to show interest in premium office properties located in traditional business districts.

OFFICE PROPERTY TAKE-UP (PARIS REGION)

Take-up in 2011 amounted to 26 million sq. ft. (2.4 million m²), up 14% from the prior year. Users were again primarily looking to harness savings by pooling offices or finding units with lower rent.

The immediate supply of office space available in the Paris region has remained stable over the last three years at 40 million sq. ft. (3.7 million m²) at December 31, 2011. The percentage of new/refurbished office properties in total supply decreased 2 points to 23%. This trend points to a gradual deterioration in the quality of inventory as new properties are put on the market whereas the number of deliveries remains limited.

2.1.4.2. Finalization of the AltaFund investment vehicle

In 2011, Altarea Cogedim Entreprise completed the final closing of the office property investment vehicle AltaFund. Following an initial closing of €350 million announced in March 2011, AltaFund today has firm equity commitments for €600 million. AltaFund brings together top-tier French and international institutional investor partners including, among others, pension funds and sovereign wealth funds from the Pacific area.

This fund will eventually have a discretionary investment capacity of over €1.2 billion including reasonable leverage, making it one of the largest dedicated office property funds in the Paris Region. It will acquire land or existing office properties to be repositioned and apply its expertise to create core assets of high quality with high environmental value-added. These properties will then be destined for sale within a medium-term time frame.

The Altarea Cogedim Group has itself invested €100 million in this vehicle (or approximately 7% of its NAV).

2.1.4.3. Transactions completed by the Group in 2011

In a market that remained largely inactive, Altarea Cogedim Entreprise completed five transactions for a sales volume of €263 million including tax in 2011:

- the project to build the headquarters of Mercedes-Benz in France under forward lease agreement. This forward lease agreement for the office complex includes a net floor area of 140,000 sq. ft. (13,000 m²) for offices plus 64,500 sq. ft. (6,000 m²) for a training center, and will be certified NF HQE®, BBC Energie® and BREEAM with a rating of "Excellent";
- two other forward or off-plan sale agreements in partnership to build two office properties located at avenue Jean Jaurès in Lyon, with a net floor area of 266,000 sq. ft. (24,700 m²);
- two Delegated Project Management contracts for the renovation of a tower in the La Defense business district (323,000 sq. ft. [30,000 m²]) and building an office property with a net floor area of approximately 204,500 sq. ft. (19,000 m²) in Suresnes.

At the same time, the Group delivered 7 office buildings representing approximately 1,830,000 sq. ft. (170,000 m²) including for the First Tower, France's largest HQE development, awarded the French National Engineering Prize (*Grand Prix National de l'Ingénierie*) in 2010, the Pierre d'Or Award and the MIPIM Award for a refurbished office building.

(54) *CB RICHARD ELLIS data.*

2.1.4.4. Revenue and operating cash flow

(€ m)	Dec 31, 2011		Dec 31, 2010
Revenues	102.0		65.2
NET PROPERTY INCOME	**3.1**	**-46.6%**	**5.9**
% of revenues	*3.1%*		*9.0%*
HONORAIRES	**6.1**	**-42.9%**	**10.6**
In-progress inventory	3.9		6.0
Overhead expenses (*)	(11.7)	-15.2%	(13.8)
Miscellanious (*)	(1.3)		(0.7)
OPERATING CASH FLOW *	**0.1**	**-99.1%**	**8.1**
% of revenues	*0.1%*		*12.5%*

(*) Incl. the impact of change in accounting principles

The decline in operating cash flow reflects the slump in the office property market since 2008.

2.1.4.5. Backlog [55] for off-plan sales/property development contracts and delegated project management

The backlog for off-plan sales/property development contracts totaled €157.0 million at the end of 2011 compared with €189.5 million one year earlier. In addition, the Group also had a backlog of delegated project management contracts representing fees of €5.5 million.

OUTLOOK AND STRATEGY

Altarea Cogedim Entreprise has all the resources needed to meet the growing demand for new or refurbished programs. This is highlighted by the successful inauguration of the First tower as well as the forward lease agreement signed for the headquarters of Mercedes-Benz France certified NF HQE®, BBC Energie® and BREEAM with a rating of "Excellent".

Building renovation is also a rapidly growing market. This alternative to redevelopment is appreciated by investors because it takes less time, costs less and is more flexible from an administrative perspective. Renovation will certainly represent an important mechanism for reducing the structural shortage of new and refurbished buildings in the months ahead.

By leveraging its technological expertise and know-how, the Group will be ideally positioned to take advantage of the cyclical upturn and meet the extremely rigorous environmental requirements for new projects. Through AltaFund, the Group now works with an investment vehicle that will allow it to take advantage of opportunities and contribute value-added business with limited risk profiles.

(55) Revenue excluding VAT on notarized sales to be recognized according to the percentage-of-completion method, take-up not yet subject to a notarized deed and fees owed by third parties on contracts signed.

2.2. CONSOLIDATED RESULTS

2.2.1. RESULTS

2.2.1.1. Net profit

At December 31, 2011 funds from operations totaled €140.4 million (+15%) The Group share of funds from operations totaled €134.3 million (+12%) or €13.11 per share.

(€ millions)	December 31, 2011				December 31, 2010		
	Funds from operations (FFO)		Changes in value, estimated expenses and transaction costs	TOTAL	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Brick-and-mortar retail	135.4		65.0	200.4	139.7	81.6	221.3
Online retail	-		(1.7)	(1.7)	-	-	-
Residential	86.1		(9.1)	77.0	52.5	(11.7)	40.9
Offices	0.1		(7.6)	(7.4)	8.1	(13.8)	(5.8)
Other	(1.7)		(0.6)	(2.3)	(2.5)	(0.6)	(3.2)
OPERATING PROFIT	**220.0**	**+11%**	**46.0**	**266.0**	**197.8**	**55.4**	**253.3**
Net borrowing costs	(78.7)		(3.2)	(82.0)	(74.8)	(3.7)	(78.5)
Changes in value and income from disposal of financial instruments	-		(80.4)	(80.4)	-	(10.8)	(10.8)
Income tax	(0.8)		(8.8)	(9.6)	(0.5)	(13.2)	(13.7)
NET PROFIT	**140.4**	**+15%**	**(46.4)**	**94.0**	**122.5**	**27.8**	**150.2**
NET PROFIT, Group Share	**134.3**	**+12%**	**(46.1)**	**88.2**	**119.8**	**26.2**	**146.1**
Average diluted number of shares (in thousands)	**10,241**				10,274		
FUNDS FROM OPERATIONS ATTRIBUTABLE, Group Share	**€ 13.11**	**+12%**			**€ 11.66**		

Funds from operations: €140.4 million

Funds from operations[56] represents operating cash flow after interest and corporate income tax expenses.

OPERATING CASH FLOW[57]

At December 31, 2011, operating cash flow rose 11% to €220.0 million. It includes four operating sectors of the Altarea Cogedim Group:

- brick-and-mortar retail
- online retail (RueduCommerce)
- residential property development
- office property

RueduCommerce will start to contribute to the Group income statement on January 1, 2012.

NET BORROWING COSTS

This represents net financial expenses incurred in relation to loans secured against the portfolio of shopping centers and the cost of debt on the Cogedim acquisition.

(56) FFO

(57) Net rental income from property and the margin on property development after deducting net overhead expenses.

Changes in fair value and estimated expenses: -€46.4 million

Asset disposals	€	6.3 m
Change in fair value — Investment properties	€	70.0 m
Change in fair value of financial instruments	€	(80.4 m)
Deferred tax	€	(8.8 m)
Transaction costs [58]	€	(13.3 m)
Estimated expenses [59]	€	(10.9 m)

AVERAGE NUMBER OF SHARES AFTER DILUTION

The average number of shares after dilution is the average of number of shares issued plus shares under stock option and bonus share plans granted at December 31, 2011 minus treasury shares.

2.2.2. NET ASSET VALUE (NAV)

At December 31, 2011, Altarea Cogedim's fully diluted, going concern NAV amounted to €147.2 per share representing an increase of 5.7% from the end of 2010.

Net asset value EPRA presentation	Dec 31, 2011		Dec 31, 2010		
	€ m	per share	€ m	per share	
Consolidated equity, Group share	**988.1**	**97.1**	**1,000.1**	**98.3**	
Impact of securities convertible into shares	-		(12.6)		
Other unrealized capital gains or losses	406.5		307.8		
Restatement of financial instruments	127.0		72.1		
Deferred tax on the balance sheet for non-SIIC assets (international assets)	42.9		32.7		
EPRA NAV	**1,564.6**	**153.7**	**1,400.1**	**137.6**	+11.7%
Fair value of financial instruments	(127.0)		(72.1)		
Effective tax for unrealized capital gains on non-SIIC assets (*)	(53.1)		(32.2)		
Optimization of transfer duties (*)	53.8		57.4		
Partners' share (**)	(16.8)		(15.8)		
"EPRA NNNAV" liquidation NAV	**1,421.5**	**139.7**	**1,337.4**	**131.5**	+6.3%
Estimated transfer duties and selling fees	77.8		81.0		
Partners' share	(0.9)		(0.9)		
DILUTED GOING CONCERN NAV	**1,498.4**	**147.2**	**1,417.4**	**139.3**	+5.7%
Number of diluted shares		10,176,535		10,173,677	

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

(**) Maximum dilution of 120,000 shares

Calculation basis

TAX TREATMENT

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

TRANSFER DUTIES

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

For example, when calculating Altarea Cogedim's liquidation NAV (or EPRA NNNAV), 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.

(58) In 2011: AltaFund for €6.4 million, Urbat for €4.6 million, RueduCommerce for €1.7 million and Foncia for €0.6 million.

(59) Bonus share plans, retirement provisions, amortization of bond issuance costs, allowances for amortization and depreciation and non-current provisions.

IMPACT OF SECURITIES CONVERTIBLE INTO SHARES

This relates to the impact of exercising in-the-money stock options and the purchase of shares to cover bonus share plans not covered by shares held in treasury (excluding the liquidity agreement).

At December 31, 2011, all plan grants were covered by shares held in treasury.

OTHER UNREALIZED CAPITAL GAINS OR LOSSES

These arise from updated estimates for the value of the following assets:
- two hotel business franchises (Hotel Wagram and Résidence Hôtelière de l'Aubette);
- the rental management and shopping center development division (Altarea France);
- the property development division (Cogedim).

These assets are appraised at the end of each financial year by independent experts (CBRE for hotel business franchises and Accuracy for Altarea France and Cogedim). Both CBRE and Accuracy use the discounted cash flow method (DCF) in conjunction with a terminal value based on normalized cash flow. CBRE provides a single appraisal value, while Accuracy provides a range of values calculated using different scenarios. In addition to its DCF valuation, Accuracy also provides a valuation based on listed peer group comparables.

The value for Cogedim used in the December 31, 2011 NAV calculation corresponds to the low value of the range according to the DCF flow method.

CHANGE IN GOING-CONCERN NAV

	€/share
Going-concern NAV at December 31, 2010	**139.3**
Dividend	-8.0
Funds from operations	+13.1
Change in fair value of assets	+11.8
Change in fair value of financial instruments	-7.8
Other	-1,2
Going-concern NAV at December 31, 2011	**147.2**

2.3. FINANCIAL RESOURCES

2.3.1. FINANCIAL POSITION

2.3.1.1. Introduction

The Altarea Cogedim Group has a solid financial position:
- €348 million in cash and cash equivalents;
- robust consolidated bank covenants (LTV < than 65% and ICR > 2x) with significant leeway at 31 December 2011(LTV of 51.2% and ICR of 2.8x).

This strong position results primarily from a diversified business model (retail, residential and office properties) that generates substantial cash flow at the top of the cycle and is highly resilient at the bottom.

2.3.1.2. Available cash and cash equivalents: €348 million

Available cash and cash equivalents amounted to €348 million at year-end 2011, comprising corporate sources of funds of €241 million (cash and confirmed authorizations) and unused loan authorization secured against specific developments of €107 million (mortgage financing).

2.3.1.3. Debt by category

Altarea Cogedim's net debt stood at €2.081 billion at December 31, 2011 compared with €2.055 billion at December 31, 2010.

(€ m)	Dec 2011	Dec 2010
Corporate debt	738	769
Mortgage debt	1,172	1,165
Debt relating to acquisitions	271	250
Property development debt	163	133
Total gross debt	**2,344**	**2,318**
Cash and cash equivalents	(263)	(263)
Total net debt	**2,081**	**2,055**

- corporate debt is subject to consolidated bank covenants (LTV < 65% and ICR > 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, including a pre-let rate;
- debt relating to the acquisition of Cogedim is subject to corporate covenants (LTV < 65% and ICR > 2x) and covenants specific to Cogedim (EBITDA leverage and ICR).

2.3.1.4. Source of funds

In 2011, Altarea Cogedim signed mortgage financing agreements for €236 million [60] for shopping center projects.

The very strong growth in the property development business was financed almost entirely from cash flow generated by the company. Most financing requirements related to performance bonds (GFA) for residential property developments sold off-plan (forward sales).

2.3.1.5. Financial covenants

LTV RATIO

The Group's consolidated LTV ratio was 51.2% at December 31, 2011, down from 53.2% at the end of 2010.

FFO/RECURRING NET DEBT COSTS

The interest cover ratio (FFO/recurring net financing cost) stood at 2.8x in 2011 compared with 2.7x at year-end 2010.

OTHER SPECIFIC COVENANTS

At 31 December, 2011, the Group was in compliance with all covenants.

2.3.2. HEDGING AND MATURITY

Portfolio profile of hedging instruments:

Nominal amount (€m) and amount hedged					
Maturity	**Swap**	**Cap/Collar**	**Total hedging**	**Average swap rate**	**Average cap/collar rate**
Dec-11	1,711	642	2,353	2.69%	3.18%
Dec-12	1,883	525	2,409	3.01%	3.19%
Dec-13	1,572	344	1,917	3.28%	3.36%
Dec-14	1,389	78	1,467	3.28%	3.98%
Dec-15	1,205	75	1,280	3.35%	3.97%
Dec-16	1,042	90	1,133	3.31%	4.48%
Dec-17	725	37	762	2.93%	3.75%
Dec-18	500	-	500	2.49%	0.00%
Dec-19	500	-	500	2.49%	0.00%
Dec-20	500	-	500	2.49%	0.00%

(60) Group share of €138.5 million.

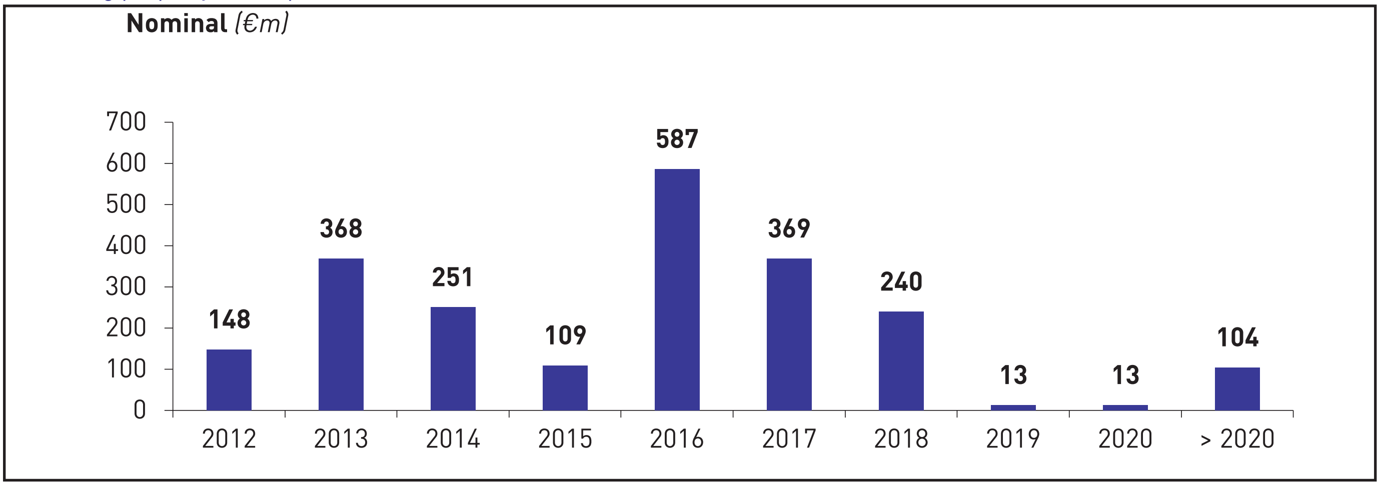
COST OF DEBT

The Altarea Cogedim Group's average financing cost including the credit spread was 3.59% in 2011 compared with 3.69% in 2010.

DEBT MATURITY

The average debt maturity was 4.7 years at December 31, 2011 compared with 5.6 years in 2010. Most outstanding debt comprises mortgage loans backed by long-term assets. Debt maturing in 2013 consists of syndicated corporate loan from a banking syndicate comprised mainly of French banks.

Maturity schedule for Group debt
(excluding property development)



BALANCE SHEET at December 31, 2011

ASSETS

(In € millions)	12/31/2011	12/31/2010
NON-CURRENT ASSETS	**3,241**	**3,118**
Intangible assets	265	200
o/w goodwill	*193*	*129*
o/w brands	*67*	*67*
o/w other intangible assets	*5*	*4*
Property, plant and equipment	13	12
Investment properties	2,821	2,757
o/w Investment properties in operation at fair value	*2,626*	*2,606*
o/w Investment properties under development and under construction at cost	*195*	*151*
Investments in associates and other long-term securities	77	77
Receivables and other non-current financial assets	17	16
Deferred tax assets	50	56
CURRENT ASSETS	**1,402**	**1,326**
Assets held for sale	55	53
Inventories and work in progress	684	631
Trade and other receivables	390	346
Tax receivables	1	1
Receivables and other current financial assets	7	9
Derivative financial instruments	1	25
Cash and cash equivalents	263	262
TOTAL ASSETS	**4,643**	**4,444**

LIABILITIES AND EQUITY

(In € millions)	31/12/2011	31/12/2010
EQUITY	**1,116**	**1,031**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	988	989
Share capital	121	121
Other paid-in capital	510	587
Reserves	270	136
Net profit attributable to owners of the parent	88	146
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	128	42
Non-controlling interests in reserves	122	37
Non-controlling interests' share of profit	6	4
NON-CURRENT LIABILITIES	**2,260**	**2,381**
Borrowings and financial liabilities	2,185	2,311
o/w participating loans	*82*	*81*
o/w bank borrowings	*2,088*	*2,212*
o/w other borrowings and financial liabilities	*16*	*18*
Non-current provisions	24	22
Deposits and guarantees received	25	26
Deferred tax liability	26	22
CURRENT LIABILITIES	**1,267**	**1,032**
Borrowings and financial liabilities	275	120
o/w bank borrowings (excluding overdrafts)	*251*	*100*
o/w bank borrowings backed by VAT receivables	*0*	*6*
o/w bank overdrafts	*5*	*5*
o/w other borrowings and financial liabilities	*19*	*9*
Derivative financial instruments	130	118
Current provisions	0	0
Accounts payable and other operating liabilities	860	791
Tax due	1	3
Amounts due to shareholders	0	0
TOTAL LIABILITIES	**4,643**	**4,444**

Costing-based profitability analysis to December 31, 2011

In millions of euros	Fund from operations (FFO) 2011	Changes in value, estimated expenses and transaction costs 2011	Total 2011	Fund from operations (FFO) 2010	Changes in value, estimated expenses and transaction costs 2010	Total 2010
Rental income	162.1	-	162.1	164.4	-	164.4
Other expenses	(13.4)	-	(13.4)	(12.3)	-	(12.3)
Net rental income	**148.8**	**-**	**148.8**	**152.1**	**-**	**152.1**
External services	16.5	0.0	16.5	13.6	-	13.6
Capitalized production and change in inventories	15.1	0.0	15.1	17.3	-	17.3
Operating expenses	(53.1)	(2.8)	(55.9)	(52.2)	(4.4)	(56.6)
Net overhead expenses	**(21.5)**	**(2.8)**	**(24.3)**	**(21.3)**	**(4.4)**	**(25.7)**
Share of affiliates	**8.2**	**(6.2)**	**2.0**	**9.0**	**(1.5)**	**7.5**
Allowances for depreciation, amortization and reserves	**0.0**	**(1.8)**	**(1.8)**	**-**	**1.0**	**1.0**
Net proceeds from the disposal of assets	**-**	**6.3**	**6.3**	**-**	**37.8**	**37.8**
Gains/(losses) in fair value and impairment of investment property	**-**	**70.0**	**70.0**	**-**	**48.7**	**48.7**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**-**	**-**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**135.4**	**65.0**	**200.4**	**139.7**	**81.6**	**221.3**
Retail revenue						
Purchases consumed	-	-	-	-	-	-
Gross margin	**-**	**-**	**-**	**-**	**-**	**-**
Commissions from retail operations	**-**	**-**	**-**	**-**	**-**	**-**
Net overhead expenses	-	-	-	-	-	-
Transaction costs	-	(1.7)	(1.7)	-	-	-
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
Revenue	821.5	-	821.5	577.4	-	577.4
Cost of sales and other expenses	(719.9)	-	(719.9)	(518.2)	-	(518.2)
Net property income	**101.7**	**-**	**101.7**	**59.2**	**-**	**59.2**
External services	1.0	-	1.0	3.7	-	3.7
Change and finished goods and in-progress inventory	63.0	-	63.0	63.0	-	63.0
Operating expenses	(79.7)	(3.4)	(83.1)	(73.6)	(5.8)	(79.4)
Net overhead expenses	**(15.7)**	**(3.4)**	**(19.0)**	**(6.9)**	**(5.8)**	**(12.7)**
Share of affiliates	**0.1**	**-**	**0.1**	**0.2**	**-**	**0.2**
Net allowances for depreciation, amortization and reserves	**0.0**	**(1.1)**	**(1.1)**	**0.0**	**(5.9)**	**(5.9)**
Transaction costs	**-**	**(4.6)**	**(4.6)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	**86.1**	**(9.1)**	**77.0**	**52.5**	**(11.7)**	**40.9**
Revenue	102.0	-	102.0	65.2	-	65.2
Cost of sales and other expenses	(98.9)	-	(98.9)	(59.3)	-	(59.3)
Net property income	**3.1**	**-**	**3.1**	**5.9**	**-**	**5.9**
External services	6.1	-	6.1	10.6	-	10.6
Change in finished goods and in-progress inventory	3.9	-	3.9	6.0	-	6.0
Operating expenses	(11.7)	(0.9)	(12.6)	(13.8)	(1.2)	(15.0)
Net overhead expenses	**(1.7)**	**(0.9)**	**(2.6)**	**2.9**	**(1.2)**	**1.6**
Share of affiliates	**(1.3)**	**-**	**(1.3)**	**(0.7)**	**-**	**(0.7)**
Net allowances for depreciation, amortization and reserves	**(0.0)**	**(0.3)**	**(0.3)**	**0.0**	**(12.6)**	**(12.6)**
Transaction costs	**-**	**(6.4)**	**(6.4)**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	**0.1**	**(7.6)**	**(7.4)**	**8.1**	**(13.8)**	**(5.8)**
Other	(1.7)	(0.6)	(2.3)	(2.5)	(0.6)	(3.2)
OPERATING PROFIT	**220.0**	**46.0**	**266.0**	**197.8**	**55.4**	**253.3**
Net borrowing costs	**(78.7)**	**(3.2)**	**(82.0)**	**(74.8)**	**(3.7)**	**(78.5)**
Changes in value and income from disposal of financial instruments	**-**	**(80.4)**	**(80.4)**	**-**	**(10.8)**	**(10.8)**
PROFIT BEFORE TAX	**141.2**	**(37.6)**	**103.6**	**123.0**	**41.0**	**164.0**
Income tax	**(0.8)**	**(8.8)**	**(9.6)**	**(0.5)**	**(13.2)**	**(13.7)**
NET PROFIT	**140.4**	**(46.4)**	**94.0**	**122.5**	**27.8**	**150.2**
Non-controlling interests	**(6.1)**	**0.3**	**(5.8)**	**(2.6)**	**(1.6)**	**(4.2)**
NET PROFIT, attributable to Group shareholders	**134.3**	**(46.1)**	**88.2**	**119.8**	**26.2**	**146.1**
Average number of shares after dilution	10,241,241		10,241,241	*10,274,059*		*10,274,059*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**€13.11**		**€8.61**	**€11.66**		**€14.22**

3 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2011

3.1. 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 regulated market NYSE Euronext Paris (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 Company") operate in the commercial property sector with a multi-channel positioning covering both brick-and-mortar and online retail formats. This activity includes asset and property management functions performed internally within the Group.

Altarea is also an integrated developer of brick-and-mortar shopping centers and a significant player in residential and office development projects. As such its activities cover all real estate asset classes (shopping centers, offices, hotels and residential).

Altarea also intervenes as an active partner with local authorities.

Altarea controls the company Altareit whose shares are admitted to trading on the regulated market Eurolist by NYSE Euronext Paris (Compartment B — Mid Caps).

Altarea's financial statements and the notes thereto are presented in millions of euros.

On March 5, 2012 Altarea's Supervisory Board reviewed the consolidated financial statements for the year ended December 31, 2011 as drawn up by the partnership's management (Managing Partners or "*Gérance*").

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in € Millions	Note	31/12/2011	31/12/2010
NON-CURRENT ASSETS		**3,241.2**	**3,118.1**
Intangible assets	8.1	264.9	199.6
o/w goodwill		*193.1*	*128.7*
o/w brands		*66.6*	*66.6*
o/w other intangible assets		*5.2*	*4.3*
Property, plant and equipment	8.2	12.9	12.2
Investment properties	8.3	2,820.5	2,757.3
o/w Investment properties in operation at fair value		*2,625.5*	*2,606.4*
o/w Investment properties under development and under construction at cost		*195.0*	*150.9*
Investments in associates and other long-term securities	8.4	76.5	77.0
Receivables and other non-current financial assets	8.6	16.9	16.4
Deferred tax assets	9.7	49.5	55.7
CURRENT ASSETS		**1,402.1**	**1,326.2**
Assets held for sale	8.3	55.3	52.7
Inventories and work in progress	8.7	684.2	631.0
Trade and other receivables	8.7	390.2	346.1
Tax receivables	9.7	1.0	0.8
Receivables and other current financial assets	8.6	7.4	8.5
Derivative financial instruments	11	0.8	24.7
Cash and cash equivalents	10	263.2	262.4
TOTAL ASSETS		**4,643.3**	**4,444.3**

EQUITY		**1,116.1**	**1,030.7**
Equity attributable to owners of the parent		**988.1**	**989.2**
Share capital	8.8	120.5	120.5
Other paid-in capital		509.9	586.8
Reserves		269.5	135.9
Net profit attributable to owners of the parent		88.2	146.1
Equity attributable to non-controlling interests		**128.0**	**41.5**
Non-controlling interests in reserves		122.2	37.4
Non-controlling interests' share of profit		5.8	4.2
NON-CURRENT LIABILITIES		**2,259.9**	**2,381.2**
Borrowings and financial liabilities	8.9	2,185.4	2,311.3
o/w participating loans		*81.5*	*81.4*
o/w bank borrowings		*2,088.0*	*2,211.7*
o/w other borrowings and financial liabilities		*15.8*	*18.2*
Non-current provisions	8.10	23.6	21.8
Deposits and guarantees received	8.11	25.2	25.5
Deferred tax liability	9.7	25.6	22.5
CURRENT LIABILITIES		**1,267.3**	**1,032.4**
Borrowings and financial liabilities	8.9	275.4	119.7
o/w bank borrowings (excluding overdrafts)		*251.0*	*99.8*
o/w bank borrowings backed by VAT receivables		*0.0*	*5.6*
o/w bank overdrafts		*5.3*	*5.5*
o/w other borrowings and financial liabilities		*19.2*	*8.9*
Derivative financial instruments	11	130.2	118.4
Accounts payable and other operating liabilities	8.7	860.5	791.3
Tax due	9.7	1.2	3.0
Amounts due to shareholders		0.0	0.0
TOTAL LIABILITIES		**4,643.3**	**4,444.3**

3.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € Millions	Note	FY 2011	FY 2010
Rental income		162.1	164.4
Property expenses		(4.9)	(4.1)
Non-rechargeable lessor expenses		(4.4)	(3.6)
Management costs		(0.1)	(0.1)
Net allocation to provisions		(4.0)	(4.6)
NET RENTAL INCOME	**9.1**	**148.8**	**152.1**
Revenues		927.3	671.3
Cost of sales		(775.2)	(589.4)
Marketing expenses		(35.5)	(17.2)
Net allocation to provisions		(10.9)	0.8
Amortization of client relationships		-	(3.3)
NET PROPERTY INCOME	**9.2**	**105.7**	**62.2**
External services		23.7	27.9
Capitalized production and change in inventories		82.0	86.3
Personnel costs		(99.4)	(100.0)
Other overheads		(44.7)	(42.5)
Amortization charge to operating assets		(3.1)	(3.3)
Amortization of client relationships		-	(4.9)
NET OVERHEAD	**9.3**	**(41.6)**	**(36.4)**
Other income		22.6	30.7
Other expenses		(44.5)	(28.5)
Amortization charge		(1.1)	(1.3)
OTHER	**9.4**	**(23.0)**	**0.8**
Proceeds from disposal of investment properties		104.4	326.5
Carrying value of investment properties sold		(99.0)	(301.4)
NET PROCEEDS FROM THE DISPOSAL OF ASSETS	**9.4**	**5.5**	**25.1**
Value adjustment to investment property at fair value	9.4	76.1	67.8
Net losses of value to investment property valued at cost	9.4	(6.1)	(19.1)
Allocation of provisions net of expenses	9.4	(0.2)	2.4
Amortization of client relationships		-	(8.0)
Impairment of goodwill		-	(0.7)
OPERATING PROFIT		**265.1**	**246.3**
Net borrowing costs	9.5	(82.0)	(78.2)
of which: financial expense		*(85.1)*	*(82.4)*
of which: financial income		*3.2*	*4.2*
Changes in value and profit (loss) from disposal of financial instruments	9.6	(80.4)	(10.8)
Profit (loss) on sale of shareholdings		(0.1)	(0.1)
Share of affiliates	9.6	0.9	7.0
Dividends		0.2	0.0
Discounting of payables and receivables		(0.1)	(0.2)
PROFIT BEFORE TAX		**103.6**	**164.0**
Corporate income tax	9.7	(9.6)	(13.7)
NET PROFIT		**94.0**	**150.2**
of which: Net Profit to owners of parent company		88.2	146.1
of which: Non controlling interests		5.8	4.2
Net earnings per share (in €)	**9.8**	**8.80**	**14.39**
Diluted net earnings per share attributable to group shareholders (in €)	**9.8**	**8.61**	**14.22**

Other comprehensive income:

	FY 2011	FY 2010
NET PROFIT	**94.0**	**150.2**
Conversion difference		
OTHER ITEMS OF COMPREHENSIVE PROFIT	**-**	**-**
NET COMPREHENSIVE PROFIT	**94.0**	**150.2**
Of which: Net comprehensive profit of owners of parent company	88.2	146.1
Of which: Net comprehensive profit of shareholdings which do not confer control	5.8	4.2

3.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In € Millions	Note	FY 2011	FY 2010
Cash flows fom operations			
Total consolidated net earnings		**94.0**	**150.2**
Elim. of tax expense (income)	9.7	9.6	13.7
Elim. of net interest expense (income)		82.0	78.2
Net earnings before taxes and net interest		**185.6**	**242.2**
Elim. dof amortization and provisions		4.2	18.8
Elim. of value adjustments	10	10.4	(37.8)
Elim. of gain (loss) on disposal of assets		(6.6)	(28.5)
Elim. of profit (loss) of affiliated companies	8.4	(0.9)	(7.0)
Elim. of gross expense on payments in shares	8.8	6.7	10.8
Elim. of gains from dividends		(0.2)	(0.0)
Gross Cash Flow		**199.3**	**198.5**
Tax paid	8.7	(3.0)	(2.6)
Impact of variation of operating working capital requirement	8.7	17.4	(52.6)
TOTAL CASH FLOWS FROM OPERATIONS		**213.7**	**143.2**
Cash flows from investment activity			
Net asset acquisitions and capitalized expenses	10	(131.5)	(330.3)
Acquisition of consolidated companies, minus cash acquired	10	1.1	(6.3)
Increase of loans and financial claims	8.6	5.7	(5.1)
Disposal of fixed assets and reimbursement of advances and deposits	10	105.4	351.6
Reduction of loans and other financial assets	8.6	2.2	3.0
Disposal of consolidated companies, without deducting cash sold	10	(0.1)	(0.2)
Net variation of money market funds and derivative financial instruments		(42.5)	(26.2)
Dividends received	10	2.9	3.0
Interest received		3.2	4.2
TOTAL CASH FLOWS FROM INVESTMENTS		**(53.6)**	**(6.2)**
Cash flows from financing activity			
Increase/decrease of parent company share capital net of expenses		-	-
Minority shareholders' share in affiliates' share capital increases		1.2	-
Dividends paid to Group shareholders	12	(81.4)	(74.2)
Dividends paid on shareholdings which do not confer control		0.0	2.8
Issue of borrowings and other financial obligations	8.9	282.9	388.8
Repayment of loans and other financial obligations	8.9	(265.3)	(301.3)
Net disposal (acquisition) of treasury shares	8.8	(14.1)	(21.8)
Net variation nette of deposits and guarantees received	8.11	(0.3)	0.2
Interest paid		(82.3)	(84.0)
TOTAL CASH FLOWS FROM FINANCING		**(159.2)**	**(89.5)**
VARIATIONS IN CASH		**0.9**	**47.5**
CASH AT BEGINNING OF FISCAL YEAR	**10**	**257.0**	**209.5**
Cash and equivalent		262.4	216.8
Bank overdraft		(5.5)	(7.4)
CASH AT END OF FISCAL YEAR	**10**	**257.9**	**257.0**
Cash and equivalent		263.2	262.4
Bank overdraft		(5.3)	(5.5)

3.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € Millions	Share Capital	Additional paid-in capital	Elimination of Treasury shares	Reserves and retained earnings	**Total Equity attributable to owners of the parent**	Non-controlling interests	**Total Shareholders' Equity**
AS OF DECEMBER 31, 2009	**120.5**	**609.1**	**(6.0)**	**215.0**	**938.6**	**34.7**	**973.2**
Accounting changes [1]				*(9.9)*	*(9.9)*	*(0.2)*	*(10.1)*
Net income				*146.1*	*146.1*	*4.2*	*150.2*
Translation difference				*(0.0)*	*(0.0)*	*-*	*(0.0)*
Total income, expense and related movements over the period				**146.0**	**146.0**	**4.2**	**150.2**
Dividend distributions		(22.3)		(51.9)	(74.2)	2.8	(71.3)
Value of payments in stock				7.1	7.1	0.0	7.1
Elimination of Treasury shares (note 8.8)			(11.7)	(6.6)	(18.3)	-	(18.3)
Other				(0.1)	(0.1)	0.0	(0.1)
AS OF DECEMBRE 31, 2010	**120.5**	**586.8**	**(17.7)**	**299.7**	**989.2**	**41.5**	**1,030.7**
Net income				*88.2*	*88.2*	*5.8*	*94.0*
Translation difference				*-*	*-*	*-*	*-*
Total income, expense and related movements over the period				**88.2**	**88.2**	**5.8**	**94.0**
Dividend distributions		(76.9)		(4.5)	(81.4)	8.6	(72.8)
Share capital increase				-	-	5.7	5.7
Value of payments in stock				4.4	4.4	-	4.4
Elimination of Treasury shares (note 8.8)			(9.2)	(3.2)	(12.4)	-	(12.4)
Trading of shares which do not confer contriol				0.0	0.0	(0.1)	(0.0)
Changes in scope [2]				-	-	66.4	66.4
AS OF DECEMBRE 31, 2011	**120.5**	**509.9**	**(26.9)**	**384.6**	**988.1**	**128.0**	**1,116.1**

(1) The accounting change applied retroactively to January 1, 2010 is relative to the accounting of advertising expenses in the year they are incurred, without amortizing over time The impact on net earnings to the owners of the parent company is €(2.4) Million in 2011 vs. €(0.9) Million in 2010.
The impact on net earnings to the shareholders who do not have control is €(0.2) Million in 2011 vs. €(0.3) Million in 2010.

(2) In 2011 the changes in scope affecting the share of minority shareholders are mainly related to the acquisition of the RueduCommerce Company (note 5. "Scope of consolidation")

3.6. COSTING-BASED PROFITABILITY ANALYSIS

	2011			2010		
In euros Millions	Funds from Operations	Changes in value, estimated expenses and transaction costs	Total	Funds from Operations	Changes in value, estimated expenses and transaction costs	Total
Rental income	162.1	-	162.1	164.4	-	164.4
Other expenses	(13.4)	-	(13.4)	(12.3)	-	(12.3)
Net rental income	**148.8**	**-**	**148.8**	**152.1**	**-**	**152.1**
External services	16.5	-	16.5	13.6	-	13.6
Capitalized production and change in inventories	15.1	-	15.1	17.3	-	17.3
Operating expenses	(53.1)	(2.8)	(55.9)	(52.2)	(4.4)	(56.6)
Net overhead expenses	**(21.5)**	**(2.8)**	**(24.3)**	**(21.3)**	**(4.4)**	**(25.7)**
Share of affiliates	**8.2**	**(6.2)**	**2.0**	**9.0**	**(1.5)**	**7.5**
Allowances for depreciation, amortization and reserves	**0.0**	**(1.8)**	**(1.8)**	**-**	**1.0**	**1.0**
Net proceeds from the disposal of assets	**-**	**6.3**	**6.3**	**-**	**37.8**	**37.8**
Gains/(losses) in fair value and impairment of investment property	**-**	**70.0**	**70.0**	**-**	**48.7**	**48.7**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**-**	**-**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**135.4**	**65.0**	**200.4**	**139.7**	**81.6**	**221.3**
Retail revenue	-	-	-	-	-	-
Purchases consumed	-	-	-	-	-	-
Gross margin	**-**	**-**	**-**	**-**	**-**	**-**
Commissions from retail operations	**-**	**-**	**-**	**-**	**-**	**-**
Net overhead expenses	**-**	**-**	**-**	**-**	**-**	**-**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
Revenue	821.5	-	821.5	577.4	-	577.4
Cost of sales and other expenses	(719.9)	-	(719.9)	(518.2)	-	(518.2)
Net property income	**101.7**	**-**	**101.7**	**59.2**	**-**	**59.2**
External services	1.0	-	1.0	3.7	-	3.7
Change and finished goods and in-progress inventory	63.0	-	63.0	63.0	-	63.0
Operating expenses	(79.7)	(3.4)	(83.1)	(73.6)	(5.8)	(79.4)
Net overhead expenses	**(15.7)**	**(3.4)**	**(19.0)**	**(6.9)**	**(5.8)**	**(12.7)**
Share of affiliates	**0.1**	**-**	**0.1**	**0.2**	**-**	**0.2**
Net allowances for depreciation, amortization and reserves	**0.0**	**(1.1)**	**(1.1)**	**0.0**	**(5.9)**	**(5.9)**
Transaction costs	**-**	**(4.6)**	**(4.6)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	**86.1**	**(9.1)**	**77.0**	**52.5**	**(11.7)**	**40.9**
Revenue	102.0	-	102.0	65.2	-	65.2
Cost of sales and other expenses	(98.9)	-	(98.9)	(59.3)	-	(59.3)
Net property income	**3.1**	**-**	**3.1**	**5.9**	**-**	**5.9**
External services	6.1	-	6.1	10.6	-	10.6
Change in finished goods and in-progress inventory	3.9	-	3.9	6.0	-	6.0
Operating expenses	(11.7)	(0.9)	(12.6)	(13.8)	(1.2)	(15.0)
Net overhead expenses	**(1.7)**	**(0.9)**	**(2.6)**	**2.9**	**(1.2)**	**1.6**
Share of affiliates	**(1.3)**	**-**	**(1.3)**	**(0.7)**	**-**	**(0.7)**
Net allowances for depreciation, amortization and reserves	**(0.0)**	**(0.3)**	**(0.3)**	**0.0**	**(12.6)**	**(12.6)**
Transaction costs	**-**	**(6.4)**	**(6.4)**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	**0.1**	**(7.6)**	**(7.4)**	**8.1**	**(13.8)**	**(5.8)**
Other	**(1.7)**	**(0.6)**	**(2.3)**	**(2.5)**	**(0.6)**	**(3.2)**
OPERATING PROFIT	**220.0**	**46.0**	**266.0**	**197.8**	**55.4**	**253.3**
Net borrowing costs	**(78.7)**	**(3.2)**	**(82.0)**	**(74.8)**	**(3.7)**	**(78.5)**
Changes in value and profit (loss) from disposal of financial instruments	**-**	**(80.4)**	**(80.4)**	**-**	**(10.8)**	**(10.8)**
PROFIT BEFORE TAX	**141.2**	**(37.6)**	**103.6**	**123.0**	**41.0**	**164.0**
Income Tax	**(0.8)**	**(8.8)**	**(9.6)**	**(0.5)**	**(13.2)**	**(13.7)**
NET PROFIT	**140.4**	**(46.4)**	**94.0**	**122.5**	**27.8**	**150.2**
Non-controlling interests	**(6.1)**	**0.3**	**(5.8)**	**(2.6)**	**(1.6)**	**(4.2)**
NET PROFIT, attributable to Group shareholders	**134.3**	**(46.1)**	**88.2**	**119.8**	**26.2**	**146.1**
Average number of shares after dilution	*10,241,241*		*10,241,241*	*10,274,059*		*10,274,059*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**€13.11**		**€8.61**	**€11.66**		**€14.22**

3.7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1. Compliance statement and basis of preparation

The consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) and interpretations thereon issued by the IASB as adopted by the European Union at December 31, 2011. These standards and interpretations can be consulted at the European Commission's website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

No standard or interpretation that entered into force on January 1, 2011 had a material effect on the Company's consolidated financial statements.

Accounting standards and interpretations in force at January 1, 2011 not having a material effect on accounting and valuation methods for the Group's consolidated financial statements:

- **Amendments to IAS 32** Classification of rights issues
- **Revised IAS 24** Information on related parties
- **Amendments to IFRS 8** pursuant to Revised IAS 24
- **Annual improvements (published by IASB in May 2010)** including
  - IFRS 3 Business combinations
  - IAS 28R Investments in associates
  - IAS 34 Interim financial reporting
  - IAS 1 Disclosure of changes in other financial income
  - IAS 21 The effect of changes in foreign exchange rates
  - IAS 31 Interests in joint ventures: introduction to transitional provisions
  - IAS 32 and 39 Changes of transitional provisions
- **Amendments to IFRIC 14**: Prepayments of a minimum funding requirement
- **IFRIC 19** Extinguishing financial liabilities with equity instruments
- **IFRIC 13** Customer loyalty programs

Accounting standards and interpretations not applied in advance whose application is mandatory after December 31, 2011

- **Amendments to IFRS 7**: Financial instruments: disclosures — transfers of financial assets

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

- **IFRS 9** Financial instruments (Phase 1: classification and measurement of financial assets and liabilities)
- **IAS 12** Recovery of underlying assets
- **IFRS 10** Consolidated financial statements
- **IFRS 11** Joint arrangements
- **IFRS 12** Disclosure of interests in other entities

The impact of the standards on consolidation is currently being assessed by the Company and its executive management with the assistance of the Company's finance and legal department. The notion of control exercised over the subsidiary consolidated according to the proportionate or equity methods is analyzed in light of these new standards. Impacts may be expected from the following:

- **IFRS 13** Fair value measurement
- **IAS 27R** Separate financial statements
- **IAS 28R** Investments in associates and joint ventures
- **Amendments to IAS 19** Employee benefits
- **Amendments to IFRS 1** — Severe hyperinflation and removal of fixed dates for first-time adopters
- **IFRIC 20** Stripping costs in the production phase of a surface mine
- **IAS 1** Presentation of other comprehensive income

1.2. Estimates and assumptions affecting assets and liabilities

Management reviews its estimates and assumptions on a regular basis using its past experience and various other factors deemed reasonable under the circumstances. These estimates 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 amounts for income and expense items and the carrying amount of assets and liabilities. However, actual amounts may differ from those resulting from estimates.

The main items that require estimates at the balance sheet date based on assumptions about the future for which it exists a risk of a material change in the closing date balance sheet value concern the following:

- *Valuation of Intangible assets*
  - Valuation of goodwill (see Notes 1.6 "Business combinations and goodwill" and 7 "Impairment of assets under IAS 36");
  - Valuation of Cogedim brand name (see Notes 1.7 "Intangible assets" and 7 "Impairment of assets under IAS 36").

No indications of impairment were identified in 2011 for the Residential and Office property development CGUs including goodwill and the brand originating from the 2007 acquisition of the subsidiary Cogedim.

- *Valuation of Other assets and liabilities*
  - Valuation of investment properties (see Notes 1.9 "Investment properties" and 1.9.2 "Investment properties under construction or development measured at cost");

– Valuation of inventory (see Note 1.12 "Inventories")
– Valuation of deferred tax assets (see Notes 1.19 "Tax" and 9.7 "Corporate income tax")
– Valuation of share-based payments (see Notes 8.8 share capital, share-based payments and treasury shares);
– Valuation of financial instruments (see Note 11 "Financial instruments of market risks).

- *Operating profit estimates*

– Valuation of net property income and services using the percentage-of-completion method (see note 1.20 "Revenue and revenue-related expenses")

Property, plant and equipment and intangible assets are tested for impairment at least once a year or more if there are external or internal indicators of impairment.

1.3. Investments in joint ventures

In accordance with IAS 31, a joint venture is an entity resulting from a contractual agreement (articles of association, shareholders pact, etc.) whereby two or more parties undertake an economic activity subject to joint control.

Joint control is considered to exist when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (venturers). Joint control is evidenced by a contractual agreement.

The Group has elected for proportionate consolidation of its joint ventures (preferred method under IAS 31). Proportionate consolidation is a method of accounting whereby a venture's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venture's financial statements.

1.4. Investments in associates

In accordance with IAS 28, an associate is an entity over which the Group has significant influence on its financial and operating policies but not control. Significant influence is considered to exist when the Group's interest is 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 recognized at the acquisition cost of the Group's proportionate share of the entity's net assets, 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 share in 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 of the parent company. If necessary, adjustments are made to achieve consistency with the Group's accounting policies.

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

In accordance with IAS 1, the Group's presentation of assets and liabilities is separated into current and non-current items.

- Assets and liabilities that are components of working capital requirements for the normal operating cycle of the activity concerned are classified as current;
- Capitalized assets are classified as non-current, with the exception of (i) financial assets separated between current and non-current 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 business concerned are classified as current as are the portion of other provisions due in less than one year. Provisions that do not meet 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;
- Security deposits and guarantees received under leases are classified as non-current;
- Deferred taxes are all presented as non-current assets or liabilities.

1.6. 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, identifiable assets and liabilities, including contingent liabilities, are recognized at fair value on the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or arising 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. In accordance with revised IFRS 3, the acquisition cost of the shares is expensed.

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

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

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

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

The Group conducts impairment testing of goodwill at the end of each financial year or each interim period (i.e. at least once a year) and more frequently where evidence of impairment exists. The principal indications of impairment for the Residential and Office property development segments are a slower disposal rate for the programs or a contraction in margin levels.

On an exceptional basis, acquisitions of isolated assets by purchasing shares in a company solely for the purpose of holding it as an investment, in the absence of any productive activities implying the existence of contracts related to the asset or employees, are recognized in accordance with IAS 40 "Investment Property" or IAS 2 "Inventories".

1.7. Intangible assets

The Group's intangible assets consist essentially of software, a brand and customer relationships. In accordance with IAS 38:
- Software is recognized at cost and amortized over its useful life generally between 1 year and 3 years;
- The brand asset resulting from the identification of an intangible asset acquired through the Cogedim acquisition (see Note 7.2 "Brand" and 8.1 (Intangible assets") is considered an indefinite life intangible asset and as such not subject to amortization;
- Customer relationship assets arising from the identification of intangible assets acquired in the Cogedim transaction are subject to amortization at the rate at which the acquired backlog of orders is filled or, for the portion relating to purchase options (preliminary sales agreements) acquired, the rate at which development programs are launched. Amortization or impairment charges are recorded for the full amount of these assets.

Brand and customer relationship assets arising from the business combination with Cogedim have been allocated to the cash-generating units included within the Residential and Office Property operating segments and are tested for impairment at least once a year. For further information see Note 7 "Impairment of assets under IAS 36". At December 31, 2011 only the brand asset remained on the balance sheet, as customer relationship assets had been fully amortized or impaired. This brand was allocated to the Residential operating segment.

1.8. Property, plant and equipment

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

1.9. Investment properties

According to IAS 40, investment property is held for the purpose of generating rental income or capital appreciation or both.

Investment properties held by the Group consist primarily of shopping centers and, to a lesser extent, offices and hotels.

The Group's investment property portfolio consists of completed investment properties and properties under construction or development for future use as an investment.

In accordance with IAS 40, Altarea has opted for the fair value model (as opposed to the alternative option of the cost model). On this basis it measures investment properties at fair value whenever it can be determined reliably. Otherwise, they are maintained at cost and tested for impairment at least once a year and where evidence of impairment exists.

The fair value of completed investment property is determined mainly by external appraisals that give valuations inclusive of duties minus the amounts thereon corresponding to transfer taxes and expenses. These duties amount 6.2% in France (same in 2010), 4% in Italy (same in 2010) and 1.5% in Spain (same in 2010).

Since June 30, 2009, external appraisals for the valuation of Altarea Group's property portfolio have been performed by DTZ Eurexi and Icade Expertise for shopping center properties in France and Spain and CBRE for other properties in France. Since June 30, 2011 Retail Valuation Italia (RVI) has been the appraiser for shopping centers in Italy.

The appraisers use two methods:
- The discounted cash flow method (DCF) based on the present value of estimated future cash flows over ten years, taking into account the resale value at the end of the period determined by capitalizing net rental income estimated. In light of prevailing inefficient market conditions, appraisers have in many instances opted to use results obtained from this method;
- The capitalization method according to net rental income. This involves applying a capitalization rate 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 from 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;
- Rises in rental income from incremental rent increases;
- The renewal of leases coming up for expiry;
- A delinquency rate.

Valuations of investment properties at fair value are carried out in accordance with the recommendations of the "Report of the Working Group on the Property Valuation of the assets of Publicly Held Companies" chaired by Georges Barthès de Ruyter issued by the French securities regulator (*Commission des Opérations de Bourse*) in 2000 as well as the RICS Appraisal and Evaluation Standards published by the Royal Institute of Chartered Surveyors (Red Book).

1.9.1. Completed investment property

Completed investment property is systematically measured at fair value.

At December 31, 2011, an external appraisal was performed of all completed investment properties in the portfolio.

1.9.2. Property under construction or development for future use as an investment

For properties developed for future use as an investment, costs incurred, including the costs of purchasing land for the development and construction of buildings, are capitalized once the development project has begun — namely 1) the prospecting, financial-arrangement phase: replying to tenders and pre-letting, prior to the signature of preliminary sales agreements for land and 2) the administrative phase: obtaining authorizations, if necessary with the signature of preliminary purchase agreements for land — and as soon as there exists a reasonable assurance that the administrative authorizations will be granted. These costs are primarily:
- Group internal and external consultancy and management fees;
- Legal fees;
- Demolition costs (where applicable);
- Reservation fees or guarantees;
- Early termination fees;
- Construction costs;
- Interest expense in accordance with revised IAS 23.

Internal fees are primarily project management fees (early-stage project management, up to the obtaining of permits) and program management fees (delegated project management), which from an economic standpoint are cost components of the asset and therefore included in the carrying amount of non-current assets or inventory, as appropriate. The amount of fees included is calculated after elimination of inter-company profit margins.

Since January 1, 2009, investment property under construction (IPUC) has been included within the scope of IAS 40 and is measured at fair value when the criteria previously defined by the company are met.

The Group believes that property under construction can be reliably measured at fair value if most of the uncertainties affecting the determination of fair value have been eliminated, or if the project is considered near completion.

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

Consequently, investment property under construction or development for future use is measured either at cost or at fair value:
- property under development before land is purchased is measured at cost
- Land not yet built on is measured at cost;
- Property under construction is measured at cost or fair value, in accordance with the above criteria and, if the completion date is close to the account-closing date, the property is systematically measured at fair value.

Property under construction or development for future use measured at cost

Property under construction or development for future use measured at cost does not meet the criteria set by the Group to assess whether the fair value of the property can be determined reliably.

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

These properties, recognized at cost in the financial statements, are tested for impairment once a year, or whenever there is evidence of impairment (increase in cost price, reduction in expected rental values, delay in pre-letting, increase in expected capitalization rates, etc.).

The recoverable amount of these assets, still recognized at cost, is assessed by comparing it with cost to completion and the assets' estimated value, on the basis 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 recognized in the income statement under "Impairment losses on investment property."

Investment property under construction measured at fair value

Property under construction measured at fair value meets criteria set by the Group to determine if the property's fair value can be established reliably and the property is near the completion date.

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 completed, taking into account market conditions on the valuation date and the property's specific characteristics. Expenses not yet incurred at the accounting date are deducted from this value.

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

1.10. 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 continuing use.

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

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

The asset is measured at fair value that generally represents the amount agreed upon by the parties minus selling costs.

The Group has no discontinued operations to report for the financial year.

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

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

Goodwill and other indefinite life intangible assets 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 (and certain related liabilities) directly associated or able to be allocated to cash generating units (CGUs) or, if applicable, groups of CGUs, including intangible assets and goodwill, is compared with the recoverable amount of these same CGUs or groups of CGUs, defined as the higher of its net selling price or 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 CGUs or groups of CGUs of the company are presented in note 7 "Impairment of assets under IAS 36".

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:

- Cash flows (before tax) are derived 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 determined on the basis of a normalized cash flow and a growth rate for the activity concerned. This growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

An impairment loss is recognized, if applicable, if the carrying value of assets (and certain related liabilities) is higher than the recoverable value of the CGU or group of CGUs, deducted in priority from goodwill, then other property, plant and equipment and intangible assets on a pro rata basis of their carrying value. The impairment thus recognized is reversible, except for any portion charged to goodwill.

1.12. Inventories

Inventories relate to:
- Property development programs for third parties and the portion of shopping center developments not destined to be held in Altarea's portfolio (hypermarket building shells, parking facilities, etc.);
- Programs whose nature or specific situation results in a decision to classify them as inventory (dealer's stock) or where a final decision on holding them in the portfolio has not been made.

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

"New programs" correspond to programs not yet developed. These programs are stated at cost and include the cost of pre-launch design studies (design and management fees). These outlays are capitalized if the probability that the transaction will be completed is high. If not, these costs are expensed in the period. At the end of the reporting period, a review is conducted of these "new operations" and if completion of the program is uncertain, costs incurred are expensed.

"Programs at land stage" are measured at the land acquisition price plus related costs incurred in purchasing the land, including engineering and management fees.

"Construction work in progress" is 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. Production cost includes the acquisition cost of land, construction costs (inclusive of road and utilities works), technical and program management fees, program marketing fees and sales commissions, advertising expenses directly related to program and other related expenses. Any profit on management fees for services performed within the Group is eliminated.

"Completed programs" consist of units remaining to be sold once the declaration of completion has been filed. An impairment loss is recognized whenever realizable value net of marketing costs is less than the carrying amount.

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

1.13. Trade and other receivables

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

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 the completed percentage of work;
- "Amounts to be invoiced" corresponding to calls for funds not yet issued under off-plan sale or property development contracts; and
- Any advances between calls for funds and the actual percentage of completion at the end of the period. These receivables are not due.

1.14. Financial assets and liabilities (excluding trade and other receivables)

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

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

a) Measurement and recognition of financial assets

- Assets available for sale consist in non-consolidated equity interests recognized at fair value. If fair value cannot be determined reliably, these equity interests are carried at cost. Changes in fair value are recognized in equity, impairment losses in income and, where applicable, any reversals are recognized directly in equity without going through profit or loss.
- Derivative financial instruments are classified as trading assets measured at fair value. The change in fair value of these instruments is recognized in the income statement.
- The Company has no held-to-maturity assets.
- Cash as defined under IAS 7 includes liquid assets in bank current accounts and holdings in money-market funds readily convertible into cash or tradable (i.e. initial maturity of less than three months) and subject to insignificant interest rate risk. The Company exclusively holds money market funds and short-term investments. These assets are carried at fair value. Changes in the fair value of these

instruments are recognized in income with a corresponding adjustment to cash account. Cash and cash equivalents must be immediately available for the needs of the Group or its subsidiaries.

b) Measurement and recognition of financial liabilities

- All borrowings and interest-bearing liabilities are initially recognized at the fair value of the amount received less directly attributable transaction costs. Thereafter, they are carried at amortized cost using the effective interest rate method. The initial effective interest rates were determined by an actuary. The effective interest rates were not reviewed in the environment of declining interest rates as the resulting impact on effective interest rates is marginal.
- Derivative financial instruments are classified as trading assets measured at fair value. Changes in fair value of these instruments are recognized in the income statement if hedge accounting requirements are not met.
- The portion of borrowings and financial liabilities due within less than one year is shown under current liabilities.
- Security deposits paid by shopping center tenants are not discounted.

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

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

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

For other financial assets and liabilities such as OTC derivatives, swaps, caps, etc. traded on active markets (a market with high trading volume and published prices listed on a continuous basis), fair value is estimated by an actuary using commonly accepted models. A mathematical model is used to combine results of calculation methods based on recognized financial theories.

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

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

1.15. 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 recognized in income when own equity instruments of the Company are purchased, sold, issued or canceled.

1.16. 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 by equity instruments or cash. In the Altarea Group, all plans concerning the Altarea shares must be settled in equity instruments.

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

Staff costs 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 for the last three years. This model is adapted to 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.

1.17. Employee benefits

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

a) Benefits payable at retirement

Retirement severance benefits 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 items, as follows:

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

The main assumptions used for estimating pension obligations are as follows:

- Discount rate: Rate of return on AA-rated corporate bonds (Euro zone);
- Mortality table: TF and TH 2000-2002;
- Type of retirement: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- Turnover: actual average annual employee turnover rate over three years;
- Rate of salary increase: 3%-6%.

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 plan assets that may exist. In the Group's case, such an asset exists in the form of an eligible insurance policy written specifically to cover obligations in respect of Cogedim employees.

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

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 recognized 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 benefits

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

e) Short-term benefits

Short-term benefits include in particular a voluntary profit-sharing scheme (*accord d'intéressement*) for employees linked to the results of an employee representation entity known as the "Economic and Social Unit" (*Unité Economique et Sociale* or UES), signed by the service companies of the Group that are UES members and the works council. Benefits also include a statutory employee profit-sharing plan *(plan de participation*) applicable to the profit of the UES in accordance with the provisions of ordinary law.

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

1.18. Provisions and contingent liabilities

In accordance with IAS 37, a provision is recognized when an obligation to a third party is certain or highly probable to result in an outflow of resources embodying economic benefits without any equivalent benefits being received in consideration and 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 pretax yield that reflects the risks specific to the liability.

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

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

1.19. Income tax

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

- Group companies having adopted the SIIC tax status and

therefore exempt from income tax on their ordinary profits and gains on disposals; and
- Companies not eligible for SIIC status and consequently subject to corporate income tax.

Income taxes are recognized in accordance with IAS 12.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced if it is no longer probable that sufficient future taxable profits will be available to permit utilization of all or part of the deferred tax assets. Deferred tax assets are reassessed at the end of each reporting period and recognized when 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 Company'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 realized or the liability settled, on the basis of known tax rates at the end of the reporting period.

Taxes on items recognized directly in equity are also recognized in equity and 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.

1.20. Revenue and revenue-related expenses

Revenue is recognized when it is probable that future economic benefits will flow to the Company and the amounts of income can be reliably measured.

a) Net rental income

Net rental income includes rental revenue and other net rental income less land expenses, non-recovered service charges, management fees and net allowances for impairment of doubtful receivables.

Rental revenue is comprised of gross rent payments, including the effects of spreading stepped rents over the non-cancellable lease term, rent-free periods and other benefits granted by contract to the lessee by the lessor.

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

Land expenses correspond to amounts paid for fees and on long-term land leases and construction leases that are both treated as operating leases.

Non-recoverable rental expenses correspond to charges that are normally passed on to tenants (building maintenance expenses, local taxes, etc.) but are borne by the owner because of tax caps on 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 included in the production cost 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 Residential and Office development as well as on sales of assets related to the shopping center development business (hypermarket building shells, parking facilities, etc.) within the brick-and-mortar Retail segment.

- For **property development**, net property income is recognized 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 operations" are included in net property income.

For these programs, revenue from sales through notarial closings is recognized, in accordance with IAS 18 "Revenue" and IFRIC 15 "Agreements for the construction of real estate", in proportion to the percentage of completion of the program. This is 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 the pre-letting rate determined as a percentage of sales realized relative to total budgeted sales. The critical event that triggers 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).

- For **property trading**, net property income is recognized upon delivery defined as when sales have closed.

c) Net overhead costs

"Net overhead costs" include income and expense items inherent to the normal business operations 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 (property management agents, co-ownership management), and fees for letting and other services (additional work borne by acquirers).

- **Expenses**

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

1.21. 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 Company as lessor

The Company's rental revenue derives primarily from operating leases and is accounted for on a straight-line basis over the entire term of the lease. The Company therefore substantially retains 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-free periods and other benefits granted to lessees) must be recognized on a straight-line basis over the firm lease term understood as the period during which the lessee has no right to cancel. These amounts therefore increase or reduce rental revenue for the period.

- **Treatment of initial lease fees**

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

- **Lessee termination fees**

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

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

- **Early termination fees**

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

a) Replacement of a tenant

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

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

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

Leases in the financial statements with the Company as lessee

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

They are classified as finance leases when they substantially transfer all risks and rewards incident to ownership of the property. Otherwise, they are classified as operating leases.

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

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

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

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

1.23. Fair value adjustments and losses and impairment of investment property

Fair value adjustments for each property are recognized in the income statement under "Fair value adjustments of investment property" and 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 if the property was measured at fair value or cost if the property was stated for the first time at fair value + the amount of construction work and expenses eligible for capitalization during the year + effect of deferral period for stepped rents and rent-free periods net of the deferral of initial lease fees].

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

1.24. 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 programs are capitalized as part of the cost of inventories or property assets under construction or development, during the construction phase of the asset, 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 capitalize finance costs attributable to the program any longer. Management estimates the date on which the capitalization of finance costs may resume.

1.25. 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.

1.26. 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.

1.27. Operating segments (IFRS 8)

IFRS 8 "Operating segments" requires the presentation of information for operating segments chosen to reflect the Group's organization and its internal reporting system, which is presented according to IFRS recognition and measurement principles. Operating segments as defined in the standard are those that measure income and expense items, and whose operating profit is regularly reviewed both by the Company's Managing Partners ("*Gérance*") and executive management as operating decision makers. Each segment includes separate financial information.

Internal reporting of the Company is based on an analysis of results of the period according to:

Funds from operations (FFO);

Changes in value, estimated expenses and transaction costs.

According to these criteria of analysis, operating profit that in this context includes income of equity-accounted associates, is monitored by operating segment.

In addition to this indicator, book assets (and certain related liabilities) are also monitored by operating segment when they are directly related or able to be allocated to a sector. On this basis, they are considered as operating assets for the segment in question.

The Company has the following operating segments:

- "Brick-and-mortar retail": shopping centers that are completed and under development;
- "Online retail";
- "Residential": residential property development;
- "Offices": office property development and investor services.

The items under the heading "Other" make it possible to reconcile the different reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments, financial instruments and their gains and losses from disposals, tax and non-controlling interests in income are allocated by segment. Certain balance sheet items such as financial assets and liabilities are considered as unable to be allocated as are certain deferred tax assets corresponding to the recognition of tax losses.

1. Funds from operations (FFO)

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

- **Operating profit line**

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

Operating cash flow of each sector is presented according to the following framework:

Net income of the segment including the depreciation of current assets:

- Brick-and-mortar retail: net rental income
- Online retail: gross distribution margins, commissions on sales from the online market place,
- Residential and Offices: net property income.

Net overhead costs that include the provision of services offsetting a portion of overhead costs and operating expenses;

Operating expenses defined as:

- staff costs excluding estimated expenses and related items defined below,
- Other operating expenses excluding net allowances for amortization and depreciation and non-current provisions,
- Other segment income and expenses excluding transaction costs defined below,
- Expenses covered by the reversal of provisions used;

- The share of associates: the share of equity-accounted companies excluding the share in income recognized from changes in value.

- **Net borrowing costs line**

The cost of the net debt excluding estimated expenses defined below.

- **Income tax line**

Tax expenses payable in the period excluding deferred tax.

- **Non-controlling interests line**

The share of funds from operations attributable to non-controlling interests. After deducting the portion of the funds from operations attributable to non-controlling interest, the Group share of funds from operations (FFO), attributable to the Group is presented, i.e. the portion attributable to equity holders of the parent followed by the Group share of funds from operations per share.

2. Changes in value, estimated expenses and transaction costs

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

The relevant indicator for monitoring value is the change in going concern net asset value to which the funds from operations contribute. 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

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

- **Operating profit line**

Changes in value concern gains and losses for the brick-and-mortar Retail segment:

- from these disposal of assets including net property income from off-plan (VEFA) sales of buildings, and when applicable, exceptional indemnities received and equivalent amounts in economic terms for the asset sold;
- from the value of investment properties including adjustments for buildings measured at fair value or as trading assets and, on the other hand, losses from buildings measured at cost;

Estimated expenses include**:**

- Expenses or net allowances for the period related to share-based payments or other employee benefits granted;
- Allowances for amortization or depreciation net of reversals for non-current assets other than investment properties including those relating to intangible assets or goodwill identified in connection with business combinations;
- Allowances for non-current provisions net of used or unused provisions.

Transaction costs include fees and other nonrecurring expenses incurred in connection with corporate development not eligible for capitalization (for example expenses incurred from business combinations or acquiring equity interests, whether completed or not) or that are not eligible to be included under issuance costs (for example, certain commissions incurred relating to capital management).

- **Borrowing costs line**

These concern estimated expenses corresponding to the amortization of bond issuance costs.

- **Changes in fair value and gains/(losses) on the sale of financial instruments line**

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

- **Income tax line**

Deferred tax recognized for the period.

- **Non-controlling interests line**

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

2. ACCOUNTING CHANGES

2.1. New operating segments

In 2011, the Company voluntarily decided to introduce a change in its accounting method to reflect changes in the Company's operating organization and reporting and resulting in the combination or separation of certain operating segments.

Accordingly, following IFRS 8, segment information is now presented according to the following operating segments:

- "Brick-and-mortar retail" corresponding to the combination of operating segments previously referred to as "Completed shopping centers" and "Shopping centers under development for future use" now managed jointly by a single team;
- "Residential" and "Offices" operating segments previously forming a single operating segment, "Property development for third parties", both with financial resources and reporting managed by dedicated teams.

This change in accounting method was applied on a retrospective basis.

After the acquisition of RueduCommerce, the "Online retail" segment was created.

Detailed information on the application of IFRS 8 is presented in note 1.27 and segment information is presented in note 3.

2.2. Advertising costs

Until December 31, 2010, the Company capitalized in inventory advertising expenses directly related to property development programs that were expensed as the developments programs advanced. The Company now expenses advertising costs directly related to development operations in the period and no longer spread over several periods. As previously, they are included for determining net property income.

This change was applied on a retrospective basis. These impacts are indicated at the bottom of the statement of changes in equity and presented in detail in the notes on the specific items impacted (8.7. "Inventories and work in progress", 9.2. "Net property income" and 9.7. "Income tax").

3. OPERATING SEGMENTS

3.1. Income statement items by operating segment

	2011			2010		
In € Millions	Funds from Operations	Variations in value, calculated expenses and transaction costs	Total	Funds from Operations	Variations in value, calculated expenses and transaction costs	Total
Rental income	162.1	-	162.1	164.4	-	164.4
Other expenses	(13.4)	-	(13.4)	(12.3)	-	(12.3)
Net rents	**148.8**	**-**	**148.8**	**152.1**	-	**152.1**
Services to non-Group entities	16.5	-	16.5	13.6	-	13.6
Production to inventory	15.1	-	15.1	17.3	-	17.3
Operating expenses	(53.1)	(2.8)	(55.9)	(52.2)	(4.4)	(56.6)
Net overhead	**(21.5)**	**(2.8)**	**(24.3)**	**(21.3)**	**(4.4)**	**(25.7)**
Share of affiliated companies	**8.2**	**(6.2)**	**2.0**	**9.0**	**(1.5)**	**7.5**
Net increase in amortization and depreciation	**0.0**	**(1.8)**	**(1.8)**	**-**	**1.0**	**1.0**
Gains/losses on asset disposals	**-**	**6.3**	**6.3**	**-**	**37.8**	**37.8**
Gains/losses on value of investment property	**-**	**70.0**	**70.0**	**-**	**48.7**	**48.7**
Transaction costs	**-**	**(0.6)**	**(0.6)**	**-**	**-**	**-**
PROFIT (LOSS) BRICK-AND-MORTAR RETAIL	**135.4**	**65.0**	**200.4**	**139.7**	**81.6**	**221.3**
Revenues from distribution	-	-	-	-	-	-
Purchases consumed	-	-	-	-	-	-
Gross margin	**-**	**-**	**-**	**-**	**-**	**-**
Mall fees	**-**	**-**	**-**	**-**	**-**	**-**
Net overhead	**-**	**-**	**-**	**-**	**-**	**-**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
PROFIT (LOSS) ONLINE RETAIL	**-**	**(1.7)**	**(1.7)**	**-**	**-**	**-**
Revenues	821.5	-	821.5	577.4	-	577.4
Cost of sales and other expenses	(719.9)	-	(719.9)	(518.2)	-	(518.2)
Property Margin	**101.7**	**-**	**101.7**	**59.2**	**-**	**59.2**
Services to non-Group entities	1.0	-	1.0	3.7	-	3.7
Production to inventory	63.0	-	63.0	63.0	-	63.0
Operating expenses	(79.7)	(3.4)	(83.1)	(73.6)	(5.8)	(79.4)
Net overhead	**(15.7)**	**(3.4)**	**(19.0)**	**(6.9)**	**(5.8)**	**(12.7)**
Share of affiliated companies	**0.1**	**-**	**0.1**	**0.2**	**-**	**0.2**
Net increase in amortization and depreciation	**0.0**	**(1.1)**	**(1.1)**	**0.0**	**(5.9)**	**(5.9)**
Transaction costs	**-**	**(4.6)**	**(4.6)**	**-**	**-**	**-**
PROFIT (LOSS) RESIDENTIAL	**86.1**	**(9.1)**	**77.0**	**52.5**	**(11.7)**	**40.9**
Revenues	102.0	-	102.0	65.2	-	65.2
Cost of sales and other expenses	(98.9)	-	(98.9)	(59.3)	-	(59.3)
Property Margin	**3.1**	**-**	**3.1**	**5.9**	**-**	**5.9**
Services to non-Group entities	6.1	-	6.1	10.6	-	10.6
Production to inventory	3.9	-	3.9	6.0	-	6.0
Operating expenses	(11.7)	(0.9)	(12.6)	(13.8)	(1.2)	(15.0)
Net overhead	**(1.7)**	**(0.9)**	**(2.6)**	**2.9**	**(1.2)**	**1.6**
Share of affiliated companies	**(1.3)**	**-**	**(1.3)**	**(0.7)**	**-**	**(0.7)**
Net increase in amortization and depreciation	**(0.0)**	**(0.3)**	**(0.3)**	**0.0**	**(12.6)**	**(12.6)**
Transaction costs	**-**	**(6.4)**	**(6.4)**	**-**	**-**	**-**
PROFIT (LOSS) OFFICE	**0.1**	**(7.6)**	**(7.4)**	**8.1**	**(13.8)**	**(5.8)**
Other	(1.7)	(0.6)	(2.3)	(2.5)	(0.6)	(3.2)
OPERATING MARGIN	**220.0**	**46.0**	**266.0**	**197.8**	**55.4**	**253.3**
Net cost of borrowing	**(78.7)**	**(3.2)**	**(82.0)**	**(74.8)**	**(3.7)**	**(78.5)**
Variations in value and profit (loss) from disposal of financial instruments	**-**	**(80.4)**	**(80.4)**	**-**	**(10.8)**	**(10.8)**
PROFIT BEFORE TAX	**141.2**	**(37.6)**	**103.6**	**123.0**	**41.0**	**164.0**
Corporate Income Tax	**(0.8)**	**(8.8)**	**(9.6)**	**(0.5)**	**(13.2)**	**(13.7)**
	(0.8)		*(0.8)*	*(0.5)*		*(0.5)*
		(8.8)	*(8.8)*		*(13.2)*	*(13.2)*
NET PROFIT	**140.4**	**(46.4)**	**94.0**	**122.5**	**27.8**	**150.2**
Minority shareholders	(6.1)	0.3	(5.8)	(2.6)	(1.6)	(4.2)
NET PROFIT, Group share	134.3	(46.1)	88.2	119.8	26.2	146.1
Average number of shares after dilution	*10,241,241*		*10,241,241*	*10,274,059*		*10,274,059*
NET EARNINGS PER SHARE (€/Share), Group Share	**13.11**		**8.61**	**11.66**		**14.22**

3.2. Balance sheet items by operating segment

At December 31, 2011

In € Millions	Brick-and-mortar Retail	Online Retail	Residential	Office	Other	Total
Operating Assets and Liabilities						
INTANGIBLE ASSETS	**16.2**	**64.8**	**174.6**	**9.1**	**0.3**	**264.9**
of which: Goodwill	*15.7*	*64.4*	*104.0*	*9.0*		*193.1*
of which: Brands			*66.6*			*66.6*
of which: Other intangible assets	*0.5*	*0.4*	*4.0*	*0.0*	*0.3*	*5.2*
TANGIBLE ASSETS	**5.0**	**1.1**	**6.8**	**0.0**	**0.0**	**12.9**
INVESTMENT PROPERTY	**2,820.6**		**0.0**	**(0.0)**		**2,820.5**
of which: Investment property at fair value	*2,625.5*		*0.0*			*2,625.5*
of which: Investment property at cost	*195.0*		*(0.0)*	*(0.0)*		*195.0*
SHAREHOLDINGS IN AFFILIATED COMPANIES	**75.8**		**0.2**	**0.4**		**76.4**
NET DEFERRED TAXES	**(24.5)**	**(0.4)**	**(49.1)**	**1.0**	**96.9**	**23.9**
of which: tax deferred through loss	*12.2*				*89.9*	*102.1*
of which: tax deferred through other timing differences	*(36.7)*	*(0.4)*	*(49.1)*	*1.0*	*7.0*	*(78.2)*
ASSETS TO BE SOLD	**55.3**					**55.3**
OPERATING WORKING CAPITAL REQUIREMENT	**15.0**	**5.3**	**253.9**	**(15.4)**	**4.1**	**262.9**
of which: Inventories and work in progress	*6.4*	*31.7*	*582.9*	*63.3*		*684.2*
of which: Receivables and other claims	*102.9*	*35.7*	*220.7*	*21.0*	*3.8*	*384.1*
of which: Accounts payable and other amounts owed	*94.4*	*62.0*	*549.7*	*99.7*	*(0.3)*	*805.5*
Total operating assets and liabilities	**2,963.2**	**70.7**	**386.4**	**(4.9)**	**101.4**	**3,516.8**
GROSS INCREASE IN INVESTMENT PROPERTY	111.7					111.7
of which: Investment property at fair value	*38.7*					*38.7*
of which: Investment property at cost	*73.0*					*73.0*

At December 31, 2010

In € Millions	Brick-and-mortar Retail	Residential	Office	Other	Total
Operating Assets and Liabilities					
Intangible assets	**16.1**	**174.4**	**9.0**	**0.0**	**199.6**
of which: Goodwill	*15.7*	*104.0*	*9.0*		*128.7*
of which: Brands		*66.6*			*66.6*
of which: Other intangible assets	*0.4*	*3.8*		*0.0*	*4.3*
TANGIBLE ASSETS	**6.3**	**5.9**		**0.0**	**12.2**
INVESTMENT PROPERTY	**2,757.3**				**2,757.3**
of which: Investment property at fair value	*2,606.4*				*2,606.4*
of which: Investment property at cost	*150.9*				*150.9*
SHAREHOLDINGS IN AFFILIATED COMPANIES	**76.4**	**0.3**	**0.1**		**76.9**
NET DEFERRED TAXES	**(21.6)**	**(33.1)**	**(7.2)**	**95.0**	**33.2**
of which: tax deferred through loss	*4.2*			*90.8*	*95.0*
of which: tax deferred through other timing differences	*(25.8)*	*(33.1)*	*(7.2)*	*4.2*	*(61.8)*
ASSETS TO BE SOLD	**52.7**				**52.7**
OPERATING WORKING CAPITAL REQUIREMENT	**24.3**	**180.1**	**27.7**	**18.3**	**250.4**
of which: Inventories and work in progress	*6.5*	*562.1*	*62.4*		*631.0*
of which: Receivables and other claims	*112.9*	*202.8*	*23.8*	*2.7*	*342.2*
of which: Accounts payable and other amounts owed	*95.1*	*584.9*	*58.5*	*(15.6)*	*722.9*
TOTAL OPERATING ASSETS AND LIABILITIES	**2,911.4**	**327.6**	**29.7**	**113.4**	**3,382.1**
GROSS INCREASE IN INVESTMENT PROPERTY	277.2				277.2
of which: Investment property at fair value	*206.9*				*206.9*
of which: Investment property at cost	*70.3*				*70.3*

3.3. Revenue by geographical area

In 2011, as in 2010, no single customer accounted for 10% of the Group's revenue.

	FY 2011				FY 2010			
In € Millions	France	Italy	Spain	Total Group	France	Italy	Spain	Total Group
Rental income	128.6	25.8	7.7	162.1	133.6	23.1	7.6	164.4
Services to non-Group entities	16.1	0.1	0.3	16.5	11.4	1.9	0.3	13.6
Net property income	3.7			3.7	28.7			28.7
Brick-and-mortar Retail	**148.4**	**25.9**	**8.0**	**182.3**	**173.7**	**25.0**	**7.9**	**206.6**
Revenues from sales								
Mall fees								
On-line Retail	-	-	-	-				
Sales	821.5			821.5	577.4			577.4
Services to non-Group entities	1.0			1.0	3.7			3.7
Residential	**822.6**	-	-	**822.6**	**581.1**	-	-	**581.1**
Sales	102.0			102.0	65.2			65.2
Services to non-Group entities	6.1			6.1	10.6			10.6
Office	**108.1**	-	-	**108.1**	**75.8**	-	-	**75.8**
Services to non-Group entities	0.1			0.1				
Other	**0.1**			**0.1**				
Total Revenues	**1,079.2**	**25.9**	**8.0**	**1,113.1**	**830.6**	**25.0**	**7.9**	**863.5**

4. ANNUAL HIGHLIGHTS

4.1. Fiscal 2011

Brick-and-mortar retail

The capitalization rate for brick-and-mortar retail contracted marginally [2] (-14bp) in an environment where consumer spending remained steady with a gain of 0.2% in the period compared with 1.3% in 2010, and with an outlook for growth of approximately 0.5%

Against the backdrop of weak growth "Brick-and-mortar retail" registered a steady performance with revenue for Group shopping center tenants up 0.5% like-for-like compared with the national index, which contracted 0.8%. Retail Parks and Family Villages continued to outperform other formats with 2.2% like-for-like growth in line with the structural trend since 2006.

In 2011 Altarea Cogedim continued to shift the weighting of its asset allocation to regional centers and large-format Retail Parks with the Family Village® concept.

Altarea Cogedim completed disposals for €104 million in assets and €55 million with preliminary sales agreements recorded under held for sale assets.

Disposals in the period included:

- The Retail Parks of Tours, Herblay and Brives la Gaillarde on January 26, 2011;
- The Family Village® of Crèches sur Saône on June 1, 2011;
- The shopping center in Vichy on December 8, 2011;
- The shopping center in Thionville on December 14, 2011 following its completion on August 24, 2011.

Furthermore, Altarea Cogedim's continued development was highlighted by:

- Project management for the 296,000 ft² (27,500 m²) GLA Retail Park in the south of Nîmes after purchasing land benefiting from administrative and commercial authorizations;
- Commercial authorizations obtained for:
  - 308,000 ft² (28,600 m²) GLA extension of the Les Hunaudières Family Village® located in Ruaudin southeast of Le Mans;
  - The 646,000 ft² (60,000 m² GLA) Promenade de Flandre Family Village® project servicing the towns of Tourcoing, Roncq and Neuville-en-Ferrain developed in partnership with Immochan;
  - As well as refurbishment/extension projects in Toulouse and Massy for a GLA of 132,500 ft² (12,300 m²).
- The beginning of work in a 50% partnership with Orion on the 682,500 ft² (63,400 m²) GLA Villeneuve-la-Garenne regional center in northwest Paris, the Toulouse extension and the Bercy Village refurbishment;
- Delivery of the shopping centers of Tourcoing on April 6, 2011 and Thionville on August 24, 2011, with the second having subsequently been sold.

Online retail

To support the integration in the consumer shopping experience of Internet and new communications tools, on December 12, 2011, Altarea Cogedim's acquired a controlling interest in RueduCommerce, a French public limited company (*société anonyme*) listed on NYSE Euronext Paris (Eurolist compartment C) and one of France's leading online retailers.

[2] *The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties. The weighted average capitalization rate was 6.21% at December 31, 2011.*

This acquisition was the result of an off-market exchange in conjunction with the signature of the shareholders' agreement between Altarea Cogedim and the founding managers, Gauthier Picquart and Patrick Jacquemin. See note 6 "Business combinations". In conjunction with these transactions, Altarea Cogedim launched a friendly takeover bid and filed a preliminary tender offer prospectus on October 27. On February 12, 2011, the French securities regulator, the AMF (*Autorité des Marchés Financiers*) published the results of the exchange offer (*avis de résultat définitif*) showing that Altacom holds 10,858,293 shares of RueduCommerce representing an equivalent number of voting rights or 96.54% of the share capital and 96,49% of the voting rights.

Through this acquisition Altarea Cogedim became the 1st multi-channel property company.

Residential

The resumption of growth in 2011 reflects the recovery that began in 2009 though with a deferred impact on sales from the time-lag in completing these types of projects (with on average 18 to 24 months between the commercial inception with the reservation and the recognition of revenue on a percentage-of-completion basis). Revenue recognized on a percentage-of-completion basis rose 42% to €821.5 million in the period, up from €577.4 million at December 31, 2010. Net property income represented 12.4% of revenue, gaining 2.1 points from the prior year:

New housing sales in France slowed in 2011 compared with the prior period with less than 103,300 sales[2] compared with 115,400 sales last year. This reversal reflects the slump in sales to individuals after a strong contribution in 2010.

In a more sluggish market, Altarea Cogedim's Residential property division continued to build market share with reservations for new housing units of €1.205 billion including tax[3] in 2011, up 14% excluding the exceptional impact of the Laennec program in terms of reservations with €52 million in 2011 compared with €280 million in 2010. At the end of 2011, the backlog[4] amounted to €1.620 billion excluding tax or 24 months' sales providing the Group with excellent visibility for future results of residential property development.

Offices

With transactions concluded for 1,001,000 ft.² (93,000 m²) and a significant volume of deliveries (1,830,000 ft² or 170,000 m² including 936,500 ft.² or 87,000 m² for the First tower in the Paris La Défense business district), Altarea Cogedim's teams successfully leveraged their expertise in the period in a market that is still recovering. At the end of 2011, the backlog amounted to €157 million or 18 months' sales.

At December 31, 2011, Altarea Cogedim completed the final closing of its office property investment vehicle, AltaFund, with total equity commitments of €600 million. This fund will eventually have an investment capacity of over €1.2 billion including leverage to finance the creation or refurbishment of office property assets. Altarea Cogedim Entreprise is a 16.67% investor in this vehicle and is also its general partner.

Altarea Cogedim has thus strengthened and expanded its capacity to intervene in this strategic market with the Group's coverage now ranging from development and delegated project management to investment, fund management and asset management.

4.2. Fiscal 2010

Brick-and-mortar retail

On June 30, 2010, the consortium comprising Altarea and two of its core shareholders, ABP and Predica, acquired the Cap 3000 regional shopping center in Saint Laurent du Var (Alpes-Maritimes) from the Galeries Lafayette Group. Cap 3000 is one of the largest shopping centers in France. It is located on an exceptional site with significant potential for rent increases and retail space extensions. The transaction entailed acquiring control of Aldeta, a company listed on NYSE Euronext Paris (Compartment B) following the signature of a contract of sale dated May 7, 2010. In an off-market transaction by Alta Blue, a company 33.33% owned by Altarea, Alta Blue acquired 26,383,822 of the 26,431,186 shares in Aldeta for a provisional price of €292,407,000 plus €160,004,536 in reimbursements of shareholders' advances. (see Note 8.3 under the item "Acquisition of equity interest in Aldeta"). Upon completion of this transaction, Alta Blue launched a guaranteed price offer for Aldeta in accordance with AMF regulations. At the close of the offer period, on December 2, 2010, Alta Blue had acquired 40,700 of the 47,364 Aldeta shares outstanding. At December 31, 2010, there remained 6,664 Aldeta shares outstanding.

Three new shopping centers developed on a proprietary basis were opened during the year:

- The Kremlin Bicêtre "Okabé" shopping and office complex in the Paris area, developed in association with Caisse des Dépôts, opened its shopping mall on March 25, and its office area in April 2010. This is the first shopping center to receive HQE® Green certification;

(2) *Source: French Ministry of Housing: based on the number of reservations.*
(3) *Reservations represent preliminary sales agreements for a given period signed by customers for property units.*
(4) *The backlog (or order book) comprises revenues excluding tax from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.*

- The "Le Due Torri" shopping center in Stezzano, a suburb of Bergamo in Italy's Lombardy region, was inaugurated on 13 April 2010;
- The Family Village® shopping center in Limoges was inaugurated on 28 September.

A number of properties were sold in 2010 for a total consideration of more than €330 million:

- The "Espace Saint-Georges" shopping center in the heart of Toulouse was sold to Commerz Real on April 22, 2010 for €90 million. Altarea continues to operate this property for Commerz Real. The property for which a preliminary sales agreement existed on December 31, 2009, was classified under assets held for sale for the €90 million contract price.
- The property complex at 39-41, avenue de Wagram in Paris was sold to Deka-ImmobilienEuropa on June 30, 2010 for €113.8 million. This 118,500 ft.² (11,000 m²) complex comprises the 5-star Marriott Renaissance Paris Arc de Triomphe Hotel, the Salle Wagram listed as a historical monument, and three home decoration stores. On June 15, 2010, the business franchise for Salle Wagram was sold to Eurosites, which has operated the venue for many years. Altarea Cogedim retains the business franchise for the hotel that is operated by Marriott.
- Two properties located in downtown Brest were sold on December 21 for a total of €99 million;
- A block of retail parks in Saint-Aunès, Noyon and Pierrelaye was sold on November 15;.—And, lastly, two non-core assets in Aulnay-sous-Bois and Rouen were sold on October 8 and December 23.

Residential

New housing sales continued to be buoyed by the stimulus measures implemented by the French government to promote homeownership ("*loi Scellier*"). Completed notarized sales for new housing rose to €1,291 million in 2010 from €720 million in 2009.

On 10 June 2010, Altarea purchased the former Laennec hospital site in the 7th district of Paris, which has a building permit for a residential, retail and office complex except for the Croix Historiques buildings. Altarea concurrently signed two off-plan sales contracts to convert these historic buildings into offices and shops. Demolition work began in July and construction will start in early 2011 with completion scheduled for the third quarter of 2013.

Offices

During 2010, the Commercial Property development business picked up in a market where buyers are still in a wait-and-see mode. Commercial property take-up amounted to €332 million, an increase of €162 million over 2009. Among other deals, Altarea-Cogedim signed two property development contracts to convert the historical former Hôtel-Dieu in Marseille into a 5-star hotel and the former courthouse in Nantes into a 4-star hotel.

Other events

On June 18, Altarea acquired a significant stake (approximately 41%) through a rights issue of 8 minutes 33, a company specialized in the development, installation and operation of rooftop solar power generators.

5. SCOPE OF CONSOLIDATION

5.1. List of companies included in the consolidated financial statements

Company	Siren registration number	12/31/2011			12/31/2010		
		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
— Brick-and-mortar retail France							
3 communes SNC	352721435	GC	100.0	100.0	GC	100.0	100.0
Aix 2 SNC	512951617	PC	50.0	50.0	PC	50.0	50.0
Aldeta SA	311765762	PC	33.3	33.3	PC	33.3	33.3
Alta Aubette SNC	452451362	GC	65.0	100.0	GC	65.0	100.0
Alta Berri SAS	444561385	GC	100.0	100.0	GC	100.0	100.0
Alta Carré de Soie SCI	449231463	PC	50.0	50.0	PC	50.0	50.0
Alta Cite SAS	483543930	GC	65.0	100.0	GC	65.0	100.0
Alta CRP Aubergenville SNC	451226328	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Gennevilliers SNC	488541228	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Guipavas SNC	451282628	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Investissements SNC	484691084	-	0.0	0.0	GC	100.0	100.0
Alta CRP La Vallette SNC	494539687	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Montmartre SAS	450042247	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Puget SNC	492962949	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Rambouillet SNC	487897985	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Ris Orangis SNC	452053382	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Ruaudin SNC	451248892	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Valbonne SNC	484854443	GC	100.0	100.0	GC	100.0	100.0
Alta CRP Vivienne SAS	449877950	GC	100.0	100.0	GC	100.0	100.0
Alta Developpement Espagne SAS	490874807	-	0.0	0.0	GC	100.0	100.0
Alta Developpement Italie SAS [(1)]	444561476	GC	96.2	100.0	GC	96.2	100.0
Alta Developpement Russie SAS	477997712	-	0.0	0.0	GC	100.0	100.0
Alta Drouot SAS	450042296	GC	100.0	100.0	GC	100.0	100.0
Alta Les Hunaudieres SNC	528938483	GC	100.0	100.0	GC	100.0	100.0
Alta Mulhouse SNC	444985568	GC	65.0	100.0	GC	65.0	100.0
Alta Nouveau Port La Seyne SCI	501219109	GC	100.0	100.0	GC	100.0	100.0
Alta Ollioules 1 SASU	513813915	GC	100.0	100.0	GC	100.0	100.0
Alta Ollioules 2 SASU	513813956	GC	100.0	100.0	GC	100.0	100.0
Alta Pierrelaye SNC	478517204	GC	100.0	100.0	GC	100.0	100.0
Alta Rambouillet (Cinéma — ex-Alta Ronchin)	484693841	GC	100.0	100.0	GC	100.0	100.0
Alta Saint Augustin SAS	518311725	GC	100.0	100.0	GC	100.0	100.0
Alta Saint Honore SAS	430343855	GC	100.0	100.0	GC	100.0	100.0
Alta Thionville SNC	485047328	GC	65.0	100.0	GC	65.0	100.0
Alta Tourcoing SNC	485037535	GC	65.0	100.0	GC	65.0	100.0
Alta Troyes SNC	488795790	GC	65.0	100.0	GC	65.0	100.0
Altablue SAS	522193796	PC	33.3	33.3	PC	33.3	33.3
Altarea France SAS	324814219	GC	100.0	100.0	GC	100.0	100.0
Altarea Les Tanneurs SNC	421752007	GC	100.0	100.0	GC	100.0	100.0
Altarea Management	509105375	GC	100.0	100.0	GC	100.0	100.0
Altarea Promotion Commerce SNC	420490948	GC	100.0	100.0	GC	100.0	100.0
Altarea SCA	335480877	GC	100.0	100.0	GC	100.0	100.0
Altarea SNC	431843424	GC	100.0	100.0	GC	100.0	100.0
Aubergenville 2 SNC	493254015	GC	100.0	100.0	GC	100.0	100.0
Avenue Fontainebleau SAS	423055169	GC	65.0	100.0	GC	65.0	100.0
Avenue Paul Langevin SNC	428272751	GC	100.0	100.0	GC	100.0	100.0
Bercy Village 2 SCI	419669064	GC	85.0	100.0	GC	85.0	100.0
Bercy Village SCI	384987517	GC	85.0	100.0	GC	85.0	100.0
Bordeaux Sainte-Eulalie SNC	432969608	GC	100.0	100.0	GC	100.0	100.0
Centre commercial de Thiais SNC	479873234	GC	100.0	100.0	GC	100.0	100.0
Centre commercial de Valdoly SNC	440226298	GC	100.0	100.0	GC	100.0	100.0
Centre commercial du KB SNC	485045876	GC	65.0	100.0	GC	65.0	100.0
Centre d'affaire du KB SCI	502543259	GC	65.0	100.0	GC	65.0	100.0

(1) The reported percentage of ownership interest in SAS Alta Développement Italie and its subsidiaries represents the theoretical allocation rate of dividends for class A and B shares after payment of preferred dividends on class B shares wholly-owned by the Group.

Company	Siren registration number	12/31/2011			12/31/2010		
		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
CIB SCI	414394486	EM	49.0	49.0	EM	49.0	49.0
Cœur Chevilly SNC	491379624	PC	50.0	50.0	PC	50.0	50.0
Creches Invest SNC	488347352	GC	100.0	100.0	GC	100.0	100.0
Drouet d'Erlon SNC	412375602	GC	100.0	100.0	GC	100.0	100.0
Espace Grand Rue SCI	429348733	PC	32.5	32.5	PC	32.5	32.5
Foncière Cézanne Matignon SNC	348024050	GC	100.0	100.0	GC	100.0	100.0
Foncière Altarea SAS	353900699	GC	100.0	100.0	GC	100.0	100.0
Foncière Cézanne Mermoz SNC	445291404	GC	100.0	100.0	GC	100.0	100.0
Gennevilliers 2 SNC	452052988	GC	100.0	100.0	GC	100.0	100.0
Gm Marketing SAS	437664568	GC	100.0	100.0	GC	100.0	100.0
Grand Tour SNC	412781809	GC	100.0	100.0	GC	100.0	100.0
Hippodrome Carré de Soie SARL	493455810	PC	50.0	50.0	PC	50.0	50.0
Jas de Bouffan SNC	508887619	GC	100.0	100.0	GC	100.0	100.0
Le Havre Centre commercial René Coty SNC	407943620	PC	50.0	50.0	PC	50.0	50.0
Les Clausonnes Investissement SARL	411985468	GC	100.0	100.0	GC	100.0	100.0
Les Clausonnes SCI	331366682	GC	100.0	100.0	GC	100.0	100.0
Lille Grand Place SCI	350869244	GC	99.0	100.0	GC	99.0	100.0
Limoges Invest SCI	488237546	GC	75.0	100.0	GC	75.0	100.0
Mantes Gambetta — ex-Alta Coparts SNC	499108207	GC	100.0	100.0	GC	100.0	100.0
Massy SEP	424120178	GC	100.0	100.0	GC	100.0	100.0
Matignon Commerce SNC	433506490	GC	100.0	100.0	GC	100.0	100.0
Monnet Liberté SNC	410936397	PC	50.0	50.0	PC	50.0	50.0
Nanterre Quartier de l'Université SAS	485049290	PC	50.0	50.0	PC	50.0	50.0
Nimes - SCI Retail Park Les Vignoles	512086117	GC	100.0	100.0	-	0.0	0.0
Opec SARL	379873128	GC	99.7	100.0	GC	99.7	100.0
Opec SNC (created in 2011)	538329970	GC	100.0	100.0	-	0.0	0.0
Ori Alta SNC	433806726	PC	50.0	50.0	PC	50.0	50.0
Petit Menin SCI	481017952	PC	50.0	50.0	PC	50.0	50.0
Plaisir 1 SNC	420718348	GC	100.0	100.0	GC	100.0	100.0
Plaisir 2 SNC	420727711	GC	100.0	100.0	GC	100.0	100.0
RE de l'Hôtel de Ville SCI	440848984	PC	40.0	40.0	PC	40.0	40.0
Reims Buirette SCI	352795702	GC	100.0	100.0	GC	100.0	100.0
Roosevelt SAS	524183852	GC	100.0	100.0	GC	100.0	100.0
SCI Cœur d'Orly Bureaux	504255118	PC	25.0	25.0	PC	25.0	25.0
SCI Holding Bureaux Cœur d'Orly	504017807	PC	50.0	50.0	PC	50.0	50.0
SCI Kléber Massy	433972924	GC	100.0	100.0	GC	100.0	100.0
SCI Lievin Invest	444402887	EM	49.0	49.0	EM	49.0	49.0
Sillon 2 SNC	420718082	GC	100.0	100.0	GC	100.0	100.0
Sillon 3 SAS	422088815	GC	100.0	100.0	GC	100.0	100.0
Sillon SAS	410629562	GC	100.0	100.0	GC	100.0	100.0
Snc Alta Les Essarts (ex-SNC du Sud du Centre commercial de Thiais SNC)	480044981	GC	100.0	100.0	GC	100.0	100.0
Snc Cœur d'Orly Commerce	504831207	PC	25.0	25.0	PC	25.0	25.0
Snc Holding Commerce Coeur d'Orly	504142274	PC	50.0	50.0	PC	50.0	50.0
SNC Toulouse Gramont (ex PPI)	352076145	GC	100.0	100.0	GC	100.0	100.0
SO.R.A.C. SNC	330996133	GC	100.0	100.0	GC	100.0	100.0
Société d'Amenagement de la Gare de l'Est SNC	481104420	GC	100.0	100.0	GC	100.0	100.0
Société du Centre commercial Massy SNC	950063040	GC	100.0	100.0	GC	100.0	100.0
Socobac SARL	352781389	GC	100.0	100.0	GC	100.0	100.0
Ste Aménagement Mezzanine Paris Nord SA	422281766	EM	40.0	40.0	EM	40.0	40.0
Teci et Cie SNC	333784767	GC	100.0	100.0	GC	100.0	100.0
Vendôme Massy 2	338751654	GC	100.0	100.0	GC	100.0	100.0
SSF III Zhivago Holding Ltd	06171337	-	0.0	0.0	EM	50.0	50.0
Altalux Espagne SARL	NA	GC	100.0	100.0	GC	100.0	100.0
Altalux Italie SARL	NA	GC	96.2	100.0	GC	96.2	100.0
Alta Spain Archibald BV	NA	GC	100.0	100.0	GC	100.0	100.0
Alta Spain Castellana BV	NA	GC	100.0	100.0	GC	100.0	100.0

Company	Siren registration number	12/31/2011 Method	12/31/2011 % Interest	12/31/2011 % Consolidation	12/31/2010 Method	12/31/2010 % Interest	12/31/2010 % Consolidation
— Brick-and-mortar retail Italy							
Altabasilio SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altacasale SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altacentro SRL	NA		0.0	0.0	GC	96.2	100.0
Altacerro SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altagamma SRL	NA	-	0.0	0.0	GC	96.2	100.0
Altage SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altaimmo SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altainvest SRL	NA	-	0.0	0.0	GC	96.2	100.0
Altapinerolo SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altaponteparodi SPA	NA	GC	91.4	100.0	GC	91.4	100.0
Altaporto SRL	NA	-	0.0	0.0	GC	96.2	100.0
Altarag SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altarea Italia Progetti SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altarea italia SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altarimi SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altaroma SRL	NA	GC	96.2	100.0	GC	96.2	100.0
Altasigma SRL	NA	-	0.0	0.0	GC	96.2	100.0
Aurelia Trading SRL	NA	GC	96.2	100.0	GC	96.2	100.0
— Brick-and-mortar retail Spain							
Altaoperae II S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altaoperae III S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altaoperae Salamanca S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altapatrimae II S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altarea Espana S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altarea Operae S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Altarea Patrimae S.L	NA	GC	100.0	100.0	GC	100.0	100.0
Ortialtae S.L	NA	PC	50.0	50.0	PC	50.0	50.0
— On-line retail							
Alta Penthievre SAS	518991476	GC	99.7	100.0	GC	99.7	100.0
Altacom (SAS)	537392276	GC	79.8	100.0	-	0.0	0.0
Maxidome SAS	492829569	GC	26.8	100.0	-	0.0	0.0
Rue du Commerce SA	422797720	GC	26.8	100.0	-	0.0	0.0
— Diversification							
8'33 — Future Energie SA	492498944	EM	45.6	45.7	EM	45.6	45.7
Alta Cine Investissement SAS	482277100	GC	99.7	100.0	GC	99.7	100.0
Alta Rungis SAS	500539150	GC	99.7	100.0	GC	99.7	100.0
Ata Delcasse SAS	501705362	GC	99.7	100.0	GC	99.7	100.0
Ata Favart SAS	450042338	GC	99.7	100.0	GC	99.7	100.0
Aubette Tourisme Residence SNC	501162580	GC	65.0	100.0	GC	65.0	100.0
Holding Lumiere SAS	419446216	EM	33.9	34.0	EM	33.9	34.0
L'Empire SAS	428133276	GC	99.7	100.0	GC	99.7	100.0
Salle Wagram (ex-Théâtre de l'Empire)	424007425	GC	99.7	100.0	GC	99.7	100.0
Semmaris	662012491	EM	33.3	33.3	EM	33.3	33.3
— Residential and Offices (excl. Cogedim)							
Alta CRP Mougins SNC	453830663	GC	99.7	100.0	GC	100.0	100.0
Alta Boulogne SNC	538765975	GC	99.7	100.0	-	0.0	0.0
Alta Faubourg SAS	444560874	GC	99.7	100.0	GC	99.7	100.0
Alta Percier SAS	538447475	GC	99.7	100.0	-	0.0	0.0
Atareit SCA	552091050	GC	99.7	100.0	GC	99.7	100.0
Acep Invest 1 (Société Civile)	530702455	EM	16.6	16.7	-	0.0	0.0
Altarea Cogedim Entreprise Asset Management SNC	534207386	GC	99.7	100.0	-	0.0	0.0
Altarea Cogedim Entreprise Gestion SNC	535 056 3	GC	99.7	100.0	-	0.0	0.0
Altarea Cogedim Entreprise Holding SNC	534129283	GC	99.7	100.0	-	0.0	0.0
Gerland 1 SNC	503964629	PC	49.9	50.0	PC	49.9	50.0
Gerland 2 SNC	503964702	PC	49.9	50.0	PC	49.9	50.0
Altafund General Partner SARL	NA	GC	99.7	100.0	-	0.0	0.0
Altafund Holding SARL	NA	EM	16.6	16.7	-	0.0	0.0

Company	Siren registration number	12/31/2011			12/31/2010		
		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
Altafund Invest 1 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Invest 2 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Invest 3 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Invest 4 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Invest 5 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Invest 6 SARL	NA	EM	16.6	16.7	-	0.0	0.0
Altafund Value Add I SCA	NA	EM	16.6	16.7	-	0.0	0.0
— Residential (Cogedim)							
SNC Cogedim Patrimoine	420810475	GC	99.7	100.0	GC	99.7	100.0
SAS MB Transactions	425039138	GC	99.7	100.0	GC	99.7	100.0
SNC Garage Helios (TUP 11200 2011.12)	552138992	NC	0.0	0.0	GC	99.7	100.0
SNC Cogedim Gestion	380375097	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Vente	309021277	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Résidence	319293916	GC	99.7	100.0	GC	99.7	100.0
SNC Coresi	380373035	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Tradition	315105452	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Développement	380373035	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Citalis	318301439	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Grand Lyon (ex-SNC Cogedim RIC)	450722483	GC	99.7	100.0	GC	99.7	100.0
SAS Brun Holding	300795358	GC	99.7	100.0	GC	99.7	100.0
Cogedim Résidences Services SAS (ex : Guy Brun Promotion SA)	394648984	GC	99.7	100.0	GC	99.7	100.0
SARL Financiere Bonnel	394648455	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Méditerranée	400570743	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Provence	312347784	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Valorisation	442739413	GC	99.7	100.0	GC	99.7	100.0
Cogedim Midi-Pyrénées (ex-SNC cogedim paul mateu)	444660393	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim grenoble (ex-SNC Cogedim RCI)	447553207	GC	99.7	100.0	GC	99.7	100.0
Cogedim Savoies-Leman SNC (ex-Cogedim JLC)	418868584	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Efiprom	348145541	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Atlantique	388620015	GC	99.7	100.0	GC	99.7	100.0
SNC Cogedim Languedoc Roussillon	501734669	GC	99.7	100.0	GC	99.7	100.0
SAS Arbitrages et Investissements	532818085	GC	99.7	100.0	NC	0.0	0.0
SAS Aire	444533152	GC	99.7	100.0	GC	99.7	100.0
SAS Neuilly Edouard Nortier	444515670	PC	49.9	50.0	PC	49.9	50.0
SAS Paris 8e 35 rue de Ponthieu	450755277	PC	99.7	50.0	PC	99.7	50.0
SNC Marseille 275/283 Prado	477630057	PC	49.9	50.0	PC	49.9	50.0
SNC Paris 11e passage Saint Ambroise	479898496	GC	99.7	100.0	GC	99.7	100.0
SAS Germain Roule	479985632	GC	99.7	100.0	GC	99.7	100.0
SAS Arbitrages et Investissement 2	482598836	PC	49.9	50.0	PC	49.9	50.0
Cogedim SAS (ex-Cie Altarea Habitation SAS)	479815847	GC	99.7	100.0	GC	99.7	100.0
Altarea Investissement SNC	54500814	GC	99.7	100.0	GC	99.7	100.0
Altarea Habitation SNC	352320808	GC	99.7	100.0	GC	99.7	100.0
A.G. Investissement SNC	479108805	GC	99.7	100.0	GC	99.7	100.0
La Buffa SNC	342912094	GC	99.7	100.0	GC	99.7	100.0
SCI Les Fontaines de Benesse	394940183	PC	49.9	50.0	PC	49.9	50.0
SCI Les Hauts de Fortune	479489817	GC	99.7	100.0	GC	99.7	100.0
SCI Lehena	483855524	GC	99.7	100.0	GC	99.7	100.0
SCI Le Domaine de Peyhaute	491112801	GC	99.7	100.0	GC	99.7	100.0
SCI Le Bois Sacré	492998117	PC	49.9	50.0	PC	49.9	50.0
SCCV Mérignac Churchill	498686856	GC	99.7	100.0	GC	99.7	100.0
SCCV Pessac Madran	443702790	GC	99.7	100.0	GC	99.7	100.0
SCCV Villenave Coin	501017008	GC	99.7	100.0	GC	99.7	100.0
SCCV Haillan Meycat	501411995	GC	99.7	100.0	GC	99.7	100.0
SCCV Bruges Grand Darnal	511302002	GC	99.7	100.0	GC	99.7	100.0
SCCV Anglet Belay	512392325	GC	99.7	100.0	GC	99.7	100.0
SCCV La Teste Verdun	521333666	GC	69.8	70.0	GC	69.8	70.0
SCCV Arcachon Lamarque	527725246	GC	99.7	100.0	GC	99.7	100.0

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		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
SNC Alta CRP Mantes-la-Jolie	490886322	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 1	488424250	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 2	488423724	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 3	488424185	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 4	488423807	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 5	488423310	GC	99.7	100.0	GC	99.7	100.0
SCCV La Mole Village 6	488423260	GC	99.7	100.0	GC	99.7	100.0
SCCV Nice Gounod	499315448	GC	99.7	100.0	GC	99.7	100.0
SAS Rouret Investissement	441581030	GC	99.7	100.0	GC	99.7	100.0
SCCV Les Félibres	En cours	GC	59.8	60.0	NC	0.0	0.0
SCCV Domaine de la Gardi	En cours	GC	99.7	100.0	NC	0.0	0.0
SCCV Domaine des Hauts de Fuveau	En cours	GC	99.7	100.0	NC	0.0	0.0
SCCV Le Paradisio	En cours	GC	89.8	90.0	NC	0.0	0.0
SCI Les Romanesques	498640689	PC	49.9	50.0	PC	49.9	50.0
SCCV Garches Laboratoire Est	531559557	GC	50.9	51.0	NC	0.0	0.0
SNC Cour Saint-Louis	531197176	PC	49.9	50.0	NC	0.0	0.0
SCCV Boulogne Vauthier	533782546	GC	50.9	51.0	NC	0.0	0.0
SCI Colombes Estienne-d'Orves	479534885	PC	49.9	50.0	PC	49.9	50.0
SCI Nanterre-Saint-Maurice	481091288	GC	71.3	71.5	GC	71.3	71.5
SCI Asnières Aulagnier îlots E, F et H1	483537866	PC	49.9	50.0	PC	49.9	50.0
SCI Argenteuil Foch-Diane	484064134	PC	49.9	50.0	PC	49.9	50.0
SCI Colombes Charles-de-Gaulle	489927996	PC	44.9	45.0	PC	44.9	45.0
SCCV Saint-Ouen Arago	493291843	GC	99.7	100.0	GC	99.7	100.0
SCCV Bagnolet Malmaison	517439402	GC	99.7	100.0	GC	99.7	100.0
SCI Chausson A/B	517868192	PC	49.9	50.0	PC	49.9	50.0
SCCV Houilles Séverine	522144609	PC	49.9	50.0	PC	49.9	50.0
SCCV Antony Grand Parc Habitat 1	524010485	GC	50.9	51.0	PC	49.9	50.0
SNC Garches Le Cottage	562105569	GC	99.7	100.0	GC	99.7	100.0
SNC 46 Jemmapes	572222347	GC	99.7	100.0	GC	99.7	100.0
SNC Soisy avenue Kellermann	497809541	PC	49.9	50.0	PC	49.9	50.0
SCI Levallois îlot 4.1	409853165	GC	49.9	50.0	GC	49.9	50.0
SCI Domaine de Médicis	450964465	GC	50.9	51.0	GC	50.9	51.0
SCI Le Frédéric	481199941	NC	0.0	0.0	GC	99.7	100.0
SCI Jardins des Poètes	481918969	NC	0.0	0.0	GC	99.7	100.0
SARL Les Jardins de Daudet	444326797	PC	37.4	37.5	PC	37.4	37.5
SCI Le Clos Mélusine	487956591	NC	0.0	0.0	GC	99.7	100.0
SNC Le Hameau des Treilles	487955965	GC	99.7	100.0	GC	99.7	100.0
SCI l'Atrium	488802604	NC	0.0	0.0	GC	99.7	100.0
SNC Voreppe — av. Stalingrad	490461423	GC	99.7	100.0	GC	99.7	100.0
SCCV — espace Saint-Martin	493348007	PC	49.9	50.0	PC	49.9	50.0
SNC Wagram	500795034	GC	99.7	100.0	GC	99.7	100.0
SNC Vauban	501548952	GC	99.7	100.0	GC	99.7	100.0
SNC Claudel	504308099	GC	99.7	100.0	GC	99.7	100.0
SNC Hebert	504145004	GC	99.7	100.0	GC	99.7	100.0
SCI Villa Dauphine	483192126	PC	49.9	50.0	PC	49.9	50.0
SCI Résidence le Récital	498594571	PC	49.9	50.0	PC	49.9	50.0
SAS Seine Aulagnier	504687013	PC	33.2	33.3	PC	33.2	33.3
SAS Life International Cogedim	518333448	GC	50.0	50.1	PC	49.9	50.0
SCI Pénitentes	379799745	GC	99.7	100.0	GC	99.7	100.0
SCI Place Sébastopol	395276512	NC	0.0	0.0	GC	99.7	100.0
SCI Le Clos des Lavandières	483286191	GC	79.6	79.8	GC	79.6	79.8
SCI Les Célestines	481888196	PC	49.9	50.0	PC	49.9	50.0
SCCV Clef de Sol	491131819	NC	0.0	0.0	GC	99.7	100.0
SNC Les Aquarelles	492952635	GC	99.7	100.0	GC	99.7	100.0
SNC Baud Mont — Baud Rivage	501222038	GC	99.7	100.0	GC	99.7	100.0
SNC du Rhin	501225387	GC	99.7	100.0	GC	99.7	100.0
SNC Verco	504664798	GC	99.7	100.0	GC	99.7	100.0
SCCV Thonon — Clos Albert Bordeaux	512308404	GC	99.7	100.0	GC	99.7	100.0
SCCV Douvaine — Les Fascines	514276369	GC	99.7	100.0	GC	99.7	100.0

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		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
SNC d'Albigny	528661721	GC	99.7	100.0	GC	99.7	100.0
SCI Ciry-Viry	490793221	GC	99.7	100.0	NC	0.0	0.0
SCCV Les Coloriades	En cours	PC	49.9	50.0	NC	0.0	0.0
SNC Benoît Crepu Lyon	378935050	GC	99.7	100.0	GC	99.7	100.0
SCI Pierre Dupont n° 16 Lyon	428092118	GC	99.7	100.0	GC	99.7	100.0
SCI Les Opalines	413093170	GC	99.7	100.0	GC	99.7	100.0
SCI Villa Hadriana	352948301	NC	0.0	0.0	GC	99.7	100.0
SCI 123 av Ch.-de-Gaulle	420990889	GC	99.7	100.0	GC	99.7	100.0
SCI 85 bis à 89 bis rue du Dauphiné	429641434	GC	99.7	100.0	GC	99.7	100.0
SNC Carnot	433906120	GC	99.7	100.0	GC	99.7	100.0
SCI Verre Dardilly	394636831	NC	0.0	0.0	PC	49.9	50.0
SNC Lyon 6 — 145 rue de Créqui	442179826	GC	99.7	100.0	GC	99.7	100.0
SNC République	443802392	GC	99.7	100.0	GC	99.7	100.0
SNC Villeurbanne 8 rue Louis-Braille (liquidée 2011.03)	449910371	NC	0.0	0.0	GC	99.7	100.0
SCI Parc du Centre 2/4 — Villeurbanne	451260798	NC	0.0	0.0	PC	49.9	50.0
SCI 65 Lacassagne — Lyon 3	451783732	GC	71.3	71.5	GC	71.3	71.5
SCCV Tuileries — Lyon 9	452819725	PC	49.9	50.0	PC	49.9	50.0
SNC Novel Genéve — Lyon 6	481997609	PC	49.9	50.0	PC	49.9	50.0
SNC Danube	483158382	GC	99.7	100.0	GC	99.7	100.0
SCI Caluire — 49 Margnolles	483674891	GC	99.7	100.0	GC	99.7	100.0
SCI Francheville-Bochu	488154329	PC	49.9	50.0	PC	49.9	50.0
SCCV Rue Jean-Novel — Lyon 6	490160785	PC	49.9	50.0	PC	49.9	50.0
SNC d'Alsace	493674196	GC	99.7	100.0	GC	99.7	100.0
SCCV Hanoi Guerin	499516151	PC	49.9	50.0	PC	49.9	50.0
SCCV Tassin Constellation	499796159	PC	49.9	50.0	PC	49.9	50.0
SNC du Maine	502513013	GC	99.7	100.0	GC	99.7	100.0
SNC Villeurbanne Cambon Colin	508138740	GC	99.7	100.0	GC	99.7	100.0
SCCV Lyon 7 — Girondins	509685996	GC	99.7	100.0	GC	99.7	100.0
SNC Corifial	306094079	GC	99.7	100.0	GC	99.7	100.0
SCCV LC2 — Vénissieux	532790052	EM	15.0	15.0	NC	0.0	0.0
SNC Villeurbanne la Clef des Pins	961505641	GC	99.7	100.0	GC	99.7	100.0
SCI Le Clos Pascal à Villeurbanne 69	500649207	PC	49.9	50.0	PC	49.9	50.0
SCI Les Célestins à Oullins 69	500797121	EM	39.9	40.0	EM	39.9	40.0
SCI Cannes 152-156 boulevard Gazagnaire	419700786	PC	48.9	49.0	PC	48.9	49.0
SCI Victoria Cimiez	420745820	GC	49.9	50.0	GC	49.9	50.0
SNC Prestige	439921198	GC	99.7	100.0	GC	99.7	100.0
SNC Vaugrenier 1214 V. Loubet	434342648	GC	99.7	100.0	GC	99.7	100.0
SCI du Rio d'Auron	443924774	GC	59.8	60.0	GC	59.8	60.0
SNC Antibes 38 Albert Ier	440521995	GC	99.7	100.0	GC	99.7	100.0
SNC du Golf	448867473	GC	99.7	100.0	GC	99.7	100.0
SCI Mimosas	451063499	GC	99.7	100.0	GC	99.7	100.0
SCI Cannes 2 av. Saint-Nicolas	482524758	PC	49.9	50.0	PC	49.9	50.0
SCI Phocéens	483115404	GC	99.7	100.0	GC	99.7	100.0
SNC Riviera — Villa Solana	483334405	GC	99.7	100.0	GC	99.7	100.0
SCCV Phoenix	487776551	GC	99.7	100.0	GC	99.7	100.0
SCCV l'Esterel	489868125	GC	99.7	100.0	GC	99.7	100.0
SCCV Cœur de la Bouverie	490874021	GC	99.7	100.0	GC	99.7	100.0
SNC Pluton / Nice Pastorelli	494925662	GC	99.7	100.0	GC	99.7	100.0
SCCV Sainte Marguerite	501662233	PC	49.9	50.0	PC	49.9	50.0
SCCV Terra Méditerranée	503423782	GC	99.7	100.0	GC	99.7	100.0
SNC Les Roses de Carros	524599388	PC	49.9	50.0	PC	49.9	50.0
SCI Kelly d'Azur (TUP 13300 2011.12)	505078527	NC	0.0	0.0	GC	99.7	100.0
SCCV Biot Route de Valbonne	538113473	GC	50.9	51.0	NC	0.0	0.0
SCCV Antibes 4 Chemins	537695801	EM	48.9	49.0	NC	0.0	0.0
SCCV Saint-Herblain Plaisance	498619444	GC	99.7	100.0	GC	99.7	100.0
SNC Nantes Cadeniers	500650981	GC	99.7	100.0	GC	99.7	100.0
SCCV Nantes Noire	501030209	GC	99.7	100.0	GC	99.7	100.0
SCCV Nantes Russeil	514480557	PC	49.9	50.0	PC	49.9	50.0

Company	Siren registration number	12/31/2011			12/31/2010		
		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
SCI Côté Parc	447789595	GC	57.9	58.0	GC	57.9	58.0
SNC Aix la Visitation	452701824	GC	79.8	80.0	GC	79.8	80.0
SCI Cogimmo	480601509	GC	99.7	100.0	GC	99.7	100.0
SCI Marseille 514 Madrague Ville	482119567	GC	99.7	100.0	GC	99.7	100.0
SCI Marseille 2e évêché Schumann	482568235	GC	99.7	100.0	GC	99.7	100.0
SCCV Riou	490579224	GC	99.7	100.0	GC	99.7	100.0
SCCV Frioul / Saint-Musse	493464440	GC	99.7	100.0	GC	99.7	100.0
SCCV Rives d'Allauch	494440464	PC	49.9	50.0	PC	49.9	50.0
Sci Salon de Provence — Pilon Blanc	488793381	GC	99.7	100.0	PC	49.9	50.0
SCCV l'Olympe (ex-SCI le Château)	440258234	NC	0.0	0.0	GC	98.7	99.0
SNC Provence l'Étoile	501552947	GC	99.7	100.0	GC	99.7	100.0
SCCV Provence Borelly	503396582	GC	99.7	100.0	GC	99.7	100.0
SCCV Marseille la Pommeraie	502223522	GC	79.8	80.0	GC	79.8	80.0
SCCV L'Île Verte	509642005	GC	99.7	100.0	GC	99.7	100.0
SNC Dulac — Roumanille	513406942	GC	98.7	99.0	GC	98.7	99.0
SNC Provence Luberon	520030206	GC	99.7	100.0	GC	99.7	100.0
SCCV Marseille Serre	528065618	GC	69.8	70.0	GC	99.7	100.0
SCI Rimbaud	493564660	PC	49.9	50.0	PC	49.9	50.0
SNC Cherche Midi 118 Paris 6e	423192962	GC	99.7	100.0	GC	99.7	100.0
SCI Chatenay Hanovre 1	424831717	GC	99.7	100.0	GC	99.7	100.0
SCI Villa Haussmann Rive Sud	437674955	GC	59.8	60.0	GC	59.8	60.0
SCI Îlot 6 bd Gallieni Forum Seine	433735479	PC	49.9	50.0	PC	49.9	50.0
SNC 36 rue Rivay Levallois	343760385	GC	99.7	100.0	GC	99.7	100.0
SNC 12 rue Oudinot Paris 7e	378484653	GC	50.9	51.0	GC	50.9	51.0
SCI Vaugirard Meudon	441990926	GC	99.7	100.0	GC	99.7	100.0
SCI Serris Quartier du Parc	444639926	PC	49.9	50.0	PC	49.9	50.0
SCI Saint-Cloud 9-11 rue de Garches	444734669	PC	49.9	50.0	PC	49.9	50.0
SCI Maisons Alfort Villa Mansart	443937040	PC	49.9	50.0	PC	49.9	50.0
SCI Courbevoie Saint Denis Ferry	479626475	PC	49.9	50.0	PC	49.9	50.0
SNC Garches 82 Grande Rue	481785814	PC	49.9	50.0	PC	49.9	50.0
SCI Courbevoie - Hudri	483107819	GC	79.8	80.0	GC	79.8	80.0
SCI Le Chesnay La Ferme	485387286	PC	49.9	50.0	PC	49.9	50.0
SCI Brillat Savarin 86 Paris 13	487504300	PC	49.9	50.0	PC	49.9	50.0
SCCV Bourdon Chauveau Neuilly	489104125	GC	69.8	70.0	GC	69.8	70.0
Sci Vanves Marcheron	484740295	PC	37.4	37.5	PC	37.4	37.5
SCCV Jean Moulin 23 Les Lilas	490158839	PC	49.9	50.0	PC	49.9	50.0
SCCV Bourdon 74 Neuilly	492900741	GC	69.8	70.0	GC	69.8	70.0
SNC Murat Varize	492650288	GC	99.7	100.0	GC	99.7	100.0
SCCV 121-125 rue Henri-Barbusse	494577455	PC	49.9	50.0	PC	49.9	50.0
SCCV Levallois Marceau	501580583	GC	79.8	80.0	GC	79.8	80.0
SCCV Massy Colcoge	504685884	GC	79.8	80.0	GC	79.8	80.0
SCCV Suresnes 111 Verdun	507385003	PC	49.9	50.0	PC	49.9	50.0
SCCV 66 Chauveau Neuilly	507552040	PC	49.9	50.0	PC	49.9	50.0
SCCV Vanves Bleuzen	513178830	PC	49.9	50.0	PC	49.9	50.0
SCCV Malakoff Larousse	514145119	GC	99.7	100.0	GC	99.7	100.0
SCCV Massy Cogfin	515231215	PC	49.9	50.0	PC	49.9	50.0
SNC Charenton Gabriel Peri	518408188	GC	59.8	60.0	GC	59.8	60.0
SNC Rivière Seine	502436140	GC	99.7	100.0	GC	99.7	100.0
SCCV Massy PQR	521333930	GC	74.8	75.0	GC	74.8	75.0
SCCV Massy MN	521333476	PC	49.9	50.0	PC	49.9	50.0
SCCV Les Puits de la Fontaine Wallace	523510311	NC	0.0	0.0	GC	79.8	80.0
SCCV Colombes Autrement	528287642	GC	51.9	52.0	GC	51.9	52.0
SCCV Asnières Laure Fiot	532710308	GC	74.8	75.0	NC	0.0	0.0
SCCV Paris Campagne Première	530706936	GC	99.7	100.0	NC	0.0	0.0
SCCV Houilles Zac de l'Église	531260776	PC	49.9	50.0	NC	0.0	0.0
SCCV Sèvres Grande Rue	531294346	GC	50.9	51.0	NC	0.0	0.0
SCCV Bagneux Blaise Pascal	533942884	PC	49.9	50.0	NC	0.0	0.0
SCCV Argenteuil Jean Jaures	533885604	GC	94.8	95.0	NC	0.0	0.0

Company	Siren registration number	12/31/2011			12/31/2010		
		Method	% Interest	% Consolidation	Method	% Interest	% Consolidation
SCCV Cachan Gabriel Péri 1	537407140	GC	89.8	90.0	NC	0.0	0.0
SCI Fraternité Michelet à Noisy-le-Sec	En cours	GC	49.9	50.0	NC	0.0	0.0
SCCV Paris 19 Meaux 81-83	537989667	GC	59.8	60.0	NC	0.0	0.0
SAS Quartier Anatole France	428711709	PC	33.2	33.3	PC	33.2	33.3
SCI Rotonde de Puteaux	429674021	PC	33.2	33.3	PC	33.2	33.3
SCI Boussingault 28/30	452167554	PC	49.9	50.0	PC	49.9	50.0
SNC Issy Corentin Celton	452369705	PC	49.9	50.0	PC	49.9	50.0
SCI Bagatelle 5 Neuilly	479223356	PC	49.9	50.0	PC	49.9	50.0
SNC Neuilly Résidence (déconsolidée 2011.06)	479120180	NC	0.0	0.0	PC	49.9	50.0
SNC Rueil Charles Floquet	481339224	PC	49.9	50.0	PC	49.9	50.0
SCI Le Chesnay 3-9 rue Caruel	483129821	PC	29.9	30.0	PC	29.9	30.0
SNC Carles Vernet Sèvres	485288450	PC	49.9	50.0	PC	49.9	50.0
SCI Plessis Robinson	490892627	PC	49.9	50.0	PC	49.9	50.0
SCI Paris 13 Champ de l'Alouette	484883160	PC	49.9	50.0	PC	49.9	50.0
SCCV Meudon Hetzel Cerf	518934690	GC	50.9	51.0	PC	49.9	50.0
SCCV Saint-Mandé Mouchotte	529452773	PC	49.9	50.0	PC	49.9	50.0
SCI Albi Gare	445377740	GC	99.7	100.0	GC	99.7	100.0
SCI Pamiers Lestrade	445378532	GC	99.7	100.0	GC	99.7	100.0
SCI Saint-Jean Pyrénées	445378094	GC	99.7	100.0	GC	99.7	100.0
SCI Les Hauts de Ramonville	445378078	GC	99.7	100.0	GC	99.7	100.0
SCI Muret Centre	445378730	GC	99.7	100.0	GC	99.7	100.0
SNC Roseraie Luchet	484639919	GC	99.7	100.0	GC	99.7	100.0
SNC 136 route d'Albi	484643150	GC	99.7	100.0	GC	99.7	100.0
SNC Tournefeuille Hautes Rives	484639471	GC	99.7	100.0	GC	99.7	100.0
SNC Marengo Libre Échange	484664818	GC	99.7	100.0	GC	99.7	100.0
SNC Fontaines d'Arènes	484663349	GC	99.7	100.0	GC	99.7	100.0
SCCV Brunhes Magnolia	490050176	GC	99.7	100.0	GC	99.7	100.0
SCCV Labège Malepere	490050523	GC	99.7	100.0	GC	99.7	100.0
SNC Toulouse Bertillon	494423312	GC	99.7	100.0	GC	99.7	100.0
SCCV Sainte Anne	499514420	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Haraucourt	501635437	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Bourrassol Wagner	503431116	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Carré Saint-Michel	501982763	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Busca	511512071	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Guilhemery	512568007	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Les Argoulets	513822601	GC	99.7	100.0	GC	99.7	100.0
SCCV Saint-Orens Le Clos	515347953	GC	99.7	100.0	GC	99.7	100.0
SNC Notre-Dame	432870061	GC	99.7	100.0	NC	0.0	0.0
SCI Bruges Ausone	484149802	GC	99.7	100.0	GC	99.7	100.0
SCCV Gujan République	489346106	GC	99.7	100.0	GC	99.7	100.0
SCCV Cauderan Leclerc	490049970	GC	99.7	100.0	GC	99.7	100.0
SCCV 236 avenue Thiers	493589550	GC	54.9	55.0	GC	54.9	55.0
SCI Le Parc de Borderouge	442379244	PC	39.9	40.0	PC	39.9	40.0
SCCV Toulouse Heredia	507489375	PC	49.9	50.0	PC	49.9	50.0
SNC Laennec Rive Gauche	449666114	GC	99.7	100.0	GC	99.7	100.0
SAS Levallois 41-43 Camille Pelletan	489473249	GC	99.7	100.0	GC	99.7	100.0
Foncière Îles d'Or SNC	499385094	GC	99.7	100.0	GC	99.7	100.0
Foncière Seaview SAS	493297642	EM	19.9	20.0	EM	19.9	20.0
Foncière Glatz SAS	498493576	EM	19.9	20.0	EM	19.9	20.0
Foncière Saône Gillet SAS	499854510	EM	19.9	20.0	EM	19.9	20.0
— Offices (Cogedim)							
SAS Claire Aulagnier	493108492	GC	94.8	95.0	GC	94.8	95.0
SNC Cogedim Entreprise	424932903	GC	99.7	100.0	GC	99.7	100.0
SARL Asnières Aulagnier	487631996	PC	49.9	50.0	PC	49.9	50.0
Cogedim Office Partners SAS	491380101	EM	16.4	16.5	EM	10.0	10.0
SAS COP Bagneux	491969952	EM	16.4	16.5	EM	10.0	10.0
SCI COP Bagneux	492452982	EM	16.4	16.5	EM	10.0	10.0
SAS COP Meridia	493279285	EM	16.4	16.5	EM	10.0	10.0

Company	Siren registration number	12/31/2011 Method	12/31/2011 % Interest	12/31/2011 % Consolidation	12/31/2010 Method	12/31/2010 % Interest	12/31/2010 % Consolidation
SCI COP Meridia	493367429	EM	16.4	16.5	EM	10.0	10.0
COP Pajol SAS	493279269	NC	0.0	0.0	EM	10.0	10.0
COP Pajol SCI	493367171	NC	0.0	0.0	EM	10.0	10.0
SAS COP Newco 2	507633790	NC	0.0	0.0	EM	10.0	10.0
SCI COP Newco 2	507693182	NC	0.0	0.0	EM	10.0	10.0
Alta Richelieu SAS (ex-Alx02)	419671011	GC	99.7	100.0	GC	99.7	100.0
SNC Coeur d' Orly Promotion	504160078	PC	49.9	50.0	PC	49.9	50.0
SNC Issy 25 Camille Desmoulins	390030542	GC	99.7	100.0	GC	99.7	100.0
SCI Levallois Anatole France Front de Seine	343926242	GC	84.8	85.0	GC	84.8	85.0
SNC Forum 11	434070066	PC	33.2	33.3	PC	33.2	33.3
SNC du Parc Industriel de Saint-Priest	443204714	GC	79.8	80.0	GC	79.8	80.0
SCI Axe Europe Lille	451016745	PC	44.9	45.0	PC	44.9	45.0
SNC Issy 11.3 Gallieni	492450168	PC	49.9	50.0	PC	49.9	50.0
SCCV Lyon 3 — Labuire	491187019	GC	99.7	100.0	GC	99.7	100.0
SCCV Asnières Alpha (ex : ex100)	529222028	PC	49.9	50.0	EM	24.9	25.0
SNC Issy Forum 10	434108767	PC	33.2	33.3	PC	33.2	33.3
SCI Clichy Europe	434060133	PC	49.9	50.0	PC	49.9	50.0
SCI Clichy Europe 3	435402755	PC	49.9	50.0	PC	49.9	50.0
SARL Clichy Europe 4	442,736,963	PC	49.9	50.0	PC	49.9	50.0
SCI Issy Forum 13	481,212,357	PC	49.9	50.0	PC	49.9	50.0
Sci Lilas G	485,122,402	PC	39.9	40.0	PC	39.9	40.0
SNC Saint-Denis Landy 3	494,342,827	PC	49.9	50.0	PC	49.9	50.0
SNC Euromed Center	504,704,248	PC	49.9	50.0	PC	49.9	50.0
SCI Zola 276 — Villeurbanne	453,440,695	GC	74.8	75.0	GC	74.8	75.0
SCCV Saint-Étienne — Îlot Gruner	493,509,723	GC	99.7	100.0	GC	99.7	100.0
SNC Robini	501,765,382	PC	49.9	50.0	PC	49.9	50.0
SCCV Blagnac Galilee	501,180,160	GC	99.7	100.0	GC	99.7	100.0
SCCV Toulouse Grand Sud	499,468,510	PC	49.9	50.0	PC	49.9	50.0
SCCV Balma Entreprise	524,105,848	PC	49.9	50.0	PC	49.9	50.0

5.2. Changes in Group structure

Fiscal 2011

The Group structure of consolidated operations included 451 companies at December 31, 2010, compared with 437 companies at December 31, 2010.

43 companies were consolidated for the first time with 9 resulting from acquisitions and 34 newly created companies. These include notably:

- RueduCommerce (See note 6 "Business combinations");
- Altafund Value Add I and its subsidiaries in connection with the acquisition of 16.67% of the property investment vehicle created in partnership with other investors and the wholly-owned company, Altafund GP, which is the management company and the general partner of this investment vehicle;
- other companies consolidated for the first time are development program companies or companies destined to provide services to the latter.

29 companies were removed from consolidated operations in the period. These included 12 by merger, 15 wound up, 1 deconsolidated and 1 sold.

The method of consolidation was changed for 5 companies: 4 companies changed from proportionate consolidation to full consolidation (sccv Antony grand parc, sas Life International, sccv Meudon Hetzel, sccv Salon de Provence — Pilon Blanc) reflecting changes in corporate governance conferring control to the Company and one company from the equity method to proportionate consolidation (sccv Asnières Alpha) following a change in governance that resulted in joint control.

Fiscal 2010

The Group structure of consolidated operations included 437 companies at December 31, 2010, compared with 434 companies at December 31, 2009.

28 companies were consolidated for the first time. These included 19 that were newly created and 9 acquired: acquisition of Aldeta, owner of the Cap 3000 shopping center through Alta Blue, a 33.33%-owned company in the Property Investment division; equity investment in 8'33, a company specializing in the development, installation and operation of solar power generators, 45.69% consolidated in the Diversifications division, and, in Property Development for Third Parties division, acquisition of Laennec Rive Gauche, Rivière Seine, SNC Villeurbanne la Clef des Pins, SNC 46 Jemmapes, SCI Kelly d'Azur and Corifial-Jardin de Sakura.

The acquisition of the equity interest in Aldeta was recognized as a purchase of investment property; likewise, equity investments in property development for third parties (mainly Laennec Rive Gauche, which holds a mixed development project on the site of Laennec hospital in Paris) were recognized as purchases of land inventories and work in progress.

25 companies were removed from consolidated operations: 2 were sold (Collet Berger and Pontault-Combaud), 6 were wound up, 14 were merged into other companies, and 3 were deconsolidated.

In addition, Alta Faubourg sold Altarea France to Foncière Altarea. This transfer had an accretive effect, increasing the ownership from 99.74% to 100%, recognized directly in equity as a transaction with non-controlling interests.

6. BUSINESS COMBINATIONS

Altarea Cogedim, through its subsidiary, Altacom, acquired off market 3,176,402 shares of RudeduCommerce on December 12, 2011 for €9 per share in accordance with the agreements for the sale and contributions in kind for respectively €24.1 million and €4.5 million concluded on October 27, 2011 with the Apax Partner fund and the founding shareholders of RueduCommerce, Gauthier Picquart and Patrick Jacquemin. The block of shares sold represents 28.64% of the share capital and 28.3% of the voting rights RueduCommerce is a French public limited company (*société anonyme*) listed on NYSE Euronext Paris (Eurolist compartment C) and one the country's leading online retailers.

Following the completion of these transactions, Altacom was 80%-held by Altarea Cogedim and 20%-held by Gauthier Picquart and Patrick Jacquemin. The parties are bound by the terms of a shareholders' agreement between the partners (*pacte d'associés*). Under its provisions, the directors representing the Altarea Group hold the majority vote for decisions submitted to RueduCommerce's Board of Directors. In light of this situation, as of December 12, 2011 Altarea Cogedim exercised de facto control over Société RueduCommerce.

In accordance with the option available to it to acquire RueduCommerce's shares on the market in accordance with and subject to the limits imposed by article 231-38 III of the AMF General Regulation, Altacom acquired, before and after the acquisition of the controlling block of shares, 547,935 shares for a total amount of €4.9 million at an average weighted price per share of €8.98.

In accordance with the terms of these transactions and as of December 31, 2011, Altarea Cogedim held through its subsidiary Altacom, 33.58% of RueduCommerce's shares.

In conjunction with these transactions, Altarea Cogedim launched a friendly takeover bid and filed a preliminary tender offer prospectus on October 27. On February 12, 2011, the French securities regulator AMF (*Autorité des Marchés Financiers*) published the results of the exchange offer (*avis de résultat définitif*) showing that Altacom holds 10,858,293 shares of RueduCommerce representing an equivalent number of voting rights or 96.54% of the share capital and 96,49% of the voting rights.

To support the integration of Internet in the consumer shopping process, Altarea Cogedim has achieved a position as the1st first multi-channel property company. This positioning involves developing synergies between brick-and-mortar and online retail formats.

The provisional cost of this acquisition as determined at December 31, 2011 breaks down as follows:

Calculation of share acquisition cost	RueDuCommerce
Acquisition price (before acquisition expenses)	33.5
Cost of acquiring securities at end of trading	**33.5**

The purchase price represents the acquisition cost of the shares for a 33.58% stake in the share capital.

The temporary fair value of the identifiable assets and liabilities and the corresponding caring values broke down as follows at year-end.

RueduCommerce balance sheet at date of acquisition	Fair Value temporary estimate	Book Value
Other non-current assets	1.9	1.9
Current assets (not including cash)	67.3	67.3
Cash in hand	27.6	27.6
Total assets	**96.8**	**96.8**
Non-current liabilities	0.7	0.7
Current liabilities (not including overdrafts)	60.8	60.8
Overdrafts	0.0	0.0
Total liabilities	**61.5**	**61.5**
Net Asset Value	**35.4**	**35.4**
Temporary goodwill on acquisition (not attributed), 100% basis	64.4	
Equity Value at date of acquisition	**99.8**	
Minority share based on direct percentage of Altacom's holding in RDC (100-33.58=66.42%)	66.3	
Acquired net assets	**33.5**	
Minority share based on the Group's intermediary percentage of holding in Altacom (100-79.79=20.21%)	6.8	
Acquired net assets, Group share, at closing of accounts	**26.7**	

During the valuation period, the Company may adjust the amount of goodwill and allocate all or part of this amount for a period of not more than one year after acquiring control. The Company opted to recognize the full amount of goodwill with the total net book assets of the target having been measured at fair value including the share of non-controlling interests.

The main income statement aggregates of the acquiree break down as follows for the 12 month period ending December 31, 2011:

RueduCommerce pro forma income statement *In €m*	**Jan. Dec. 2011**
Retail revenue	289.0
Raw materials & consumables	(244.2)
Gross margin	**44.8**
Commissions from online marketplace	**7.5**
Net overhead expenses	**(45.9)**
Allowances for depreciation and amortization	**(1.3)**
Impairment charges and net allowances for provisions	**(0.8)**
Transaction costs	**(1.0)**
Operating profit	**3.4**
Interest and other costs	**0.2**
Financial Instruments - variations in value and gains (losses) on sales	**-**
PROFIT BEFORE TAX	**3.6**
Corporate income tax	**(1.4)**
NET PROFIT	**2.2**
Minority shareholders	**-**
NET PROFIT (Group Share)	**2.2**

If RueduCommerce had been acquired on January 1, 2011, Altarea Cogedim Group would have reported revenue of €1.409 billion including a contribution of €296.5 million from RueduCommerce.

If RueduCommerce had been acquired on January 1, 2011 Altarea Cogedim Group would have reported net income (before deducting the amount attributable to non-controlling interests) of €96.2 million including €2.2 million from RueduCommerce.

7. IMPAIRMENT OF ASSETS UNDER IAS 36

7.1. Goodwill arising from the acquisition of Cogedim

Fiscal 2011

Because of the separation of the development for third parties operating segment into two different segments, namely Residential and Offices, Cogedim goodwill of €113 million was allocated according to relative and prospective values. This goodwill has been accordingly reallocated with €104 million to the Residential segment and €9 million to the Offices segment (excluding the Altafund investment fund).

In this new segment reporting environment, the Company, has performed impairment tests comparing the carrying value of operating assets including intangible assets and goodwill of the Housing segment and the Offices segment (excluding the value of the Altafund investment fund) to the enterprise values of these two segments respectively, as determined by an independent firm (Accuracy). The brand net of tax is directly attributable to the Residential segment.

In a less dynamic market, Altarea Cogedim's Residential property division continued to build market share with reservations for new housing units of €1.205 billion including tax[5] in 2011, up 14% if adjusted to eliminate reservations for the Laennec program, which generated €52 million in 2011 compared with €280 million in 2010. At the end of 2011, the backlog[6] for residential property amounted to €1.620 billion excluding tax or 24 months' sales. This performance provides Altarea Cogedim excellent visibility for the future results of this business unit. To meet the challenges of a highly volatile macroeconomic environment, the Residential business unit has been adjusted to rapidly adapt to all market conditions. As a result, it has virtually no inventory of completed property and strict investment criteria are maintained[7], the portfolio of land under preliminary sales agreements is more than €3 billion or 30 months of business and the product line has been expanded and renewed.

In a market still in a period of recovery, the Offices segment has still not returned to its level before the 2008 financial and economic crisis. Despite an outlook for a shortage of new office space in 2012/2013, few programs have been launched in an environment where rental values have still not stabilized and take-up remains sluggish. At the end of 2011, the backlog amounted to €157 million or 18 months' sales.

The main assumptions used in the valuation of these assets were:

- A discount rate of 11.2%;
- 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;

(5) Reservations represent preliminary sales agreements for a given period signed by customers for property units.

(6) The backlog (or order book) comprises revenues excluding tax from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.

(7) Pre-let rate of at least 50% before the acquisition of the land.

- The terminal value of the Residential and Offices business units (excluding the Altafund investment fund) was determined using a growth rate from 2016 of 1.5% and a return on capital employed (ROCE) of between 14.2% and 18.2%.

At December 31, 2011, on the basis of the assumptions described above, the fair value of the operating assets of the Residential and the Offices segments were greater than their carrying values on the same date, irrespective of the ROCE rates used. No impairment charge was recognized.

Changes to the assumptions used that the management deems to be reasonable, namely a growth rate of 1% instead of 1.5% and a discount rate of 12.2% instead of 11.2%, would still result in valuations for the operating assets including intangible assets and goodwill of the Residential and the Offices segments exceeding their carrying values at December 31, 2011, based on an ROCE of between 14.2% and 18.2%.

Goodwill of €15 million was allocated to the brick-and-mortar retail segment to reflect synergies from the acquisition of Cogedim. For the segment's going concern net asset value, this goodwill was tested for impairment separately.

In consequence, goodwill recognized on the acquisition of Cogedim at December 31, 2011 amounted to €128 million.

Fiscal 2010

After the downturn in the real estate market and the economy in general in 2008, 2009 and 2010 saw a sharp rebound in sales of new housing programs (reservations net of cancellations), driven by demographic or societal trends (single person households), low interest rates and governmental incentives to buy or rent a home (*loi Scellier*).

After strong growth in residential property sales (reservations net of cancellations in €M including VAT, consolidated share) in 2009, the recovery was confirmed in 2010 with rises of 45% compared with end-2009 and 93% compared with end-2007. The commercial property market is staging a gradual recovery.

At December 31, 2010, 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 programs) grouped into the "Property Development for Third Parties" segment and "Large Urban Mixed-Use Projects" in the "Shopping Center Development" segment. The methodology used in 2010 (as in 2009) is based on a discounted cash flow method taking information from the business plan prepared by the management in the last 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 2011 to 2015.

The impairment test consists of comparing the carrying value of Cogedim, including the value of intangible assets attached to CGU groupings (goodwill, brands net of deferred tax, customer relationships net of deferred tax) to the net value of Cogedim assets assessed by the independent appraiser.

The main assumptions used in the valuation of these assets were:
- A discount rate of 11.4%;
- 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 2015 of 1.5% and a return on capital employed (ROCE) of between 14.4% and 18.4%.

At December 31, 2010, 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 recognized.

Changes to the assumptions used that the management deems to be reasonable, namely a growth rate of 1% instead of 1.5% and a discount rate of 12.4% instead of 11.4% would still result in the valuation of Cogedim's net assets at more than their carrying value at December 31, 2010, based on an ROCE of between 14.4% and 18.4%.

Therefore the goodwill recognized on the acquisition of Cogedim at December 31, 2010 remained at €128 million.

7.2. Brand

A valuation of the Cogedim brand at the acquisition date was conducted by an independent valuation expert. The brand was tested both individually and together with the Housing CGU. (See the preceding section).

7.3. Investment assets under development and construction valued at cost

Investment assets under development and construction valued at cost relate to the shopping center development business.

The principal uncertainties surrounding the development and construction of these assets are linked to the granting of administrative permits, to delays in the start-up or marketing of projects when economic conditions become less favorable.

Investment assets under development and construction are monitored by the Group according to the various phases of the project. These phases are the design stage, under contract (when the project is fully secured and a purchase option has been obtained for the land), the phase when all administrative authorizations have been obtained (business and land use authorizations and building permits) and lastly, the pre-letting and construction phase.

At the end of the reporting period, no impairment had been identified on projects other than what had previously been recognized in the accounts. 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 capitalization method is used based on rental revenue. The capitalization rates used to determine property values are those observed in the market.

Fiscal 2011

At the December 31, 2011 closing date, impairment of the net values of investment properties at cost corresponded to the depreciation of suspended or discontinued shopping center projects.

See notes 8.3 "Investment properties and assets held for sale" and 9.4 "Other components of operating profit".

Fiscal 2010

At the December 31, 2010 closing date, the value of the Spanish assets was based on estimates. Owing to the currently depressed market conditions, the company recognized additional impairment for land at Valdemoro.

Other assets in France and Italy were tested for impairment, leading to the recognition of impairment losses.

See notes 8.3 "Investment properties and assets held for sale" and 9.4 "Other components of operating profit".

8. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1. Intangible assets

	Acquisition goodwill	Brands	Client Relationships	Other Intangible Assets				Total
Gross amounts, in € Millions				**Software**	**Leasehold**	**Other**	**Total**	
As of January 1, 2010	**369.5**	**66.6**	**181.6**	**9.0**	**2.4**	**0.0**	**11.4**	**629.0**
Acquisitions	-	-	-	0.9	-	0.1	**1.0**	1.0
Disposals / write-offs	(1.9)	-	-	(0.1)	(0.1)	-	**(0.3)**	(2.1)
Transfers	-	-	-	0.1	-	-	**0.1**	0.1
Changes in scope	0.7	-	-	-	-	-	**-**	0.7
As of December 31, 2010	**368.3**	**66.6**	**181.6**	**9.8**	**2.3**	**0.1**	**12.2**	**628.6**
Acquisitions	-	-	-	2.0	-	0.1	**2.1**	2.1
Disposals / write-offs	-	-	-	(0.2)	(0.1)	(0.0)	**(0.3)**	(0.3)
Transfers	-	-	-	-	-	-	**-**	-
Changes in scope	64.4	-	-	-	-	3.5	**3.5**	67.9
As of December 31, 2010	**432.7**	**66.6**	**181.6**	**11.6**	**2.2**	**3.7**	**17.5**	**698.3**

Depreciation, in € Millions	Acquisition goodwill	Brands	Client Relationships	Other Intangible Assets				Total
				Software	Leasehold	Other	Total	
As of January 1, 2010	**(240.8)**	**-**	**(165.4)**	**(5.8)**	**(0.7)**	**(0.0)**	**(6.5)**	**(412.7)**
Depreciation and amortization	(0.7)	-	(16.2)	(1.2)	(0.2)	(0.0)	**(1.5)**	(18.3)
Reversals / Disposals	1.9	-	-	0.0	-	0.0	**0.1**	1.9
Transfer	-	-	-	-	0.0	(0.0)	**-**	-
As of December 31, 2010	**(239.6)**	**-**	**(181.6)**	**(7.0)**	**(0.9)**	**(0.0)**	**(7.9)**	**(429.1)**
Depreciation and amortization	-	-	-	(1.3)	(0.2)	(0.0)	**(1.6)**	(1.6)
Loss of value	-	-	-	-	-	-	**-**	-
Reversals / Disposals	-	-	-	0.3	-	-	**0.3**	0.3
Transfer	-	-	-	-	-	(3.1)	**(3.1)**	(3.1)
As of December 31, 2010	**(239.6)**	**-**	**(181.6)**	**(8.0)**	**(1.1)**	**(3.2)**	**(12.3)**	**(433.5)**

	Acquisition goodwill	Brands	Client Relationships	Other intangible assets				
				Software	Leasehold	Other	Total	Total
Net Values as of January 1, 2010	**128.7**	**66.6**	16.2	3.2	1.7	0.0	**4.9**	**216.3**
Net Values as of December 31, 2010	**128.7**	**66.6**	-	2.8	1.4	0.1	**4.3**	**199.6**
Net Values as of December 31, 2011	**193.1**	**66.6**	-	3.6	1.0	0.5	**5.2**	**264.9**

A temporary amount for €64.4 million in goodwill not yet allocated was recognized from the acquisition of controlling interests in RueduCommerce. The remainder of goodwill consists of €0.7 million for Altarea France and €128 for Cogedim SAS.

At December 31, 2010, all customer relationships recognized in connection with the acquisition of Cogedim on 17 July 2007 had been fully amortized or impaired.

8.2. Property, plant and equipment

In € Millions	Land	Buildings	Other fixed assets	Gross total	Amortization	Net
As of January 1, 2010	**2.4**	**0.7**	**22.0**	**25.1**	**(9.5)**	**15.6**
Acquisitions / amortization allowance	0.0	(0.0)	0.7	**0.7**	(3.1)	**(2.4)**
Dispositions / Reversal of charges	(0.0)	(0.0)	(1.2)	**(1.2)**	0.4	**(0.9)**
Transfers	0.0	-	(0.1)	**(0.1)**	0.0	**(0.0)**
As of December 31, 2010	**2.4**	**0.7**	**21.5**	**24.5**	**(12.3)**	**12.2**
Acquisitions / amortization allowance	-	-	1.5	**1.5**	(2.9)	**(1.3)**
Dispositions / Reversal of charges	-	-	(2.0)	**(2.0)**	1.9	**(0.1)**
Transfers	(0.0)	-	0.2	**0.2**	0.9	**1.0**
Changes in scope	-	-	5.2	**5.2**	(4.1)	**1.0**
As of December 31, 2011	**2.4**	**0.7**	**26.4**	**29.4**	**(16.6)**	**12.8**

At December 31, 2011, other property, plant and equipment consisted of:

- fixtures and fittings for the Group's head offices, and in particular, the building on avenue Delcassé (Paris 8th district);
- assets comprising the Marriott hotel business franchise on avenue de Wagram in Paris;
- operating assets of RueduCommerce.

At December 31, 2010, disposals related mainly to assets comprising the Salle Wagram business franchise sold to the management company on June 30, 2010.

8.3. Investment properties and assets held for sale

	Investment property			
In € Millions	at fair value	at cost	Assets held for sale	Total investment property and assets held for sale
As of January 1, 2010	**2,523.0**	**198.9**	**87.2**	**2,809.2**
Investments	143.3	14.4		157.7
Capitalized later expenses	56.7	55.9		112.6
Variation in apportionment in time of advantages granted to lessees	6.9	-		6.9
Disposals/reimbursement of down payments	(209.9)	(23.9)	(87.2)	(321.1)
Net sunken costs / abandoned projects	-	(19.1)		(19.1)
Deliveries and first-time fair value accounting	73.3	(73.3)		-
Transfers to assets held for sale	(52.1)	(1.2)	53.3	-
Transfers from other categories	(3.3)	(0.8)		(4.1)
Variation in fair value	68.5	-	(0.6)	67.8
As of December 31, 2010	**2,606.4**	**150.9**	**52.7**	**2,809.9**
Investments	-	32.2		32.2
Capitalized later expenses	40.4	40.8	-	81.1
Variation in apportionment in time of advantages granted to lessees	(1.7)			(1.7)
Disposals/reimbursement of down payments	(52.4)	(1.4)	(46.7)	(100.5)
Net sunken costs / abandoned projects		(6.1)		(6.1)
Transfers to assets marked for sale	(42.2)	(6.4)	48.5	-
Transfers to and from other categories	(0.4)	(14.9)		(15.3)
Variation in fair value	75.4	-	0.8	76.1
As of December 31, 2011	**2,625.5**	**195.0**	**55.3**	**2,875.8**

Investment properties at fair value

In 2011

The main changes over the period related to:
- subsequent expenses capitalized concerning mainly assets delivered in 2010 and 2011 (in particular assets of Tourcoing and Thionville), as well as the amount for work on the shopping centers (remodeling Cap 3000 in Nice or refurbishing Bercy Village in Paris);
- disposals concerned mainly assets in Crèches sur Saône and Thionville.

The weighted average capitalization rate[8] on values excluding transfer duties was 6.21% at December 31, 2011 (see the Business Review for further detail).

Based on a weighted average capitalization rate of 6.21%, a 0.25 point increase in capitalization rates would lead to a reduction of €111 million in the value of investment properties (-4.23%) while a 0.25 point fall in capitalization rates would increase the value of investment properties by €101.7 million (3.87%).

Acquisition of equity interest in Aldeta which owns the Cap 3000 shopping center.

Aldeta, consolidated through Alta Blue by the proportionate method on the basis of one third, holds a single asset, the Cap 3000 shopping center in Saint Laurent du Var (Alpes-Maritimes).

Aldeta's acquisition by Alta Blue was financed through €100 million of equity and through €200 million in Shareholders' advances with equal contributions from ABP and Predica. Altarea has an option that may be exercised at any time until June 30, 2017 to buy up to one third of the partners' accounts. At December 31, 2011, management still intends to buy this share though there is no certainty as to whether this option will be exercised. Altarea will reassess the situation at the end of each reporting period. The shareholders' accounts bear interest at a rate based on a minimum return on assets.

In 2010

The main changes in the period concerned notably:
- the acquisition of the Group's equity investment in the Cap 3000 shopping center in Saint Laurent du Var (see Note 4.2 "Significant events" and Note "Acquisition of equity interest in Aldeta"), which was recognized in investments during the period;

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

- disposals and reimbursements of down payments, and more particularly:
  - the sale of the building on avenue de Wagram in Paris,
  - the disposal of two properties in Brest,
  - retail parks in Saint Aunès, Noyon, Pierrelaye,
  - the sale of stand-alone property assets in Aulnay and Rouen,
  - a reimbursement of a down payment paid on a project in Spain;
- later expenditures capitalized mainly relate to construction costs recognized over the period under Assets under construction measured at fair value at the beginning of the year (Kremlin Bicêtre shopping center and business center, Stezzano shopping center in Italy);
- completions and first-time mark-to-market valuations related to:
  - the Family Village® retail park in Limoges (completed during the second half of the year),
  - the first-time mark-to-market valuation of property assets under development in Thionville and Tourcoing;
- transfers from other categories related mainly to reallocations to payables on purchases of fixed assets and prepaid income.

The weighted average capitalization rate on values excluding transfer duties was 6.36% at December 31, 2010 (see the Business Review for further detail).

Based on a weighted average capitalization rate of 6.36%, a 0.25 point increase in capitalization rates would lead to a reduction of €102 million in the value of investment properties (-3.9%) while a 0.25 point fall in capitalization rates would increase the value of investment properties by €111 million (4.26%).

Acquisition of equity interest in Aldeta, which owns the Cap 3000 shopping center

On June 30, 2010, Altarea acquired Aldeta via Alta Blue, the company created for this purpose and owned in equal parts by the consortium consisting of Altarea and two of the Group's core shareholders, ABP and Predica.

Aldeta possesses a single asset, namely the CAP 3000 shopping center in Saint Laurent du Var.

This transaction was treated as an asset acquisition in accordance with IAS 40. As no know-how or business was transferred to the acquirer, this acquisition does not constitute a business combination within the meaning of IFRS 3. In accordance with IAS 40, as of the acquisition date, the property acquired is recognized for the value assigned to it under the transaction plus acquisition costs. Alta Blue is jointly controlled by the three partners insofar as the company's articles of association stipulate that strategic, financial and operating decisions are taken under the joint control of the three partners. Consequently, in accordance with IAS 31, the equity interest in Aldeta is consolidated following the proportionate method according to Altarea's ownership interest. Aldeta's acquisition by Alta Blue was financed through €100 million of equity and €200 million in shareholders' advances, with equal contributions from ABP and Predica. Altarea has an option exercisable at any time for a period of seven years to buy a share of the partners' accounts for €66.7 million. While Management's intent as of the closing date was to buy this share, there is no certainty as to whether this option will be exercised. Altarea will reassess the situation at the end of each reporting period. The shareholders' accounts bear interest at a rate based on a minimum return on assets.

The company's assets were concurrently refinanced through a bank mortgage loan, of which €170 million had been drawn on the date of the acquisition.

Below are the financial statements for the period to June 30, the acquisition date, of the sub-group Alta Blue including its subsidiary Aldeta which is proportionately consolidated on the basis of the Group's 33.33% interest. Annualized discounted net rental income from 100% of these assets amounts to approximately €22.7 million.

In € Millions and Group share (33.33%)			
Investment property	152.1	Shareholders' Equity	33.5
of which: Investment property at fair value	*143.3*	*of which Aldeta minority interest*	*0.2*
of which: Investment property at cost	*8.8*	*Bank borrowings*	*55.2*
Cash and equivalent	6.3	Shareholders' advances	66.7
		Working capital requirement	3.0
TOTAL ASSETS	**158.4**	**TOTAL LIABILITIES AND SHAREHOLDERS EQUITY**	**158.4**

Investment properties valued at cost

Investment property measured at cost consists of investment property under construction or development for future use that does not meet the criteria set by the Group to assess whether the fair value of the property can be determined reliably. (See note 1.9 "Investment properties").

In 2011

Assets under construction and development for future use measured at cost concern mainly retail parks in Villeneuve-la-Garenne, La Valette-du-Var and the port of Genoa in Italy, as well as extension projects in Saint Laurent du Var (Cap 3000) and Toulouse.

Investments concern mainly the Group's acquisition of land authorized for the development of a retail park in Nîmes (Gard).

Subsequent expenses capitalized relate mainly to the extension of the Toulouse site, redevelopment of the Massy site and the start of work in Villeneuve la Garenne and la Valette du Var.

Transfers to other categories concern mainly the reclassification under inventory of land in the south of France (partially sold in the second half).

In the period, €3.1 million in financial costs were capitalized for projects under construction or development (whether recognized at fair value or cost).

In 2010

Assets under construction and development concerned mainly:

- land in Spain and in southern France; The Valdemoro site in Spain was impaired (see Note 7.3 "Investment assets under construction or development measured at cost"); The down payment on the land in Puerto Real was refunded in 2010 for €19.2 million after exercising a first-demand guarantee when conditions precedent of the purchase contract were not able to be met;
- shopping center projects, mainly those in Villeneuve-la-Garenne, La Valette-du-Var and the port of Genoa in Italy, and the Cap 3000 extension project in Saint-Laurent-du-Var;

In 2010, financial costs of €7.3 million were capitalized for projects under construction or development.

Assets held for sale

In 2011

In 2011, assets held for sale were impacted by the following events:

- the disposal on January 26, 2011 of retail parks in Tours, Herblay and Brive la Gaillarde;
- the disposal on December 8, 2011 of the asset located in Vichy including both retail and non-retail areas;
- the reclassification of three assets as "held for sale": the first in Reims (Marne) and subsequently sold, the second in the Rhône-Alpes region and the third concerning land located in the Paris region.

In 2010

At December 31, 2010, changes in assets held for sale related to:

- the disposal of the Espace Saint Georges shopping center in Toulouse;
- recognition under assets held for sale of properties in Vichy, Herblay, Tours and Brive-la-Gaillarde, as well as land in Aubergenville (covered by preliminary contracts of sale at December 31, 2010).

8.4. Investments in associates and non-consolidated investments

This line item concerns mainly the net value of entities consolidated according to the equity method.

Investments in associates

In € Millions	Shares under equity method
As of January 1, 2010	**68.2**
Dividends	(3.0)
Share of net earnings	7.0
Other	0.0
Reclassified	0.1
Changes in scope	4.6
As of December 31, 2010	**76.9**
Dividends	(2.7)
Share of net income	0.9
Reclassified	0.9
Changes in scope	0.5
As of December 31, 2011	**76.4**

During 2011, dividends totaling €2.7 million were paid in large part by Semmaris, Liévin and Société d'Aménagement Mezzanine Paris Nord (Gare du Nord).

Changes in the Group structure of consolidated operations concerned mainly calls for funds by the Group for the 16.67% share of its interest in the Altafund property investment vehicle in partnership with other investors.

A provision for impairment of €2.9 million was recorded for the company 8'33, increasing the value of the investment in this company to its disposal value in accordance with the terms of the shareholders agreement and given the fact that the development and return from this investment has failed to meet expectations.

Provisions for impairment are recorded when the holdings in associates become negative following cumulative losses. At December 31, 2011, the provision thus recorded amounted to €3.7 million. This provision concerned mainly securities for the office property fund, Cogedim Office Partner.

The contribution of Semmaris to this line item is €53.1 million.

At December 31, 2011, the Semmaris investment, measured at fair value on the acquisition date and including goodwill, was subject to an independent valuation by Accuracy, prepared in January 2012. The appraisal was conducted based on a business plan drawn up by Management for the period from 2011 to 2034, which is when the concession ends. A discount rate of between 6.7% and 5.7% was used for this valuation. An impairment loss of €3.9 million was recognized based on a comparison with resulting range of values calculated on this basis.

During 2010, dividends totaling €3 million were paid in large part by Semmaris, Zhivago, Liévin and Société d'Aménagement Mezzanine Paris Nord (Gare du Nord).

The change in the Group structure of consolidated operations is due mainly to the acquisition of the equity investment in 8'33.

Where the value of holdings in associates becomes negative following cumulative losses at these companies, provisions are recorded. At December 31, 2010, this provision amounted to €1.7 million.

At December 31, 2010, the Semmaris investment, measured at fair value on the acquisition date and including goodwill was subject to an independent valuation by Accuracy, prepared in January 2011. The appraisal was conducted based on a business plan drawn up by Management for the period from 2010 to 2034, which is when the concession ends. A discount rate of between 6.5% and 5.5% was used for this valuation. An impairment loss of €1.4 million was recognized based on a comparison with resulting range of values calculated on this basis.

Principal equity-method associates

	Percentage held		Net value of affiliates accounted for under the equity method	
	12/31/11	12/31/10	12/31/11	12/31/10
Semmaris	33.3%	33.3%	53.1	52.6
SCI Liévin Invest	49.0%	49.0%	14.7	13.3
Sté Aménagement Mezzanine Paris Nord	40.0%	40.0%	6.1	5.4
8 minutes 33	45.7%	45.7%	1.0	4.3
CIB SCI	49.0%	49.0%	0.9	0.7
Holding Lumières	34.0%	34.0%	0.1	-
Altafund Value Add 1 SCA	16.7%	-	0.0	-
SSF III Zhivago Holding LTD	-	50.0%	-	-
Cogedim Office Partners	16.5%	10.0%	0.4	0.3
SAS Foncière Saone Gillet	20.0%	20.0%	0.0	0.0
Fonciere Glatz	20.0%	20.0%	0.2	0.2
antibes seaview	20.0%	20.0%	0.0	0.0
SCI Les Celestins	40.0%	40.0%	0.0	0.0
TOTAL			**76.4**	**76.9**

Principal balance sheet and income statement items of equity-method associates

In € Millions	12/31/11	12/31/10
Non-current Assets	89.6	88.6
Current Assets	47.9	44.9
Total Assets	**137.5**	**133.5**
Shareholders' Equity	51.3	53.7
Non-current Liabilities	38.8	36.5
Current Liabilities	47.4	43.3
Total Liabilities & Shareholders' Equity	**137.5**	**133.5**

In euros Millions	12/31/11	12/31/10
Rental income	32.8	32.6
Development Revenues	3.0	7.0
Services	2.0	2.1
Revenues	**37.8**	**41.7**
Net Profit	**0.9**	**7.4**

8.5. Investments in joint ventures

The above amounts correspond to individual data restated by entity according to the Group share.

Share in Joint-Venture Balance Sheets

In € Millions	12/31/11	12/31/10
Non-current Assets	270.8	249.0
Current Assets	111.3	141.8
Total Assets	**382.1**	**390.8**
Shareholders' Equity	60.8	62.3
Non-current Liabilities	231.3	228.5
Current Liabilities	89.9	99.9
Total Liabilities & Shareholders' Equity	**382.1**	**390.8**

Share in Joint-Venture Income Statements

In € Millions	12/31/11	12/31/10
Net Rents	13.5	9.4
Net property income	7.9	9.4
Overhead	(0.0)	(0.2)
Other revenues and expenses	(3.8)	(1.3)
Variation in value of investment property	0.9	8.9
New charges in period	(0.3)	0.2
Operating profit	**26.2**	**26.4**
Net interest cost	(9.9)	(6.0)
Variation in value of financial instruments	(6.5)	(0.5)
Net profit before tax	**9.7**	**20.0**
Tax	(2.4)	(0.6)
Net profit	**7.4**	**19.3**

8.6. Receivables and other short-term and non-current investments

in € Millions	Receivables related to equity interests and shareholders' advances	Loans and other financial claims	Deposits and down-payments paid	**Sub-total - loans and down-payments**	Other financial assets	**Total gross receivables and other assets**	Impairment	**Net**
As of January 1, 2010	**18.0**	**2.7**	**3.0**	**23.8**	**0.0**	**23.8**	**(0.9)**	**22.9**
Increases / Allocations	1.8	0.1	3.2	5.1	-	5.1	-	5.1
Decreases / Reversal of allocations	(2.2)	(0.5)	(0.3)	(3.0)	(0.0)	(3.1)	-	(3.1)
Transfers / Reclassifications	(0.0)	-	-	(0.0)	-	(0.0)	-	(0.0)
Changes in scope	(0.1)	(0.0)	-	(0.1)	-	(0.1)	-	(0.1)
As of December 31, 2010	**17.5**	**2.4**	**5.9**	**25.8**	**0.0**	**25.8**	**(0.9)**	**24.9**
Increases / Amortization	1.4	-	0.3	1.7	0.1	1.8	(0.0)	1.8
Decreases / Reversal of Allocations	(1.2)	(0.5)	(0.6)	(2.4)	(0.0)	(2.4)	0.0	(2.4)
Transfers / Reclassifications	(1.6)	(0.0)	-	(1.6)	0.0	(1.6)	-	(1.6)
Changes in scope	1.2	0.3	-	1.6	0.0	1.6	-	1.6
As of December 31, 2011	**17.3**	**2.1**	**5.6**	**25.0**	**0.1**	**25.1**	**(0.9)**	**24.3**
of which: Non-current 12/31/10	*8.9*	*2.4*	*5.9*	*17.2*	*0.0*	*17.2*	*(0.9)*	16.4
of which: Current 12/31/10	*8.5*	*(0.0)*	*0.0*	*8.5*	*0.0*	*8.5*	-	8.5
of which: Non-current 12/31/11	*10.0*	*2.1*	*5.6*	*17.7*	*0.0*	*17.8*	*(0.9)*	16.9
of which: Current 12/31/11	*7.3*	-	-	*7.3*	*0.1*	*7.4*	-	7.4

Accounts receivable from equity interests and shareholders' accounts

Accounts receivable from equity interests and shareholders' accounts relate mainly to advances made to partners of consolidated companies or advances to equity-accounted companies.

Loans

Loans consist mainly of loans to French organizations financing the construction of social housing ("1% construction") and loans to employees.

Deposits and advances paid

This item mainly includes security and deposits paid on projects, the offsetting amount of security deposits paid into escrow accounts by tenants in shopping centers and security deposits paid on buildings occupied by the Group.

8.7. Working capital requirement

8.7.1. Summary of components of working capital requirement

In € Millions	**Net inventory and work-in-progress**	Net accounts receivable	Other net operating assets[1]	**Accounts receivable and other operating assets**	Accounts payable	Other operating liabilities	**Accounts payable and other operating liabilities**	**Working Capital Required for Operations**
As of January 1, 2010	**364.1**	**123.9**	**205.2**	**329.2**	**(204.7)**	**(278.7)**	**(483.4)**	**209.8**
Accounting change	(15.3)	0.0	-	0.0	(0.0)	-	(0.0)	(15.3)
Variations	280.3	(14.8)	37.4	22.6	(116.6)	(134.4)	(251.0)	51.9
Net loss of value	2.6	(2.7)	0.9	(1.8)	-	-	-	0.8
Present-valuing		-	-	-	(0.1)	-	(0.1)	(0.1)
Transfers	(0.5)	(8.3)	0.8	(7.6)	1.2	10.3	11.5	3.5
Changes in scope	(0.2)	0.0	(0.2)	(0.2)	0.4	(0.1)	0.2	(0.1)
As of December 31, 2010	**631.0**	**98.1**	**244.1**	**342.2**	**(319.9)**	**(402.9)**	**(722.9)**	**250.4**
Variations	(10.9)	13.1	1.5	14.6	33.5	(49.6)	(16.1)	(12.4)
Net loss of value	(0.8)	(0.5)	(3.6)	(4.1)	-	-	-	(4.9)
Transfers	13.8	-	(0.9)	(0.9)	3.7	(0.2)	3.5	16.4
Changes in scope	51.1	18.1	14.3	32.4	(56.8)	(13.3)	(70.0)	13.4
As of December 31, 2011	**684.2**	**128.8**	**255.3**	**384.1**	**(339.4)**	**(466.0)**	**(805.5)**	**262.8**
Variation of working capital required 12/31/11	11.7	(12.6)	2.2	(10.4)	33.5	(49.6)	(16.1)	17.4
Variation of working capital required 12/31/10	(282.9)	17.5	(38.3)	(20.8)	(116.6)	(134.4)	(251.0)	(52.6)

(1) Excluding receivables on the disposal of property assets

Working capital requirements for Group operations concern mainly the Residential development operating segment

The change in accounting method applied retrospectively in 2010 results from the recognition of advertising costs now fully expensed immediately when incurred.

At December 31, 2011, operating WCR represented 23.6% of revenue (rental revenue, property revenues and services provided to third parties) compared to 29% at December 31, 2010.

The transfer in 2011 is linked to the reclassification of land as inventory previously recognized as investment property.

Changes in the Group structure relate to changes in the consolidation method for the "Property development for third parties" business unit (see Note 5. "Group structure for consolidation), in addition to the consolidation of RueduCommerce.

8.7.2. Summary of components of investment and fiscal working capital requirements

Working capital requirement for investments

In € Millions	Receivable on Sale of Fixed Assets	Payable on Acquisition of Fixed Assets	Working Capital Required for Investment
As of January 1, 2010	**0.0**	**(123.4)**	**(123.4)**
Variations	3.9	52.3	56.2
Present-valuing	-	(0.1)	(0.1)
Transfers	-	2.6	2.6
Changes in scope	-	0.1	0.1
As of December 31, 2010	**3.9**	**(68.5)**	**(64.6)**
Variations	1.6	15.6	17.3
Present-valuing	0.0	(0.1)	(0.1)
Transfers	0.5	(2.1)	(1.6)
Changes in scope	0.0	-	0.0
As of December 31, 2011	**6.1**	**(55.0)**	**(49.0)**
variation working capital required 12/31/11	**1.6**	**15.6**	**17.3**
variation working capital required 12/31/10	**3.9**	**52.3**	**56.2**

The decline in payables for the purchase of fixed assets concerns mainly payments in the period to suppliers for centers delivered in 2010.

Working capital requirement for tax

In € Millions	Corporate income tax receivables	Corporate income tax payable	Working Capital Required for Taxes
As of January 1, 2010	**1.8**	**(3.6)**	**(1.7)**
Tax paid in Fiscal Year	(1.0)	3.6	2.6
Tax expense payable in period		(0.5)	(0.5)
Transfers	0.0	(2.5)	(2.5)
Changes in scope	-	-	-
As of December 31, 2010	**0.8**	**(3.0)**	**(2.1)**
Tax paid in Fiscal Year	0.2	2.8	3.0
Tax expense payable in period		(0.8)	(0.8)
Transfers	(0.0)	0.0	0.0
Changes in scope	-	(0.3)	(0.3)
As of December 31, 2011	**1.0**	**(1.2)**	**(0.2)**
Variation working capital required 12/31/11	**(0.2)**	**(2.8)**	**(3.0)**
Variation working capital required 12/31/10	**1.0**	**(3.6)**	**(2.6)**

8.7.3. Inventory and work in progress

In € Millions	Gross Inventory	Depreciation	Net
As of January 1, 2010	**369.0**	**(4.9)**	**364.1**
Accounting change	(15.3)		(15.3)
Variation	280.3		280.3
New impairments		(0.5)	(0.5)
Reversed impairments		3.1	3.1
Reclassifications	0.4	(0.9)	(0.5)
Change in scope	(0.2)		(0.2)
As of December 31, 2010	**634.2**	**(3.2)**	**631.0**
Variation	(10.9)		(10.9)
New impairments		(2.2)	(2.2)
Reversed impairments		1.4	1.4
Reclassifications	14.2	(0.4)	13.8
Change in scope	51.8	(0.7)	51.1
As of December 31, 2011	**689.3**	**(5.1)**	**684.2**

As a general rule, inventories are destined to be drawn down no later than 2014.

The change in accounting method applied retrospectively effective January 1, 2010 relates to the recognition of advertising costs that are fully expensed when incurred. The impact of this change in accounting method on inventory in 2010 is €1.7 million. As a result of this change, at December 31, 2010, inventory and work in progress in the statement of financial position declined from €648.1 million to €631 million.

Breakdown of net inventory by stage of completion and operating segment

As of December 31, 2011	**Inventory Brick-and-mortar Retail**	**Inventory On-line Retail**	**Inventory Residential**	**Inventory Office**	**Total Net Inventory**
New programs			20.1	1.2	21.3
Programs at land stage	5.0		48.2	17.3	70.5
Programs in progress	0.4		471.8	28.1	500.4
Programs completed			4.6	0.8	5.4
Property Trader transactions	0.9		38.2	15.9	54.9
Goods and merchandise	0.1	31.7	-	-	31.8
Total	**6.4**	**31.7**	**582.9**	**63.3**	**684.2**

As of December 31, 2010	**Inventory Brick-and-mortar Retail**	**Inventory On-line Retail**	**Inventory Residential**	**Inventory Office**	**Total Net Inventory**
New programs	-	-	8.5	0.2	8.7
Programs at land stage	4.6	-	181.3	26.1	212.0
Programs in progress	0.7	-	337.7	26.3	364.7
Programs completed	-	-	8.4	1.8	10.2
Property Trader transactions	1.1	-	26.2	8.0	35.3
Goods and merchandise	0.1	-	-	-	0.1
Total	**6.5**	**-**	**562.1**	**62.4**	**631.0**

"New transactions" correspond to programs identified for which land has not been acquired.

"Programs at land stage" correspond to programs for which land has been acquired but construction work has not yet begun.

"Programs in progress" correspond to programs for which land has been acquired and construction work has begun.

"Completed programs" correspond to programs for which construction work has been completed.

"Dealer programs that metal" correspond to properties acquired to be resold as is without transformation.

Changes in the "brick-and-mortar" operating segment concern programs for the off-plan sales of retail property (VEFA) as well as land held for the purpose of resale (without transformation).

Inventory of trade goods concern mainly goods held by the company RueduCommerce.

8.7.4. Trade and other receivables

In € Millions	12/31/2011	12/31/2010
Receivables Brick-and-mortar Retail	50.5	44.0
Receivables On-line Retail	26.1	-
Receivables Residential	54.0	53.4
Receivables Office	13.6	13.4
Total Receivables and connected accounts	**144.2**	**110.8**
Loss of value at beginning of period	**(12.7)**	**(10.0)**
Impairment allocation	(4.6)	(5.3)
Changes of scope	(2.2)	-
Reclassified	0.0	-
Reversed charges	4.1	2.6
Loss of value at end of period	**(15.4)**	**(12.7)**
Accounts receivable net	**128.8**	**98.1**
Advances and down payments paid	53.8	20.8
VAT Credit	135.0	131.4
Miscellaneous accounts receivable	22.6	54.2
Pre-paid expenses	28.7	24.9
Service client accounts in debit	19.1	12.9
Total other gross receivables from operations	**259.1**	**244.2**
Loss of value at beginning of period	**(0.1)**	**(0.3)**
Impairment allocation	(3.7)	(0.0)
Reclassified	(0.0)	(0.7)
Reversed charges	0.0	0.9
Loss of value at end of period	**(3.8)**	**(0.1)**
Net receivables from operations	**255.3**	**244.1**
Client receivables and other claims from operations	**384.1**	**342.2**
Claims on sale of fixed assets	6.1	3.9
Client receivables and other claims from operations	**390.2**	**346.1**

Allowances for trade receivables concern mainly the impairment of advance paid on land after the discontinuation of the corresponding program.

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.

Trade receivables due :

In € Millions	12/31/2011
Total gross accounts receivable	**144.2**
Charges against Accounts Receivable	(15.4)
Total net Accounts Receivable	**128.8**
Customers invoices accrued but not issued	(12.5)
Receivables lagging completion	9.6
Receivables and related accounts due	**125.9**

In € Millions	Total	on time	30 days	60 days	90 days	over 90 days
Receivables and related accounts due	125.9	69.1	11.8	18.8	6.5	19.7

Advances and down payments paid

Advances and down payments 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.

Sundry debtors

The line item "Sundry debtors" includes mainly profit-sharing receivables from a delegated project management operation.

8.7.5. Trade and other payables

in € millions	12/31/2011	12/31/2010
Trade payables and other accounts payable	339,4	319,9
Trade payables and other accounts payable	339,4	319,9
Trade receivables — advances	334,5	262,7
VAT collected	51,0	48,1
Other tax and social security payables	36,3	34,9
Advances and downpayments received	13,1	9,3
Other payables	12,0	34,9
Principal accounts in credit	19,1	12,9
Other operating payables	**466,0**	**402,9**
Amounts payable on non-current assets	55,0	68,5
Accounts payable and other operating liabilities	**860,5**	**791,3**

Prepayments under the percentage-of-completion method

Prepayments under the percentage-of-completion method represent the excess of amounts received from trade customers, inclusive of taxes, over the revenue recognized on a percentage-of-completion basis, inclusive of taxes.

Advances and down payments received

This heading includes mainly indemnities received on off-plan sales in the development business and contractual advances paid by tenants of shopping centers under development in Italy.

Payables on purchases of fixed assets

Payables on purchases of fixed assets correspond mainly to debts to suppliers for shopping centers just completed or under construction.

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

Share capital (in €)

in number of shares, in € Millions	Number of shares	Nominal Value	Share Capital
Number of shares issued as of January 1, 2010	**10,178,817**	**15.28**	**155,540,502**
no change in FY 2010			
Number of shares issued as of December 31, 2010	**10,178,817**	**15.28**	**155,540,502**
no change in FY 2011			
Number of shares issued as of December 31, 2011	**10,178,817**	**15.28**	**155,540,502**

Because of the reverse acquisition between Imaffine and Altarea on December 24, 2004, share capital presented in the consolidated balance sheet is the amount, from a legal standpoint, of the absorbed entity.

Capital management

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

The Company measures its capital in terms of net asset value (NAV) and the loan-to-value (LTV) ratio.

The Company's objective is for an LTV ratio that is close to or less than 52%. Banking covenants on corporate loans require an LTV ratio of less than 65%.

Share-based payments

Two new bonus share plans were introduced during the year.

The gross cost recorded on the income statement for share-based payments was €6.7 million in 2011 compared to €10.8 million in 2010.

• Assumptions for the evaluation of new bonus share plans

	12/31/2011
Expected dividend rate	5.33%
Expected volatility	NA
Risk-free interest rate	2.57% à 2.59%
Model employed	Cox Ross Rubinstein binomial model

• Stock option plans

No stock option plans were implemented in 2011.

Option plans	Number of options granted	Strike price per share (in euros)	Date of exercise	Options outstanding at 12/31/2010	Attribution	Options exercised	Options cancelled	Options outstanding at 12/31/2011
Altarea share option plan								
November 23, 2004	9,240	32.90	11/23/2008 - 11/23/2011					
Additional options - share capital increase	2,640	170.00	11/23/2008 - 11/23/2011	2,640			(2,640)	0
January 4, 2005	28,500	38.25	01/04/2009 - 01/04/2012					
Additional options - share capital increase	857	170.00	01/04/2009 - 01/04/2012	857			(857)	0
March 13 2006	1,950	119.02	03/13/2010 - 03/13/2013	950			(400)	550
Additional options - share capital increase	557	170.00	03/13/2010 - 03/13/2013	270			(114)	156
January 30 2007	3,800	175.81	01/30/2011 - 01/30/2014	1,450			(600)	850
Additional options - share capital increase	1,086	170.00	01/30/2011 - 01/30/2014	412			(170)	242
March 5, 2010	5,500	104.50	03/05/2010 - 03/05/2013	5,500			(1,250)	4,250
Total	**54,130**			**12,079**	**0**	**0**	**(6,031)**	**6,048**

• Share warrants

Warrants	Number of warrants granted	Strike price per share (in euros)	Date of exercise	Warrants outstanding at 31/12/2010	Rights outstanding at 31/12/2011
December 24, 2007	65,000 (*)	275.00	01/01/2011 - 12/31/2011	65,000	0
Total	**65,000**			**65,000**	**0**

(*): These warrants were purchased at a price of €10 per unit, for a aggregate amount of €650,000

• Bonus share grants

In 2011, two new plans were implemented granting 1,413 rights to bonus shares.

38,430 shares were delivered under plans implemented in previous years.

Date granted	Number of rights granted	Acquisition dates	Warrants outstanding at 12/31/2010	Attribution	Warrants exercised	Rights cancelled **	Warrants outstanding at 12/31/2011
Grant plans for Altarea shares							
December 31 2008	2,500	September 30 2011	2,500		(2,500)		0
July 17 2009	17,680	July 17 2011	15,465		(14,930)	(535)	0
July 17 2009	10,000	July 17 2011	10,000		(10,000)		0
September 15 2009	11,000	September 15 2011	11,000		(11,000)		0
March 5 2010	32,190	March 31 2012	31,110			(1,110)	30,000
March 5 2010	73,800	December 20 2012	72,300			(1,000)	71,300
March 5 2010	20,000	December 20 2012	20,000				20,000
March 5 2010	20,000	December 20 2013	20,000				20,000
March 5 2010	20,000	December 20 2014	20,000				20,000
March 5 2010	16,700	March 5 2012	16,700				16,700
December 16 2010	15,400	June 30 2013	15,400			(1,100)	14,300
March 29 2011	413	March 29 2013	0	413			413
December 15 2011	1,000	December 15 2014	0	1,000			1,000
Total	**371,320**		**234,475**	**1,413**	**(38,430)**	**(3,745)**	**193,713**

* *Rights are granted subject to performance superior to market, supposedly met*

** *Warrants cancelled subsequently to departure or to performance conditions not met with certainty*

- **Employee stock ownership plan (FCPE)**

Employee Share Ownership Plan	Number of shares	Subscription price (in euros)	End of freeze period
Investment fund in Altarea shares *			
July 10, 2007	3,318	140.65	07/10/2012
December 24, 2007	4,350	165.15	12/24/2012
Total	**7,668**		

* *Informationation only regards funds as yet unfrozen*

Treasury shares

The purchase price of treasury shares was €26.9 at December 31, 2011 for 212,880 shares (including 210,598 shares for grants to employees in connection with bonus share or stock option plans and 2,282 shares allocated to a liquidity agreement) compared with €17.7 million at December 31, 2010 for 140,389 shares (including 135,249 for grants to employees under bonus share for stock option plans and 5,140 shares for a liquidity agreement). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or stock grants of treasury shares to Company employees was recognized directly in equity for €4.9 million before tax at December 31, 2011 (€3.2 million after tax) compared with a loss of €10.1 million before tax at December 31, 2010 (€6.6 million after tax).

The impact in treasury of purchases and disposals in the period represented an expense of €14.1 million in 2011 compared to €21.8 million in 2010.

8.9. Financial liabilities

Current and non-current borrowings and financial liabilities

In € Millions	**Participating loans and shareholders' advances under option**	Bank loans	Finance lease liabilities	**Total bank borrowing**	Bank facilities (debt)	**Bank borrowings and facilities (1)**	Bank borrowing and facilities backed by VAT credits	Current accounts	Other financial debt	**Total Financial Borrowings and Liabilities not including current interest and overdraft (2)**	Bank facilities (overdraft)	Current interest on liabilities to banks	Current interest on other liabilities as credit	**Total Financial Borrowings and Liabilities**
As of January 1, 2011	**24.8**	**2,086.4**	**49.2**	**2,135.5**	**132.0**	**2,267.5**	**7.8**	**25.2**	**0.1**	**2,325.4**	**7.4**	**5.6**	**3.9**	**2,342.4**
Increase	67.9	231.7	0.1	231.8	81.2	313.0	-	7.8	0.1	**388.8**	-	3.2	0.8	**392.9**
Present Value	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
Decrease	(11.2)	(205.7)	(1.7)	(207.4)	(72.9)	(280.3)	(2.2)	(7.4)	(0.1)	**(301.3)**	(1.9)	(1.0)	(3.3)	**(307.5)**
Reclassified	-	-	-	-	-	-	-	(0.0)	-	**(0.0)**	-	-	-	**(0.0)**
Change of method	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
Amortization of issuing costs	-	3.4	-	3.4	-	3.4	-	-	-	**3.4**	-	-	-	**3.4**
Changes in scope	-	-	(0.0)	(0.0)	-	(0.0)	-	(0.0)	-	**(0.0)**	-	(0.0)	-	**(0.0)**
As of December 31, 2010	**81.4**	**2,115.7**	**47.6**	**2,163.3**	**140.3**	**2,303.6**	**5.6**	**25.5**	**0.1**	**2,416.2**	**5.5**	**7.9**	**1.4**	**2,431.0**
Increase	1.1	161.1	0.1	161.2	113.1	274.3	-	7.5	-	**282.9**	-	2.7	0.7	**286.3**
Present Value / Reversal of Present Value	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
Decreasae	(1.0)	(163.7)	(3.7)	(167.3)	(90.8)	(258.1)	(5.6)	(2.0)	(0.0)	**(266.7)**	(0.2)	(1.1)	(0.1)	**(268.1)**
Reclassified	-	-	1.0	1.0	-	1.0	-	(1.6)	(0.0)	**(0.6)**	-	-	-	**(0.6)**
Change of method	-	-	-	-	-	-	-	3.5	-	**3.5**	-	-	-	**3.5**
Amortization over time of issuing costs	-	3.1	-	3.1	-	3.1	-	-	-	**3.1**	-	-	-	**3.1**
Changes in scope	-	-	-	-	5.6	5.6	-	(0.0)	-	**5.6**	0.0	0.0	-	**5.7**
As of December 31, 2011	**81.5**	**2,116.2**	**45.0**	**2,161.2**	**168.3**	**2,329.5**	**-**	**32.9**	**0.1**	**2,444.1**	**5.3**	**9.5**	**2.0**	**2,460.8**
of which: not current on December 31, 2010	*81.4*	*2,087.6*	*44.0*	*2,131.6*	*80.2*	*2,211.7*	*-*	*18.1*	*0.1*	*2,311.3*	*-*	*-*	*-*	*2,311.3*
of which: not current on December 31, 2011	*81.5*	*1,998.3*	*43.0*	*2,041.3*	*46.8*	*2,088.0*	*-*	*15.8*	*0.1*	*2,185.4*	*-*	*-*	*-*	*2,185.4*
of which: current on December 31, 2010	*-*	*28.1*	*3.6*	*31.7*	*60.2*	*91.9*	*5.6*	*7.4*	*-*	*104.9*	*5.5*	*7.9*	*1.4*	*119.7*
of which: current on December 31, 2011	*-*	*117.9*	*2.1*	*120.0*	*121.5*	*241.5*	*-*	*17.2*	*-*	*258.7*	*5.3*	*9.5*	*2.0*	*275.4*

(1) Not including current interest presented in a separate column to the right of the table

(2) Not including current interest presented in a separate column to the right of the table

Bank borrowings

During 2011, the main changes in borrowings were:

- repayments by Altarea SCA of the Ixis loan for tranche A (-€3 million) and tranche B (-€103 million);
- repayment of the €18 million credit facility granted to Cogedim Gestion in connection with financing for the Suresnes Philips project;
- prepayment (-€11 million) of the mortgage loan of Crèches-Investissement following the disposal of the shopping center on June 1, 2011;
- repayments of €17.8 million on loans obtained by the Italian companies including €7.4 million for Altarag (for information, the Italian entities had already repaid €6 million for bank loans backed by the VAT receivables);
- prepayment (-€1.9 million) on the finance lease on the Majes Herblay shopping center after the disposal of this asset by Vivienne on January 26, 2011; and conversely:
  - an €88 million drawing by Altarea SCA on tranche B of the Ixis loan,
  - a new €80 million loan in connection with RueduCommerce's acquisition (with €22.5 million drawn down),
  - a new €41 million loan (with €16.3 million drawn down) for the acquisition of a program in Nîmes;
  - financing for the Villeneuve la Garenne program for €91.5 million (with €18.3 million drawn down in the period);

- an additional drawing of €8.4 million on the mortgage loan for Limoges-Investissement;
- a €6.3 million drawing to finance the remodeling of Cap 3000;
- an additional €6 million drawing by the Italian company Altacerro, the entity that holds the "Le Due Torri" shopping center opened in 2010.

In 2010, the main changes in borrowings were:

- a €250 million loan obtained by Aldeta, including €160 million for purchase price consideration and €90 million for future developments, with a drawing of €55 million pro rated to its share (€165 million for 100%);
- a €33.7 million loan obtained by Limoges Invest, with €22 million drawn during 2010;
- additional drawings for the Kremlin-Bicêtre project, completed in the 2010 first half including €7 million or the shopping center and €17 for the business center;
- additional drawings of €32 million by Altacerro, which owns the "Le Due Torri" shopping center in Stezzano
- a loan of €10 million obtained by Altarea Italia on October 4, 2010, repayable through equal quarterly installments until 31 March, 2014;
- a loan of €18 million obtained by Cogedim Gestion on November 4, 2010, repayable on October 31, 2012, allocated to financing an office property program in Suresnes;
- prepayment of the mortgage loan on the Espace Saint Georges shopping center sold on April 22, 2010 (€51 million reduction in mortgage loans);
- prepayment of the loan on the buildings of the property complex on avenue de Wagram in Paris, sold on 29 June 2010 (-€53 million);
- prepayment of the €17.3 million loan following the disposal of Collet Berger shares.

Bank overdrafts (liabilities)

Bank financing for development transactions is set up by arranging a credit facility with an authorized overdraft amount for a given period (generally for the duration of the construction work). These facilities are classified under current and non-current debt depending on the expiry date. They are guaranteed by mortgage commitments on the assets and undertakings not to sell or assign the partnership shares.

Participating loans and shareholders' advances under option

Participating loans represent the share of non-controlling associates or partners in the financing of fully consolidated projects. Shareholders' advances under option represent the share of shareholders' advances with an option to buy from the partners ABP and Predica which acquired the Cap 3000 shopping center alongside the Company.

Shareholders' accounts

These are advances to current accounts made as a normal part of business by associates in Company subsidiaries holding shopping centers, under development or completed, together with programs relating to property development for third parties.

Net financial debt

In € Millions	Bank borrowings and facilities	Current interest on borrowing from banks	**Liabilities to banks not including overdrafts and facilities backed by VAT credits**	Cash and equivalent (assets)	Bank facilities (overdrafts)	**Net Cash**	**Net bank borrowing not including facilities backed by VAT credits**	Bank borrowing and facilities backed by VAT credits	**Net bank borrowing including facilities backed by VAT credits**	Participating loans and shareholders' advances under option	Shareholders' advances	Other financial borrowing	Current interest on other borrowing	**Net financial borrowing**
Cash assets			**-**	(262.4)		**(262.4)**	**(262.4)**		**(262.4)**					**(262.4)**
Non-current financial liabilities	2,211.7		**2,211.7**			**-**	**2,211.7**	-	**2,211.7**	81.4	18.2	0.1		**2,311.4**
Current financial liabilities	91.9	7.9	**99.8**		5.5	**5.5**	**105.2**	5.6	**110.8**		7.4	-	1.4	**119.7**
As of December 31, 2010	**2,303.6**	**7.9**	**2,311.5**	**(262.4)**	**5.5**	**(257.0)**	**2,054.5**	**5.6**	**2,060.1**	**81.4**	**25.5**	**0.1**	**1.4**	**2,168.6**
Cash assets			**-**	(263.2)		**(263.2)**	**(263.2)**		**(263.2)**					**(263.2)**
Non-current financial liabilities	2,088.0		**2,088.0**			-	**2,088.0**	-	**2,088.0**	81.5	15.8	0.1		**2,185.5**
Current financial liabilities	241.5	9.5	**251.0**		5.3	**5.3**	**256.3**	-	**256.3**	-	17.2	-	2.0	**275.4**
As of December 31, 2011	**2,329.5**	**9.5**	**2,339.1**	**(263.2)**	**5.3**	**(257.9)**	**2,081.1**	**-**	**2,081.1**	**81.5**	**32.9**	**0.1**	**2.0**	**2,197.6**

Net financial debt equals gross financial debt as shown above less cash.

Outstanding maturity of bank borrowings and debt

Bank borrowings and debt analyzed below represent the total of the following items shown in the above table:

- gross bank borrowings;
- bank overdrafts (cash liabilities)
- borrowings and debt backed by VAT receivables.

In € Thousands	12/31/2012	12/31/2010
under 3 months	63.4	42.0
3 to 6 months	93.5	20.3
6 to 9 months	71.0	12.7
9 to 12 months	28.6	36.0
under 1 year	**256.4**	**111.0**
2 years	416.8	206.6
3 years	253.8	371.4
4 years	109.5	247.9
5 years	586.2	99.1
1 to 5 years	**1,366.4**	**925.0**
over 5 years	**739.0**	**1,302.7**
IAS 32 39	(17.5)	(16.2)
Total gross bank debt	**2,344.3**	**2,322.5**

The IAS 32/39 line item shows the balance of debt issuance costs not yet amortized under the amortized cost method. A change in the calculation of the effective interest rate was not required by changes in interest rates.

Breakdown of bank borrowings and debt by type of guarantee

In € Millions	12/31/2011	12/31/2010
Mortgages	1,420.3	1,434.1
Mortgage Commitments	154.7	111.2
Lender's liens	4.7	5.0
Pledges on assets other than real property	618.3	632.3
Full guarantee from Altarea sca	133.2	111.3
Exclusive guarantees by pledge of tax claims	-	5.6
Not guaranteed	30.8	39.3
IAS 32 39	(17.5)	(16.2)
Total gross bank borrowing	**2,344.3**	**2,322.5**

Pledges without collateral are backed by securities, including €348 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.

Breakdown of bank borrowings and debt by interest rate

Virtually all of the Group debt carries floating rate interest at 3-month Euribor.

Average cost of debt

The average cost of debt including the impact of interest rate hedging instruments amounted to 3.60% compared with 3.69% in 2010.

Interest amortization schedule

In € Millions	12/31/2011	12/31/2010
under 3 months	24.4	20.2
3 to 6 months	24.0	21.6
6 to 9 months	23.7	21.7
9 to 12 months	23.5	21.7
under 1 year	**95.7**	**85.3**
2 years	85.9	89.8
3 years	76.7	78.3
4 years	58.0	65.8
5 years	46.2	56.6
1 to 5 years	**266.8**	**290.4**

Future interest payments relate to bank borrowings and include interest flows on financial instruments calculated using projected yield curves at the closing date.

Finance leases

Bank debt on finance leases

	Amounts owed to banks on finance leases	
	12/31/2011	12/31/2010
Amounts due under 1 year	2.1	3.6
Amounts due over 1 year and under 5 years	9.9	8.4
Amounts due over 5 years	33.9	36.5
Total	**45.9**	**48.5**

Future lease payments

	Future lease payments	
	12/31/2011	12/31/2010
Amounts due under 1 year	2.4	3.9
Amounts due over 1 year and under 5 years	10.6	9.2
Amounts due over 5 years	34.2	36.9
Total in gross amounts	**47.3**	**50.1**
Amounts due under 1 year	2.3	3.9
Amounts due over 1 year and under 5 years	9.8	8.7
Amounts due over 5 years	22.5	25.8
Total in present value	**34.6**	**38.4**

Carrying value of assets held under finance leases

	Carrying value of assets financed by finance lease	
	12/31/2011	12/31/2010
Other fixed assets	1.1	0.9
Assets held for sale	-	6.3
Investment property	66.9	65.5
Total	**68.0**	**72.7**

8.10. Provisions

In € Millions	Provision for retirement severance benefit	Other provisions Brick-and-mortar retail	On-line retail	Residential	Office	Total other provisions	Total
As of January 1, 2010	**4.1**	**3.5**	**-**	**11.45**	**1.44**	**16.43**	**20.5**
Charges	1.4	4.7	-	0.8	0.3	5.7	7.1
Reversals taken	(0.1)	(1.6)	-	(0.8)	(0.1)	(2.5)	(2.6)
Reversals not taken		(1.5)	-	(1.0)	-	(2.6)	(2.6)
Transfers to other heading		(0.0)	-	(1.1)	0.7	(0.5)	(0.5)
Changes in scope		-	-	(0.0)	(0.1)	(0.1)	(0.1)
As of December 31, 2010	**5.3**	**5.1**	**-**	**(9.2)**	**2.2**	**16.5**	**21.8**
Charges	1.0	2.1	-	2.4	0.0	4.5	5.5
Reversals taken	(0.2)	(0.5)	-	(1.3)	-	(1.8)	(2.0)
Reversals not taken		(1.9)	-	(2.1)	(0.0)	(4.0)	(4.0)
Transfers to other heading		(0.1)	-	(0.3)	2.0	1.6	1.6
Changes in scope	0.2	-	0.5	(0.0)	-	0.5	0.6
As of December 31, 2011	**6.3**	**4.7**	**0.5**	**7.9**	**4.2**	**17.3**	**23.6**
of which: Non-current 12/31/10	*5.3*	*5.1*	*-*	*(9.2)*	*2.2*	*16.5*	*21.8*
of which: Current 12/31/10		-	-	-	-	-	-
of which: Non-current 12/31/11	*6.3*	*4.7*	*0.5*	*7.9*	*4.2*	*17.3*	*23.6*
of which: Current 12/31/11		-	-	-	-	-	-

Provisions for retirement severance benefits

Benefits payable on retirement are presented in note 15.2 "Retirement obligations"

Provisions for brick-and-mortar retail operations

At December 31, 2011, as at the end of the prior year, provisions for the shopping center development business primarily covered payment contingencies for rent guarantees granted to buyers of properties sold. Allowances for depreciation and reversals relate to the readjustment of these rent guarantee commitments.

Provisions for residential and office property development

Provisions for this business mainly cover the risk of disputes arising from construction projects and the risk of the default of certain co-developers.

8.11. Deposits and guarantees received

In € Millions	Deposits and guarantees received
As of January 1, 2010	**25.3**
Variations	0.2
As of December 31, 2010	**25.5**
Variations	(0.3)
As of December 31, 2011	**25.2**

Deposits and guarantees received relate to the deposits and guarantees paid by tenants of shopping centers against future rent. Also included in this item are funds received from tenants as advances on service charges.

9. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9.1. Net rental income

Net rental income was €148.8 million at year-end 2011 compared with €152.1 million in 2010. This decrease mainly reflects the impact of disposals in 2010 and 2011 for €12.5 million that was partially offset by the commissioning of centers developed for use as an investment and the acquisition of Cap 3000 in Nice (full-year impact) and contributing respectively €5.8 million and €4.3 million. Net rental income on a like-for-like basis remains stable from one year to the next.

Contingent rental revenues

Contingent rental revenues represent variable rents in general indexed to tenants' sales. This item amounted to €2 million at December 31, 2011, up from €0.8 million in the prior year and equal to approximately 1.3% of net rental income in 2011 compared with 0.5% in 2010.

9.2. Net property income

Net property income of the Group amounted to €105.7 million at December 31, 2011 compared with €62.2 million at the end of the previous year (or €63.9 million before the change in accounting method, applied retrospectively, fully expensing advertising costs in the period incurred and that consequently increased the cost of sales by €1.7 million).

This change largely reflects the significant growth in the "Residential" operating segment to €101.7 million, up from €56.8 million at December 31, 2010. This segment benefited from the growth in housing sales in 2009 and 2010, which were recognized using the percentage-of-completion method. Net property income for the "Offices" operating segment at December 31, 2011 declined to €3.1 million compared with €5 million at December 31, 2010. Net property income for brick and mortar retail includes forward (off-plan) sales in shopping Center developments. This item showed a balance of €0.8 million at December 31, 2011, up from €0.4 million at December 31, 2010

9.3. Net overhead costs

Net overhead expenses relating to the Group's service providers amounted to €41.6 million at December 31, 2011 compared with €36.4 million in 2010.

Before the amortization of customer relationships recognized on the Cogedim acquisition, net overhead costs in 2011 amounted to €41.6 million compared to €31.5 million at the end of 2010. The increase in this item reflects mainly reduced revenue from the "Offices" operating segment and increased overhead costs for the "Residential" operating segment linked to growth in activity in the period.

Breakdown of staff costs

In € Millions	FY 2011	FY 2010
Compensation to personnel	(60.5)	(55.3)
Payroll taxes	(26.6)	(24.0)
Incentive shares	(6.7)	(10.8)
Profit-sharing net of tax credit	(1.7)	(4.0)
Other personnel costs	(3.0)	(4.6)
Retirement severance payments	(0.8)	(1.3)
PERSONNEL COSTS	**(99.4)**	**(100.0)**

9.4. Other components of operating profit

Other income, expenses and depreciation and amortization

This item shows a net charge of €23 million at December 31, 2011 compared with income of €0.8 million at the end of the previous year.

Net exceptional expenses included under this heading amounted to €13.3 million in 2011 and corresponded to transaction costs for corporate development in connection with business combinations or acquisitions of equity interests, whether completed or not (Foncia, RueduCommerce, Urbat, Altafund). In 2010, net exceptional income of €12.3 million corresponded to a €9.8 million insurance claims payment received for the Théâtre de l'Empire loss in 2005 and an indemnity received for the termination of a shopping center development project.

Excluding these exceptional items, this item represented net expense of €9.7 million, down from €11.5 million at December 31, 2010. Other income and expense mainly consist of fees (legal and audit fees, stamp duties, dispute-related costs, shopping center valuation fees, etc.), advertising expenses (including spending on shopping center launches that cannot be capitalized), taxes other than income tax, rental costs and bank charges, along with ancillary revenue (hotel property revenue, temporary rental income or cost reductions) registered by Group companies that are not service providers.

Proceeds from disposal of investment properties

Six commercial properties were sold in 2011 for a total consideration of €104.4 million generating proceeds on disposal of €5.5 million. The main disposals in 2011 concerned the Crêches-sur-Saône Family Village® as well as the Vichy "Les Quatre Chemins" and Thionville "Cours des Capucins" shopping centers.

In 2010, 10 properties were sold for a total consideration of €326.5 million, generating proceeds on disposal of €25.1 million. The main disposals in 2010 were Espace Saint-Georges in Toulouse, the building of the property complex on avenue de Wagram, and Espace Jean Jaurès and Coat Ar Gueven in Brest.

Changes in value of investment properties measured at fair value

Changes in fair value of investment properties represented a gain of €76.1 million at December 31, 2011.

This growth mainly reflects positive effects of indexation to the commercial rent (ILC) and cost-of-construction (ICC) indexes and the impact of Asset Management operations.

Net impairment losses on investment properties at cost

In 2011, net impairment losses of €6.1 million represented the impairment of shopping center projects terminated or discontinued in Italy or in France.

In 2010, the net impairment loss on investment properties measured at cost amounted to €19.1 million, corresponding to the impairment of land in Spain, and expensing capitalized costs on discontinued development projects.

Allowances for provisions net of charges

In 2011, the negative balance of €0.2 million mainly reflects allowances for provisions and reversals in the "Housing" operating segment representing respectively a charge of €0.5 million and income of €1.5 million. These reversals resulted in an outflow of €1.1 million in the period.

In 2010, the positive net balance of €2.4 million resulted from reversals of provisions net of costs incurred relating to disputes concerning shopping centers and reversals of provisions relating to old disputes in property development for third parties. These reversals resulted in a €1.4 million outflow of in the period.

9.5. Net borrowing costs

In € Millions	FY 2011	FY 2010
Bank interest	(54.7)	(46.5)
Other bank interest	(8.5)	(3.7)
Interest on shareholder advances	(5.1)	(2.2)
Interest on hedging instruments	(23.0)	(39.3)
Stand-by fees	(0.7)	(0.8)
Other financial expenses	(1.2)	(2.0)
Capitalized financial expenses	8.0	12.1
Financial expenses	**(85.1)**	**(82.4)**
Net income from disposal of money-market securities	1.1	0.5
Interest on shareholder advances	1.2	2.5
Other interest income	0.8	1.1
Interest on bank accounts	0.1	0.0
Financial income	**3.2**	**4.2**
NET COST OF BORROWING	**(82.0)**	**(78.2)**

Interest expense on bank borrowings includes the effect of amortizing debt issuance costs in accordance with IAS 32 and IAS 39.

Capitalized finance expenses relate only to companies carrying an asset under development or construction (shopping centers and property and office development) and are deducted from the line item for interest expense on bank borrowings.

The capitalization rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets is the interest rate on financing specifically allocated to asset development or, if there is no specific financing, to the average cost of debt borne by the Company and not specifically allocated. For fiscal 2011 the rates applied ranged between 2.9% and 3.1% compared with between 3.7% and 4.2% in 2010

9.6. Other components of pre-tax profit

The change in value of financial instruments and gains/losses on disposal of these instruments represented a net charge of €80.4 million at December 31, 2011 compared with a net charge of €10.8 million at the end of 2010. 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. Balancing cash payments recorded in 2011 amounted to outflows €23.4 million compared with €43.2 million in 2010.

The result of disposals of equity interest was virtually nil at December 31, 2011 representing a loss of €0.1 million and stable in relation to the end of the previous year.

The share in earnings of equity-accounted companies represented income of €0.9 million in 2011 compared with €7 million at December 31, 2010 (see Note 8.4 "Investments in associates and non-consolidated investments").

9.7. Corporate income tax

Current income tax payables and receivables

In € Millions	12/31/2011	12/31/2010
Tax owed due	**1.2**	**3.0**
Tax credits due	**1.0**	**0.8**

At the end of 2011, the Group had no income tax liabilities with a maturities exceeding one year.

Analysis of tax expense

In € Millions	December 31, 2011 Total	December 31, 2010 Total
Current tax	**(0.8)**	**(0.5)**
Capitalization of tax losses or use of capitalized tax losses	6.7	8.7
Differences in evaluation	-	5.6
Fair value of investment property	(6.3)	(0.2)
Fair value of financial instruments	5.2	(0.0)
other timing differences	(14.5)	(27.3)
Deferred taxation	**(8.8)**	**(13.2)**
Total tax income (expense)	**(9.6)**	**(13.7)**

Deferred tax on differences in the fair value of investment properties derive primarily from shopping centers in Italy and Spain, as well as in France, within the scope of the companies that opted for SIIC status.

Deferred tax relating to valuation differences in 2010 corresponds mainly to the amortization of customer relationships recognized on the 2007 acquisition of Cogedim and completely amortized at December 31, 2010.

Deferred tax from the classification of tax losses as assets or the use of loss carryforwards represented in 2011 mainly the following items:

- Use of tax losses of Cogedim sas for €8.7 million;
- Classification of €7.7 million in tax losses of the Altareit tax group as assets;
- Classification of a portion of the tax loss of the Altarea España tax group for €7.7 million as assets.

Effective tax rate

In € Millions	12/31/2011	12/31/2010
Profits before tax of consolidated companies	102.8	157.0
Group Tax Saving (Expense)	(9.6)	(13.7)
Effective tax rate	**9.3%**	**8.7%**
Corporate income tax rate in France	34.43%	34.43%
Theoretical tax	**(35.4)**	**(54.1)**
Difference between theoretical and real tax	**25.8**	**40.3**
of which: difference due to SIIC status of entities	*23.5*	*54.3*
of which: difference due to treatment of tax losses	*(2.9)*	*(7.8)*
Other permanent differences and rate-driven differences	5.3	(6.2)

Differences related to the SIIC status of entities correspond to tax savings on accumulated earnings of French companies having opted for the application of SIIC tax provisions.

Differences related to the treatment of tax losses correspond to the tax charge linked to tax losses not classified as assets and/or tax savings from use of tax losses of prior periods not classified as assets.

Deferred tax assets and liabilities

in € Millions	Capitalization of tax losses	Evaluation differences	Fair value of investment property	Fair value of financial instruments	Other timing differences	Total
As of January 1, 2010	**84.0**	**(34.6)**	**(10.4)**	**9.5**	**(7.0)**	**41.5**
Accounting change	-	-	-	-	*5.2*	*5.2*
Expense (income) to Income Satement	*8.7*	*5.6*	*(0.2)*	*(0.0)*	*(27.3)*	*(13.2)*
Deferred tax to Shareholders' Equity	-	-	-	-	*(0.2)*	*(0.2)*
Other variations	*2.2*	*(0.8)*	*0.0*	-	*(1.5)*	*(0.1)*
Changes in scope	-	*0.0*	-	-	*(0.0)*	-
As of December 31, 2010	**95.0**	**(29.8)**	**(10.6)**	**9.4**	**(30.9)**	**33.2**
Expense (income) to Income Satement	6.7	-	(6.3)	5.2	(14.5)	(8.8)
Deferred tax to Shareholders' Equity	-	-	-	-	(0.6)	(0.6)
Other variations	0.4	0.0	1.3	(0.0)	(1.7)	(0.0)
Changes in scope	-	-	-	-	0.1	0.1
As of December 31, 2011	**102.1**	**(29.8)**	**(15.5)**	**14.6**	**(47.6)**	**23.9**

in € Millions	Deferred tax asset	Deferred tax liability	Net deferred tax
As of December 31, 2010	**55.7**	**22.5**	**33.2**
As of December 31, 2011	**49.5**	**25.6**	**23.9**

Deferred taxes recognized in equity relate to the stock option and stock grant plans expensed under staff costs with a corresponding adjustment to equity in accordance with IFRS 2 and the cancellation of gains and losses arising on sales of treasury shares.

The change in accounting method applied retrospectively effective January 1, 2010 results from the recognition of advertising costs now immediately fully expensed when incurred. The impact of this change in accounting method on fiscal 2010 amounted to €0.5 million. In consequence, the expense under the "corporate income tax" line item of the statement of comprehensive income declined from €14.2 million to €13.7 million.

Deferred tax relating to goodwill mainly concerns the brand and customer relationships recognized from the Cogedim acquisition in 2007 (with the portion for customer relationships fully amortized at December 31, 2010).

Deferred tax relating to the classification of tax losses as assets mainly relate to tax assets in the Altareit tax group and, in particular, the €74.5 million tax loss of the subsidiary Cogedim SAS and the €15 million tax loss of Altareit, the head of this tax group. The end date for the use of these tax losses was deferred in response to new tax provisions setting a limit of 60% of the tax result of the period for the annual use of available tax losses. In consequence, the end date for the use of Cogedim SAS' tax losses has been deferred from 2013 to 2015.

Proposed tax adjustments

Altarea and several of its subsidiaries have been subject to a tax audit.

In the tax adjustments proposed on December 21, 2011, French tax authorities questioned the fair market value of Cogedim determined by appraisals during the restructuring operation in 2008. This will result in an additional income tax expense for the principle amount of €133.9 million. In accordance with the recommendations of its advisers, the company challenged all justifications for this tax adjustment. As a result, no provision for this amount was recorded at December 31, 2011.

9.8. Earnings per share

Basic earnings per share (in €)

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 €)

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 represents 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 outstanding to produce the denominator.

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

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

Other information – earnings per share	FY 2011	FY 2010
Numerator		
Net profit, share to owners of the parent company (in € Millions)	88.2	146.1
Denominator		
Average weighted number of shares before dilution	10,023,610	10,150,226
Dilutive effect of potential shares		
Share issue options	*1,283*	*465*
Incentive share rights	*216,349*	*123,368*
Total potential dilution	217,632	123,832
Weighted average number of shares after dilution	10,241,241	10,274,059
Earnings per share before dilution (in €)	**8.80**	**14.39**
Earnings per share after dilution (in €)	**8.61**	**14.22**

At December 31, 2011, 1,248 stock options had an accretive effect, as their exercise price was higher than the market price on the closing date. Consequently, they were not included in the calculation of diluted earnings per share.

10. NOTES TO THE CASH FLOW STATEMENT

Net cash and cash equivalents

In € Millions	Cash	Money market funds	**Total cash assets**	Bank facilities (cash liabilities)	**Cash and equivalent**
As of January 1, 2010	**79.4**	**137.4**	**216.8**	**(7.4)**	**209.5**
Variation over period	(7.0)	52.8	45.8	1.9	47.7
Variation of fair value	-	(0.0)	(0.0)	-	(0.0)
Cash in companies sold	(0.1)	(0.1)	(0.2)	-	(0.2)
As of December 31, 2010	**72.3**	**190.1**	**262.4**	**(5.5)**	**257.0**
Variation over period	13.8	(40.5)	(26.8)	0.2	(26.6)
Variation of fair value	-	-	-	-	-
Cash in companies acquired	27.6	-	27.6	-	27.6
As of December 31, 2010	**113.6**	**149.6**	**263.2**	**(5.3)**	**258.0**
Net variation as of December 31, 2011	(7.1)	52.7	45.6	1.9	47.5
Net variation as of December 31, 2010	41.3	(40.5)	0.8	0.2	1.0

Marketable securities, which consist of cash invested in money-market funds, are recognized at their market value at the end of each reporting period.

Cash of acquired companies originated mainly from RueduCommerce (€27.5 million) and changes in accounting methods in the period resulting from acquiring control.

Breakdown of the elimination of fair value adjustments

In € Millions	12/31/2011	12/31/2010
Elimination of value adjustments for:		
Variation in value of financial instruments (excluding money market)	80.3	10.8
Variation in value of investment property	(75.4)	(68.5)
Variation in value of assets built to be sold	(0.8)	0.6
Loss of value of investment property	6.1	19.1
Present-value	0.1	0.2
Total	**10.4**	**(37.8)**

Acquisitions net of capitalized assets and expenses

In € Millions	12/31/2011	12/31/2010
Nature of non-current assets acquired:		
Intangible fixed assets	(2.1)	(1.0)
Tangible fixed assets	(1.6)	(1.1)
Investment property	(127.2)	(328.1)
Financial assets (not including consolidated shareholdings)	(0.5)	-
Total	**(131.5)**	**(330.3)**

Investment outflows in 2011 concerned mainly:

- centers delivered in 2010 and in the period (and in particular the shopping centers of Kremlin-Bicêtre, Stezzano in Italy, Thionville, Tourcoing and Limoges);
- acquisition of land authorized for the development of a retail park in Nîmes (Gard).
- centers under development (Villeneuve-la-Garenne, Valette-du-Var, Puget-sur-Argens and a program in Italy);
- centers being redeveloped or refurbished (Massy, Cap 3000 in Nice and Bercy Village);
- centers undergoing extensions (Toulouse Occitania).

In 2010, investment outflows included the acquisition of the "Cap 3000" shopping center in Saint Laurent du Var and investments for proprietary retail property development.

In € Millions	Intangible fixed assets	Tangible fixed assets	Investment property	Financial assets (not including shareholdings)	Total acquisition of fixed assets (not incl. consolidated shareholdings)
Increase over period	(2.1)	(1.5)	(111.7)	(0.5)	(115.9)
Reimbursement of advances paid on programs					-
Variation of debt on fixed assets	-	(0.1)	(15.5)	-	(15.6)
Net acquisition of fixed assets	**(2.1)**	**(1.6)**	**(127.2)**	**(0.5)**	**(131.5)**

Acquisitions of consolidated companies, net of cash acquired

In € Millions	12/31/2011	12/31/2010
Investment in consolidated shares	(29.1)	(5.3)
Amounts owed on consolidated shares acquired	-	(1.0)
Cash in companies acquired	27.6	-
Impact of changes in consolidation method	2.6	
Total	**1.1**	**(6.3)**

In 2011, investments in consolidated entities and cash acquired concerned the RueduCommerce business combination excluding the contribution of the founders (see Note 6 "Business combinations").

In 2010, investments in consolidated securities related mainly to the acquisition of equity interests in 8'33, a company specializing in the development, installation and operation of solar power generators.

Disposals of non-current assets and repayment of advances and down payments

Breakdown of the reconciliation between the results of disposals in consolidated comprehensive income and the total disposals and repayments of advances and down payments in the cash flow statement.

In € Millions	12/31/2011	12/31/2010
Disposal proceeds in comprehensive income statement	**104.4**	**326.5**
Disposal proceeds registered in other aggregate accounts of income statement	0.1	1.3
Compensation for items reclassified as disposal proceeds (sales expenses and rental guarantees conferred to acquirers)	1.1	7.4
Reimbursement of advances and down-payments	1.4	20.8
Gross value of disposal proceeds and reimbursement of advances and down-payments	**107.1**	**356.0**
Claims on disposal of assets	(1.6)	(4.4)
Disposals and reimbursements of advances and down-payments	**105.4**	**351.6**

In 2011, inflows from asset disposals and the repayment of advances and down payments related to the sale of assets in Thionville, Vichy, Crèches sur Saône, Tours, Herblay and Brive la Gaillarde.

The advance repayment concerned an Italian program.

In 2010, this item included the disposals in the first half of "Espace Saint-Georges" in Toulouse, the property complex on avenue de Wagram completed in the second half by the disposal of two properties in Brest (Finistère), retail parks in Saint-Aunès, Noyon, Pierrelaye, stand-alone assets in Aulnay and Rouen and returned down payments mainly for a program in Spain.

Dividends received

In 2011, €2.9 million in dividends received included €2.7 million from associates (see Note 8.4) and €0.2 million from non-consolidated investments.

In 2010, €3 million in dividends received corresponded to amounts from associates.

11. FINANCIAL INSTRUMENTS AND MARKET RISKS

As part of its operational and financing activities, the Group is exposed to interest rate, liquidity, counterparty and foreign exchange risks.

To reduce and manage its exposure to changes in interest rates, Altarea uses derivatives accounted for at fair value.

Financial instruments by category

At December 31, 2011

		Assets and liabilities at amortized cost value			Financial assets and liabilities - fair value				
In € Millions	Total value on balance sheet	Non-financial assets	Loans Claims	Loans at amortized cost	Assets for sale	Assets and liabilities at fair value through profit or loss	Tier 1 (*)	Tier 2 (**)	Tier 3 (***)
NON-CURRENT ASSETS	**93.4**	**76.4**	**16.9**	**-**	**0.1**	**-**	**-**	**-**	**0.1**
Shareholding in affiliated companies and non-consolidated participations	76.5	76.4			0.1				0.1
Claims and other non-current financial assets	16.9		16.9						
CURRENT ASSETS	**662.5**	**-**	**512.1**	**-**	**-**	**150.4**	**149.6**	**0.8**	**-**
Receivables and other claims	391.1		391.1						
Claims and other current financial assets	7.4		7.4						
Derivative financial instruments	0.8					0.8		0.8	
Cash and equivalent	263.2		113.6			149.6	149.6		
NON-CURRENT LIABILITIES	**2,210.7**	**-**	**-**	**2,210.7**	**-**	**-**	**-**	**-**	**-**
Financial borrowings and facilities	2,185.4			2,185.4					
Deposits and guarantees received	25.2			25.2					
CURRENT LIABILITIES	**1,267.0**	**-**	**-**	**1,136.8**	**-**	**130.2**	**-**	**130.2**	**-**
Financial borrowings and facilities	275.4			275.4					
Derivative financial instruments	130.2					130.2		130.2	
Accounts payable and other liabilities	861.4			861.4					
Amounts owed to shareholders	0.0			0.0					

(*) Financial instruments listed on an active exchange

(**) Financial instruments whose fair value is obtained through valuation methods relying on observable market parameters

(***) Financial instruments whose fair value is obtained in whole or in part without reliance on observable market parameters

Non-consolidated securities classified as assets held for sale are estimated at fair value determined on the basis of their net book value, with no assumptions taken for increased value.

At December 31, 2010

			Assets and liabilities at amortized cost value			Financial assets and liabilities - fair value			
In € Millions	Total value on balance sheet	Non-financial assets	Loans Claims	Loans at amortized cost	Assets for sale	Assets and liabilities at fair value through profit or loss	Tier 1 (*)	Tier 2 (**)	Tier 3 (***)
NON-CURRENT ASSETS	**93.3**	**76.9**	**16.4**	**-**	**0.1**	**-**	**-**	**-**	**0.1**
Shareholding in affiliated companies and non-consolidated shares	77.0	76.9			0.1				0.1
Claims and other non-current financial assets	16.4		16.4						
CURRENT ASSETS	**641.8**	**-**	**427.0**			**214.8**	**190.1**	**24.7**	
Receivables and other claims	346.1		346.1						
Claims and other current financial assets	8.5		8.5						
Derivative financial instruments	24.7		-			24.7		24.7	
Cash and equivalent	262.4		72.3			190.1	190.1		
NON-CURRENT LIABILITIES	**2,336.9**	**-**	**-**	**2,336.9**					
Financial borrowings and facilities	2,311.3			2,311.3					
Deposits and guarantees received	25.5			25.5					
CURRENT LIABILITIES	**1,029.5**	**-**	**-**	**911.0**		**118.4**	**-**	**118.4**	
Financial borrowings and facilities	119.7			119.7					
Derivative financial instruments	118.4					118.4		118.4	
Accounts payable and other liabilities	791.3			791.3					
Amounts owed to shareholders	0.0			0.0					

(*) Financial instruments listed on an active exchange

(**) Financial instruments whose fair value is obtained through valuation methods relying on observable market parameters

(***) Financial instruments whose fair value is obtained in whole or in part without reliance on observable market parameters

Non-consolidated securities classified as assets available for sale are estimated at fair value determined on the basis of their net book value, with no assumptions taken for increased value.

Position in derivative financial instruments

	As of December 31, 2011		As of December 31, 2010	
In € Millions	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	(0.0)	121.5	22.5	110.0
Interest rate collars	0.0	6.3	-	3.8
Interest rate caps	0.8	-	2.2	-
Accrued interest	-	2.4	-	4.6
Total	**0.8**	**130.2**	**24.7**	**118.4**

Premium and cash payments outstanding of €17 million on hedging instruments in 2010 were paid in full in 2011.

Maturity of derivative financial instruments (notional amounts)

At December 31, 2011

	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015	Dec-2016
Altarea payer at fixed rate – swap	1 710.8	1 883.3	1 572.0	1 389.4	1 204.7	1 042.5
Altarea payer at fixed rate – collar	10.0	185.0	-	-	-	-
Altarea payer at fixed rate – cap	631.9	340.4	344.5	77.6	74.9	90.2
Total	**2 352.8**	**2 408.7**	**1 916.5**	**1 467.0**	**1 279.6**	**1 132.7**
Average coverage rate	2.82%	3.05%	3.29%	3.31%	3.39%	3.40%

At December 31, 2010

	Dec-2010	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015
Altarea payer at fixed rate – swap	1 413.3	1 729.2	1 759.0	1 599.8	1 413.0	1 229.5
Altarea payer at fixed rate – collar	109.4	57.7	55.6	-	-	-
Altarea payer at fixed rate – cap	825.6	542.9	263.2	259.8	38.9	36.5
Total	**2 348.3**	**2 329.9**	**2 077.8**	**1 859.6**	**1 451.9**	**1 266.0**
Average coverage rate	3.17%	3.32%	3.61%	3.51%	3.46%	3.55%

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 elected not to account for these swaps as cash flow hedges under IAS 39.

Management position

At December 31, 2011

	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015	Dec-2016
Bank borrowings and facilities at variable rate	(2,344.3)	(2,087.9)	(1,671.1)	(1,417.3)	(1,307.7)	(721.5)
Cash and equivalent (asset)	263.2					
Net position before hedging	**(2,081.1)**	**(2,087.9)**	**(1,671.1)**	**(1,417.3)**	**(1,307.7)**	**(721.5)**
Swap	1,710.8	1,883.3	1,572.0	1,389.4	1,204.7	1,042.5
Collar	10.0	185.0	-	-	-	-
Cap	631.9	340.4	344.5	77.6	74.9	90.2
Total Derivative Financial Instruments	**2,352.8**	**2,408.7**	**1,916.5**	**1,467.0**	**1,279.6**	**1,132.7**
Net position after hedging	**271.6**	**320.8**	**245.5**	**49.7**	**(28.1)**	**411.2**

At December 31, 2010

	Dec-2010	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015
Bank borrowings and facilities at variable rate	(2,322.5)	(2,211.6)	(2,004.9)	(1,633.6)	(1,385.7)	(1,286.5)
Cash and equivalent (asset)	262.4					
Net position before hedging	**(2,060.1)**	**(2,211.6)**	**(2,004.9)**	**(1,633.6)**	**(1,385.7)**	**(1,286.5)**
Swap	1,413.3	1,729.2	1,759.0	1,599.8	1,413.0	1,229.5
Collar	109.4	57.7	55.6	-	-	-
Cap	825.6	542.9	263.2	259.8	38.9	36.5
Total Derivative Financial Instruments	**2,348.3**	**2,329.9**	**2,077.8**	**1,859.6**	**1,451.9**	**1,266.0**
Net position after hedging	**288.2**	**118.3**	**72.8**	**226.1**	**66.2**	**(20.6)**

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 of interest rates	Incidence of gain or loss to pretax earnings	Incidence on the value of the portfolio of financial instruments
12/31/2011	+50	-€3,4 Million	+€46,4 Million
	-50	+€3,3 Million	-€50,7 Million
12/31/2010	+50	-€4,7 Million	+€48,8 Million
	-50	+€4,4 Million	-€50,4 Million

Liquidity risk

Cash

The Group had a cash balance of €263.2 million at December 31, 2011 compared with €262.4 million at the end of 2010, which represents the primary tool for managing liquidity risk. (Also see Note 10. "Notes to the cash flow statement")

A portion of this cash is classified as restricted for the Group, though remaining specifically set aside for the needs of the subsidiaries it carries. At December 31, 2011, this restricted cash totaled €177 million including €98 million for the residential segment, €13 million for the office segment and €66 million for other operations.

At December 31, 2010, this restricted cash balance amounted to €122 million.

At December 31, 2011, Altarea also had €73 million of confirmed credit lines that had not been drawn and remained unallocated to specific development projects.

Bank covenants

The main financial covenants to be met relate to the credit facilities provided by Ixis CIB, the acquisition loan for Cogedim and, to a lesser extent, loans obtained to finance shopping centers that are completed or under development.

THE COVENANTS SPECIFIC TO THE CORPORATE LOAN OF €686 MILLION (OF WHICH €73 MILLION HAVE NOT BEEN DRAWN DOWN) ARE:

Principal covenants applicable at the Altarea Group level

- ratio of the Company's net debt to net asset value (consolidated Altarea LTV ratio) ≤ 65% (51.2% at December 31, 2011);
- recurring EBITDA of the segment[9]/Net finance costs[9] of the Company ≥ 2 (Interest Cover Ratio or consolidated Altarea ICR) (2.8 at December 31, 2011);

THE COVENANTS SPECIFIC TO THE €250 MILLION ACQUISITION LOAN FOR COGEDIM ARE AS FOLLOWS:

Principal covenants applicable at the Altarea Group level:

- Ratio of Altarea's net debt to net asset value (consolidated Altarea LTV ratio) ≤ 65% (51.2% at December 31, 2011);
- Recurring EBITDA of the segment[9]/Recurring net interest expense[9] of Altarea ≥ 2 (consolidated Altarea ICR) (2.8 at December 31, 2011)

Principal covenants covering Cogedim

- Gearing: Ratio of net debt to EBITDA for Cogedim and its subsidiaries ≤ 5.75 (2.5 at December 31, 2011);
- ICR: EBITDA/Net finance costs for Cogedim and its subsidiaries ≥ 2 (7.29 at December 31, 2011);
- DSCR: EBITDA/Debt servicing costs for Cogedim and its subsidiaries ≥ 1.1 (7.29 at December 31, 2011).

COVENANTS SPECIFIC TO THE LOANS OBTAINED TO FINANCE SHOPPING CENTERS IN OPERATION OR UNDER DEVELOPMENT

- Net rental income of the company/(net interest expense + 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 even 80% on certain loans). If there is invested equity, the required LTV may be lower.

At December 31, 2011, the company was in compliance with all its covenants.

(9) *Recurring EBITDA of the sector refers to operating cash flow as defined in note 1.27. Recurring net interest expense represents the cost of net debt excluding estimated expenses as defined in note 1.27.*

Counterparty risk

The use of derivatives to limit interest rate risk exposes the Group to possible default by a counterparty. The Group mitigates this risk by using only major financial institutions as counterparties in hedging transactions.

Foreign exchange risk

Because the Group operates almost exclusively in the euro zone, it has not entered into any currency hedges.

12. DIVIDENDS PROPOSED AND PAID

The payment of a dividend of €9 per share representing a total of €89.7 million will be submitted to a vote at the next Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2011. It will be accompanied by a proportional payment to the sole general partner, Altafi 2, of €1.3 million, representing 1.5% of the amount paid to limited partners. The above amounts are calculated on the basis of the 9,965,937 shares carrying rights to dividends for fiscal 2011 and adjusted by the partnership's management (Managing Partners or "*Gérance*") according to the number of shares carrying rights to dividends on the actual distribution date.

For fiscal 2010, a dividend of €8 per share for a total dividend payment of €80.2 million was approved by the Combined Shareholders' Meeting of June 17, 2011. This distribution was accompanied by a proportional payment to the sole general partner, Altafi 2, of €1.2 million, representing 1.5% of the amount paid to the limited partners. These two payments were made on July 5, 2011.

For fiscal 2009, a dividend of €7.20 per share for a total dividend payment of 73.1 million was approved by the Combined Shareholders' Meeting of May 28, 2010. This distribution was accompanied by a proportional payment to the sole general partner, Altafi 2, of €1.1 million, representing 1.5% of the amount paid to the limited partners. These two payments were made on July 1, 2010.

13. RELATED PARTIES

Ownership structure of Altarea SCA

Ownership of Altarea's shares and voting rights is as follows:

In percentage	12/31/2011 % share capital	12/31/2011 % voting rights	12/31/2010 % share capital	12/31/2010 % voting rights
Founding shareholders (*)	48.85	49.89	54.19	54.95
Foncière des régions	12.06	12.32	12.06	12.23
Groupe Crédit Agricole	16.64	17.00	11.73	11.90
ABP	7.75	7.92	7.75	7.86
Opus investment BV	0.82	0.84	0.82	0.83
Treasury Shares	2.09	0.00	1.38	0.00
Employee Ownership Plan + Public	11.79	12.03	12.07	12.23
Total	**100.00**	**100.00**	**100.00**	**100.00**

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

Related party transactions

The main related parties are the holding companies that control Altarea Group, Altafinance 2 and Alta Patrimoine; represented by Alain Taravella, and JN Holding, represented by Jacques Nicolet.

The company's Board of Managers (Managing Partners or "*Gérance*") consists of Alain Taravella and Altafinance 2, of which Alain Taravella is the Chairman.

Transactions with these related parties mainly relate to the purchase of treasury shares from the holding companies and services rendered by Altafinance 2 as Co-Managing Partner of the Company and, to a lesser extent, services and rebillings by the Company to Altafinance 2.

Purchase of treasury shares

During the year, under the share buyback program authorized by the Combined General Meeting of June 17, 2011, the Company bought 38,000 shares from Alta Patrimoine for a total of €4.5 million. These transactions were carried out off market at the lower of the closing price and the average price over the last twenty trading days. In 2010, the Company acquired under the same conditions from the holdings Alta Patrimoine and JN Holding 120,000 and 33,700 shares respectively for a total amount of €19.3 million.

Compensation of the Managing Partners

Altarea and its subsidiaries pay the Managing Partners (*Gérance*) — Altafinance 2 in its capacity as Co-Managing Partner, represented by Alain Taravella — compensation in accordance with Article 14 of its articles of association (*statuts*). On that basis, the following expenses were recognized:

	Altafinance 2 Sas	
In € Millions	**FY 2011**	**FY 2010**
Senior management fixed compensation	1.7	1.7
— of which: accounted-for in other company overheads	*1.7*	*1.7*
Senior management variable compensation	3.6	5.7
— of which: dependent on sales of development properties (accounted-for in other company overheads)	*2.2*	*3.1*
— of which: dependent on sale of assets (shopping centers) (accounted-for for in sales income)	*0.3*	*0.8*
— of which: dependent on investment for the period (amounts capitalized)	*1.1*	*1.7*
TOTAL	**5.3**	**7.3**

Assistance services and rebilled expenses of the Company

Assistance services and amounts rebilled for rents and other items of €0.2 million are recognized as a deduction of other overhead costs. Services provided to related parties by Altarea Group are invoiced on an arm's length basis.

	Altafinance 2 Sas	
In € Millions	**12/31/2011**	**12/31/2010**
Receivables and other claims	0.1	0.3
TOTAL ASSETS	**0.1**	**0.3**
Accounts payable and other liabilities (*)	0.8	0.6
TOTAL LIABILITIES	**0.8**	**0.6**

(*) Mainly comprised of a fraction of senior management's compensation due relative to the final quarter of the fiscal year

Compensation of the founding shareholder-managers

Alain Taravella does not receive any compensation from Altarea SCA or its subsidiaries in his capacity as Managing Partner. 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 senior executives disclosed 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.

Compensation of Group senior executives

In € Millions	**FY 2011**	**FY 2010**
Gross salaries (*)	3.8	3.4
Payroll taxes	1.6	1.5
Incentive shares (**)	4.5	6.2
Number of shares delivered in period	11,445	24,833
Post-employment advantages (***)	0.1	0.0
Other short or long-term advantages or compensation (****)	0.0	0.0
Termination benefit (*****)	0.0	0.0
Employer contribution 10% on AGA xxx	0.0	1.2
Loans outstanding	0.3	0.4
Liability to date end-of-contract compensation payment	0.8	0.6

(*) Fixed and variable compensation; variable compensation represents the variable parts owed with respect to specific fiscal years

(**) Expense measured as per IFRS 2

(***) Cost of services rendered in retirement according to IAS 19, life insurance and medical assistance

(****) Advantages in kind, directors' fees and other compensation vested but only due in short or long term

(*****) The retirement severance payments include payroll taxes

	FY 2011	**FY 2010**
In number of warrants on equity outstanding		
Rights to receive Altarea incentive shares	128,413	152,065
Altarea share warrants	0	65,000
Stock-options on Altarea shares	0	3,497

"Senior executives" include members of the Company's Strategy Committee or members of Altarea's Supervisory Board who receive compensation[10] from Altarea or its subsidiaries. The composition of the Company's Strategy Committee is set forth in the registration document.

Compensation paid to senior executives excludes dividends

14. GROUP COMMITMENTS

14.1. Off-balance-sheet commitments

The main commitments given by the Company are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions.

Pledges of securities, assignments of receivables (intra-Group loans, interest rate hedges, VAT, insurance policies, etc.) and undertakings not to sell or assign partnership shares granted by the Company to guarantee certain loans.

(10) The persons concerned are Jacques Nicolet, Chairman of the Supervisory Board, and Matthieu Taravella.

These commitments are shown in Note 8.9 "Financial liabilities" under the "Breakdown of bank borrowings and the debt by type of guarantee".

All other material commitments are disclosed below:

In € Millions	12/31/2010	12/31/2011	under 1 year	1 to 5 years	over five years
Commitments received					
Commitments related to acquisitions/disposals	**25.5**	**22.0**	**-**	**21.02**	**1.00**
Commitments related to operating activities	**225.3**	**242.2**	**82.02**	**88.31**	**71.90**
Deposit received from FNAIM (Hoguet law)	*37.0*	*50.0*	*-*	*-*	*50.00*
Deposits received from lessees	*22.7*	*22.6*	*0.17*	*0.84*	*21.55*
Payment guarantees received from clients	*156.6*	*167.7*	*81.07*	*86.67*	*-*
Unilateral bids received on property and other commitments	*9.0*	*1.9*	*0.79*	*0.80*	*0.35*
Total	**250.8**	**264.2**	**82.02**	**109.33**	**72.90**
Commitments given					
Commitments given on financing	**67.1**	**67.1**	**10.10**	**29.28**	**27.74**
Commitments given on acquisitions/disposals	**5.4**	**102.9**	**-**	**3.35**	**99.48**
Commitments given on operating activities	**564.4**	**448.8**	**141.76**	**281.85**	**25.17**
Completion guarantees	*359.6*	*348.7*	*108.10*	*240.57*	*-*
Guarantees on forward purchase of assets	*109.2*	*25.4*	*6.46*	*18.94*	*-*
Purchase deposits	*24.8*	*34.8*	*18.39*	*16.35*	*0.10*
Other deposits and guarantees given	*70.9*	*39.9*	*8.81*	*5.99*	*25.08*
Total	**636.9**	**618.8**	**151.86**	**314.48**	**152.39**
Bilateral purchase and sale commitments related to operations	**61.6**	**62.5**	**49.64**	**12.88**	-
Total	**61.6**	**62.5**	**49.64**	**12.88**	**-**

Commitments received

Commitments received relating to acquisitions/disposals

The Group 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 September 2, 2004, were transferred as part of the merger so that Altarea now directly holds a 10-year guarantee covering its net assets before the merger (unquantified);
- in connection with Altareit's acquisition, Altarea received a guarantee from the seller Bongrain that it would receive full compensation for a reduction in the selling price from any damage or loss originating from the business activities effectively incurred by Paul Renard (now Altareit) with a cause or origin predating March 20, 2008 and for a period of 10 years (unquantified).

Commitments received relating to operating activities

SECURITY DEPOSITS

Under the French law governing the real estate profession ("*Loi Hoguet*"), Altarea holds a security deposit received from FNAIM of €50 million (compared with €37 million in 2010) as a guarantee covering its property management and sales activity.

Altarea also receives security deposits from its tenants to guarantee that they will pay their rent.

PAYMENT GUARANTEES RECEIVED FROM CUSTOMERS

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. These relate mainly to office property development operations.

UNILATERAL LAND SALE UNDERTAKINGS RECEIVED AND OTHER COMMITMENTS

Other guarantees received consist mainly of commitments received from property sellers.

The main change in commitments received relating to operating activities concerns the refund in the period of guarantees granted by Italian subsidiaries.

OTHER COMMITMENTS RECEIVED (UNQUANTIFIED)

Altarea has a call option exercisable at any time for a period of seven years as from 30 June 2010 to acquire a share of the partners' accounts in Alta Blue from its partners for €66.7 million.

In its property development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract).

Commitments given

Commitments given relating to financing activities

Altarea has provided guarantees for €57 million to cover hedging transactions and €10 million to cover overdraft facilities granted to its subsidiaries.

Commitments given relating to acquisitions and disposals

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates.

When the Group considers that a cash outflow is probable under the terms of these guarantees, it records provisions for these amounts that are reviewed at the end of each reporting period.

The main change in this line item concerned the Group's equity commitments in a property investment fund (Altafund).

Commitments given relating to operating activities

CONSTRUCTION WORK COMPLETION GUARANTEES

Completion guarantees are given to customers as part of off-plan sales, and are provided on behalf of Group companies by financial institutions, mutual guarantee organizations or insurance companies. They are reported according to the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell partnership shares.

GUARANTEES ON FORWARD PAYMENTS FOR ASSETS

These guarantees mainly cover purchases of land for the property development business.

Significant forward payment installments for assets were made in the period, mainly in the property development for third-party business.

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). 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.

Bilateral property purchase commitments and other undertakings relating to operating activities

These commitments mainly include bilateral undertakings relating to land or off-plan sales (VEFA) contracts.

The decrease in this item during the year was due to the cancellation of an off-plan sales agreement for a project in southern France after the conditions precedent could not be met.

Other commitments

In the conduct of its proprietary shopping center development business, Altarea has made commitments to invest in projects initiated and controlled by the company.

Moreover, in the conduct of its residential property development business, the Group signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether the customers meet conditions precedent, particularly with respect to their ability to secure financing.

Lastly, as part of its property development business, the Group has a property portfolio consisting mainly of unilateral purchase agreements (and bilateral agreements, where applicable).

The amount of these commitments is shown in the Business Review section.

Minimum future rental revenue or expenses

MINIMUM RENTAL REVENUE RECEIVABLE

The total of minimum future revenues to be received under rental agreements over the over the non-cancellable period amounted to:

	12/31/2011	12/31/2010
Under 1 year	145.4	151.7
1 to 5 years	273.5	324.2
Over 1 year	77.4	90.3
Minimum guaranteed rents	**496.3**	**566.1**

MINIMUM RENTAL EXPENSES PAYABLE

The total of minimum future payments to be made under rental agreements over the non-cancellable period amounted to:

	12/31/2011	12/31/2010
Under 1 year	10.9	9.0
1 to 5 years	39.2	37.0
Over 1 year	12.7	20.6
Minimum rents payable	**62.7**	**66.6**

These agreements relate to:

- Offices leased by the Group for its own operations;
- Rent payable to the owner of the building located at avenue Wagram à Paris.

14.2. LITIGATION AND CLAIMS

No material litigation has arisen in fiscal 2011 other than those for which a provision was recorded (see Note 8.10 "Provisions") or appealed by the Company (see Note 9.7 "Income tax").

15. WORKFORCE AND EMPLOYEE LIABILITIES

15.1. Headcount

	12/31/2011	12/31/2010
Management	692	525
Staff	476	229
Total headcount	1,168	754

The number of employees at December 31, 2011 rose from the end of the prior year in response to recruitment for property development for third parties and the addition of personnel from RueduCommerce.

15.2. Retirement severance benefits

At December 31, 2011 as at December 31, 2010, the Group engaged an outside actuary to calculate the employee retirement service benefits.

Weighted-average assumptions used to calculate retirement severance benefits

	2011	2010
Retirement age	Voluntary departure at date vested at full rate	
Discount rate	4.89%	4.50%
Expected yield on investments	4.00%	4.00%
	3% à 6%	3% à 6%
Turnover Altarea France	2.64%	4.87%
Turnover Altarea Italie	4.00%	4.00%
Turnover Cogedim	6.67%	5.81%
Inflation rate	2.00%	2.00%

- 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 expected return on investments of 4% corresponds to the average annual return for the last three years of the insurance policy in force.
- 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.

Change in commitments

In € Millions	12/31/2011	12/31/2010
Gross liabilities beginning of year	**6.3**	**5.5**
Claims vested during year	0.6	0.5
Interest expense	0.3	0.2
Payment of pensions	(0.2)	(0.6)
Transfers	-	-
Changes in scope	0.2	
Actuarial differences based on experience	*0.4*	*0.1*
Actuarial differences based on assumptions	*(0.2)*	*0.5*
Actuarial differences	*0.1*	*0.6*
Gross liabilities end of year (1)	**7.3**	**6.3**
Coverage assets beginning of year	**0.9**	**1.4**
Contributions by employer	-	-
Fund withdrawals for payments	-	(0.5)
Yield on assets	0.0	0.0
Actuarial differences	0.0	0.0
Coverage assets end of year (2)	**1.0**	**0.9**
Net reserves beginning of year	**5.3**	**4.1**
Net reserves end of year (2) - (1)	**6.3**	**5.3**
(Expense) income for the period	**(1.0)**	**(1.3)**

Breakdown of the provision

In € Millions	2011	2010
Present value of liabilities not covered by assets	1.8	1.4
Present value of liabilities covered by assets	5.5	4.8
Market valkue of invested assets	(1.0)	(0.9)
Deficit	**6.3**	**5.3**
Conditions suspensives		
Provisions constituées en fin d'exercice	**6.3**	**5.3**

Changes in the provision from 2007 to 2011

In € Millions	2011	2010	2009	2008	2007
Liabilities	7.3	6.3	5.5	5.8	6.3
Financial assets	(1.0)	(0.9)	(1.4)	(2.3)	(0.9)
Finacial coverage	**6.3**	**5.3**	**4.1**	**3.5**	**5.3**
Actuarial (loss) gain recognized in result on liabilities	0.1	0.6	0.2	(0.9)	0.6
Actuarial (loss) gain recognized in result on assets	(0.0)	(0.0)	(0.0)		(0.0)

Detail of invested assets

In € Millions	2011	2010
Cash	0.0	0.0
Equities	0.1	0.1
Sovereign bonds	0.3	0.4
Corporate bonds	0.4	0.3
Hedging instruments	0.0	0.0
Real-Estate	0.1	0.1
Insurance contracts	-	
Detail of invested assets	**1.0**	**0.9**

Plan assets do not include financial securities issued by Altarea or real estate assets occupied by the Group.

16. SUBSEQUENT EVENTS

On January 6, 2012, the "Espace d'Erlon" shopping center in Reims was sold. In line with IFRS 5 guidance, this asset was recognized at December 31, 2011 under assets held for sale.

3.8. STATUTORY AUDITORS' FEES

In €	E&Y	AACE	Other	Total
Statutory audit, certification, examination of individual and consolidated financial statements				
- Altarea SCA	374,339	281,706	-	656,045
- Fully consolidated subsidiaries	610,996	421,495	85,246	1,117,737
Other work and services related directly to the statutory audit assignment				
- Altarea SCA	-	-	-	-
- Fully consolidated subsidiaries	-	-	-	-
Total	**985,335**	**703,201**	**85,246**	**1,773,782**

3.9. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Altarea

Financial year ended December 31, 2011

Statutory Auditors' report
on the consolidated financial statements

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 2011 on

- our audit of Altarea's consolidated financial statements as attached to this report;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

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

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 qualifying the opinion expressed above, we draw your attention to Note 2.1: "New operating sectors" in the Notes to the consolidated financial statements. This note presents a change in accounting method implemented in the course of the financial year and concerns redefinition of operating sectors, in accordance with IFRS standard 8, related to a change in operational organization of your Company and its reporting.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the following items:

- As indicated in Note 1.9, "Investment property" of the Notes to the consolidated financial statements, the fair value of investment property in operation is determined on the basis of primarily external appraisals. We ascertained that the fair value of investment property as presented in the balance sheet had been determined on the basis of these appraisals As specified in Note 1.2, "Estimates and assumptions affecting assets and liabilities" in the Notes to the consolidated financial statements, the Group used certain estimates, particularly regarding the valuation and impairment of investment properties under construction, the fair value of which cannot be determined reliably, along with goodwill, the brand and deferred tax assets. We have found the data and assumptions used by your Company for impairment testing of these assets to be reasonable. We have ascertained that possible impairment observed in these tests was recognized.
- As stated in Note 1.14, "Financial assets and liabilities" of the Notes to the consolidated financial statements, derivative financial instruments are carried at fair value. Fair value is determined with reference to published market prices for listed shares and according to valuation models that are commonly accepted and used by actuaries for other items. We ascertained that the fair value of financial instruments as presented in the balance sheet and in Note 11, "Financial instruments used and market risk" of the Notes to the consolidated financial statements, had been determined on the basis of market values or actuarial variations.

- As specified in Note 9.7, "Corporate income tax," the Company and several of its subsidiaries have been audited by tax authorities. Based on legal advice, the Company challenges the reassessment charge in its entirety, and had consequently not allocated provisions at December 31, 2011. As part of our mission, we determined that the factors on which these estimates are based are reasonable, and verified that the note to the financial statements provides appropriate information.
- As stated in Note 1.20, "Revenue and related expenses", section b) "Net property income" in the Notes to the consolidated financial statements, property revenue and net property income for the property development business are measured using the percentage-of-completion method. They therefore depend on completion estimates made by your Company. As part of our assessment, we examined whether the assumptions on which these estimates were based were reasonable, and we reviewed the calculations performed by your Company.

As part of our assessments, we ascertained that these estimates are reasonable.

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, April 2, 2012

The Statutory Auditors

A.A.C.E. ILE-DE-FRANCE	ERNST & YOUNG et Autres
Patrick Ughetto	Jean-Roch Varon

4 PARENT COMPANY ACCOUNTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2011

4.1. INCOME STATEMENT

In € thousands	12/31/2011	12/31/2010
Sales of goods		
Revenue on sale of services	40,159	42,913
NET REVENUE	**40,159**	**42,913**
Production held in inventory		
Capitalised production	10,612	520
Subventions d'exploitation		
Reversals of depreciation and amortisation and provisions, expense transfers	2,394	2,287
Other income	32	15
OPERATING INCOME	**53,197**	**45,735**
Other purchases and external expenses	29,828	18,096
Taxes other than on income and related payments	1,843	1,846
Wages and salaries	1,395	1,444
Social security contributions	1,839	2,037
Financial allowances for depreciation and amortisation of non-current assets	9,662	10,803
Allowances for impairment of current assets	237	629
Allowance to provisions	2,899	2,644
Other expenses	968	1,626
OPERATING EXPENSES	**48,671**	**39,124**
OPERATING INCOME	**4,526**	**6,611**
Financial income from participating interests	18,466	29,647
Income from other marketable securities and long-term receivables	3,431	3,265
Other income and related gains	3,869	2,667
Reversals of provisions, impairment and expense transfers	20,748	804
Foreign exchange gains		
Net gains on the disposal of marketable securities		
FINANCIAL INCOME	**46,515**	**36,383**
Financial allowances for depreciation, impairment and provisions	13	6,191
Interest and similar expense	48,542	42,053
Foreign exchange losses		
Net expenses on the disposal of marketable securities		
FINANCIAL EXPENSES	**48,556**	**48,244**
NET FINANCIAL INCOME (EXPENSE)	**(2,041)**	**(11,861)**
INCOME BEFORE TAX	**2,485**	**(5,250)**
Non-recurring income from management transactions		
Non-recurring income from capital transactions	43,692	46,083
Reversals of provisions, impairment and expense transfers		
NON-RECURRING INCOME	**43,692**	**46,083**
Non-recurring expenses on management transactions	1	9
Non-recurring expenses on capital transactions	40,197	36,306
Allowance for amortization, depreciation and provisions	644	
NON-RECURRING EXPENSES	**40,842**	**36,315**
NET NON-RECURRING ITEMS	**2,850**	**9,767**
Employee profit-sharing		
Income taxes	(57)	
TOTAL INCOME	**143,404**	**128,201**
TOTAL EXPENSES	**138,011**	**123,684**
PROFIT (LOSS)	**5,392**	**4,517**

4.2. BALANCE SHEET

ASSETS

In € thousands	Gross	Depreciation and amortization provisions	12/31/2011	12/31/2010
Uncalled subscribed capital				
INTANGIBLE ASSETS				
Start-up costs				
Research and development costs				
Software	241	96	145	7
Merger loss	9,417		9,417	
Other				
Property, plant and equipment in progress				
Advances and downpayments				
PROPERTY, PLANT AND EQUIPMENT				
Land	47,155	34	47,121	55,592
Buildings	217,050	44,340	172,711	200,185
Technical plants, industrial machinery and equipment				
Other	55	37	19	30
Property, plant and equipment in progress	3,674		3,674	1,668
Advances and downpayments				
NON-CURRENT FINANCIAL ASSETS				
Participating interests	719,844		719,844	718,744
Advances to participating interests	252,943		252,943	304,947
Loans	106,076		106,076	118,040
Other non-current financial assets	133		133	103
NON-CURRENT ASSETS	**1,356,589**	**44,506**	**1,312,083**	**1,399,316**
RECEIVABLES				
Trade receivables	9,621	551	9,071	22,725
Other receivables	6,501		6,501	5,616
Called, unpaid subscribed capital				
CASH AND OTHER				
Treasury shares	26,890	25	26,865	17,685
Other securities				
Cash and cash equivalents	310		310	126
Prepaid expenses	27		27	55
CURRENT ASSETS	**43,349**	**576**	**42,773**	**46,207**
GENERAL TOTAL	**1,399,938**	**45,082**	**1,354,856**	**1,445,523**

LIABILITIES

In € thousands	12/31/2011	12/31/2010
Capital (of which paid)	155,541	155,541
Additional paid-in capital	508,419	585,292
Revaluation differences		
Legal reserve	12,359	12,133
Statutory and contractual reserves		
Regulated reserves		
Other		
Retained earnings		218
NET INCOME OR LOSS FOR THE YEAR	**5,392**	**4,517**
Investment grants		
Regulated provisions		
EQUITY	**681,712**	**757,701**
Provisions	5,066	2,805
PROVISIONS	**5,066**	**2,805**
FINANCIAL LIABILITIES		
Convertible bonds		
Other bonds		
Borrowings and financial liabilities vis-à-vis credit institutions	611,539	629,331
Other borrowings and financial liabilities	37,699	44,813
Advances and downpayments on orders in progress	10	7
OPERATING PAYABLES		
Trade payables and other accounts payable	6,742	5,439
Tax and social security payables	3,038	2,935
OTHER ACCOUNTS PAYABLE		
Amounts due on non-current assets and related accounts	2,945	1,851
Other payables	5,884	276
Prepaid income	222	365
FINANCIAL LIABILITIES	**668,079**	**685,017**
GENERAL TOTAL	**1,354,856**	**1,445,523**

4.3. APPENDIX TO FINANCIAL STATEMENTS

Altarea is a *Société en Commandite par Actions* (a type of French partnership), the share of which have been traded since 2004 on the Eurolist of Euronext Paris S.A. regulated market (compartment A). Its head office is located at 8, avenue Delcassé in Paris.

Altarea chose the SIIC corporate form *(Société d'Investissement Immobilier Cotées,* comparable to a REIT*)* as of January 1, 2005. Altarea releases consolidated financial statements.

4.3.1. MAJOR EVENTS DURING THE FISCAL YEAR

● Sale of shopping centers

The shares of Brives la Gaillarde and Vichy 4 Chemins were sold respectively on January 26 and December 8, 2011 for a total of 40.062 million euros at a capital gain of 5.012 million.

● Restructuring

On October 24, 2011, the extraordinary general meeting of shareholders approved a simplified merger of Alta Développement Espagne and Altarea SCA, which was made retroactive to October 24, 2011. The deadline was set at December 31, 2011 (retroactive in respect of taxes and accounting to January 1, 2011).

The complete transfer of the assets of Alta Développement Russie to Alta Développement Espagne occurred on November 19, 2011 (retroactive to January 1, 2011 for purposes of taxes).

4.3.2. PRINCIPLES, RULES AND ACCOUNTING METHODS

4.3.2.1. Referential and comparability of financial statements

Annual financial statements have been drawn up and presented in accordance with the legislative and regulatory provisions in effect in France. This was done in accordance with the 1999 accounting plan adopted by the CRC *(Comité de Réglementation Comptable)* on April 29, 1999 (regulation 99-03) and approved through ministerial decree on June 22, 1999. All prior CRC regulations are also applicable, namely regulation 2002-10 in respect of amortization and depreciation of assets and regulation 2005-09.

Accounting principles and methods are identical to those used for the annual financial statements for the fiscal year ended December 31, 2010. There were no changes to the financial statements.

Unless noted otherwise, annual financial statements have been presented in thousands of euros.

4.3.2.2. Accounting methods and principles

Intangible fixed assets

Intangible fixed assets are booked at acquisition cost. They are mainly software programs, which are usually depreciated on a straight-line basis over three years.

Intangible fixed assets may be depreciated when their book value deviates significantly from their useful value as determined by the general accounting plan.

Tangible fixed assets

Tangible fixed assets are mainly property, particularly shopping centers and commercial sites.

GROSS VALUE OF BUILDINGS

Buildings are booked to the balance sheet at acquisition cost, their contribution value before acquisition fees for contributed buildings or their cost for constructed or restructured buildings. Acquisition fees (transfer rights, professional fees, commissions and contract drafting fees) are booked to expenses.

Buildings are broken down by significant components with their own use and renewal rate. Pursuant to the recommendations of the FSIF *(Fédération des Sociétés Immobilières et Foncières)*, the following four components were used: structure, facade, water resistance, technical equipment and lay-outs.

BUILDING DEPRECIATION

The components of buildings are depreciated on a straight-line basis on usefulness as follows:

Components	Useful life (Shopping centers)	Useful life (Business premises)
Structural work (structures, road and utilities works)	50 years	30 years
Facades, weatherproofing	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

BUILDING DEPRECIATION

Buildings are valued twice a year by market value as established by the outside appraisers, DTZ Eurexi and Icade Expertise.

The company believes that the present value of buildings is the useful value compared to the value established by experts, including duties. In the event of potential short-term development, the expert value is increased by estimated deferred capital gains. If the asset is subject to a purchase contract or a firm sale commitment, the present value used is the value of the purchase contract of commitment, excluding fees.

If present value (the highest of market or useful value) is significantly less that net book value, depreciation is booked in the appropriate amount.

OTHER TANGIBLE FIXED ASSETS

Other tangible fixed assets are booked to the balance sheet at acquisition cost. Transport, office and IT equipment are depreciated over five years.

Financial fixed assets

Financial fixed assets include subsidiaries and equity holdings in addition to related debt or debt related to the company's indirect equity holdings.

Financial fixed assets are booked to the balance sheet at acquisition cost or contribution value.

Financial fixed assets may be depreciated if their present book value is a significant negative deviation from useful value for the company, the latter being arrived at using multiple criteria such as net asset value, profitability, profitability forecasts, long-term growth perspectives or the economic environment. The market value of assets held by subsidiaries or sub-subsidiaries is taken into consideration.

Receivable

Receivable is booked at par value. It includes group debt and the customer debt of shopping centers.

Debt that is certain or unlikely to be recovered is booked to the doubtful customer account. Write-downs are determined on a customer by customer basis, less any deposit, taking longevity, the state of advancement of legal proceedings and guarantees into consideration.

Treasury shares

Treasury shares are booked as follows:

- financial fixed assets are held in order to reduce capital;
- investments
  - when booked to a "liquidity contract" entrusted to a third party in order to promote the liquidity of shares or to reduce market volatility, or,
  - when held for remittance to company or subsidiary employees.

They are booked at acquisition cost. The FIFO method is used in determining the gross value of treasury shares that are sold.

If the value of the treasury shares booked to the liquidity contract is less than their acquisition value, they are subject to write-down.

Treasury shares held for remittance to company employees are booked to a provision based on the acquisition period that has gone by. Those held for remittance to subsidiary employees are not written down to the extent that they equal market value increased, where applicable, by management fees and are re-billed when remitted to subsidiary employees. These rules are subject to CRC regulation n° 2008-15 dated December 4, 2008.

Other marketable securities

Marketable securities are booked to the balance sheet at acquisition cost. The FIFO method is applied in determining the value of SICAVs (UCITs) sold.

They are booked to a provision when their disposal value is less than their net book value.

Provisions

Pursuant to regulation 2000-06 of the *Comité de Réglementation Comptable* relative to liabilities, provisions are defined as liabilities that entail a certain or probable commitment that will lead to a use of resources without any likely compensation or where their due date or amount have not been precisely established.

Retirement bonuses

Retirement bonuses are not booked to provisions. They appear in the annex under off-balance sheet commitments.

Loan implementation fees

Loan implementation fees are booked to expenses.

Rental expenses and income

Rental income is booked according to the rent for buildings. Invoiced amounts are booked over the appropriate rental period.

Exemptions given to tenants do not give rise to the recognition of income for the period to which they relate.

Entry fees paid by tenants and the level or exemptions granted to tenants are not spread over time.

Cost of sales

Professional fees, resale or renewal fees are booked to expenses.

Financial instruments

The company uses interest swap contracts (swaps) or interest purchase options or (caps) to hedge credit lines and loans. Related interest income and expense is booked to profit and loss. Premiums or amounts paid when the contract is signed or broken are booked to profit and loss in their entirety.

Deferred gains and losses equal to the estimated value of contracts on closing date are not recorded. The par value, schedule and estimated losses or gains are presented under off-balance sheet commitments.

Taxes

Altarea chose the SIIC scheme as of January 1, 2005. Under this structure, there are two tax sectors:

- an SIIC sector exempted from taxes on the profit and loss statement, capital gains, capital gains on building sales and dividends received under this plan;
- a taxable sector for other transactions that are not eligible for the SIIC sector.

Owing to the corporate tax exemption, the company is committed to abiding by the following terms and conditions of distribution:

- distribution of profits from building rentals prior to the end of the fiscal year following their realization up to 85%;
- distribution of up to 50% of capital gains on sales of buildings, holdings in transparent companies for purposes identical to the SIIC, or the shares of subsidiaries that are subject to taxation prior to the end of the second fiscal year following their realization;
- distribution of all dividends received from subsidiaries having opted for the SIIC plan during the fiscal year following receipt.

Under the provisions of SIIC by-laws, the company must abide by a minimum ratio of 80% of businesses eligible for the plan and not held at more than 60% by one or more shareholders acting together.

4.3.2.3. Comments, data and annexed tables

Notes to assets

INTANGIBLE FIXED ASSETS

Gross intangible assets in € thousands

Intangible fixed assets	12/31/2010	Increase	Decrease	12/31/2011
Software	81	160		241
Total	**81**	**160**		**241**

Table of amortization of intangible fixed assets in € thousands

Other intangible assets	12/31/2010	Increase	Decrease	12/31/2011
Loss on Alta Développement Espagne merger		10,847	1,430	9,417
Total		**10,847**	**1,430**	**9,417**

The loss at merger is the technical loss booked at the merger of Alta Développement Espagne, less 1.43 million euros (deferred capital gain on Alta Développement Russie) which became had no impact when all assets of Alta Développement Russie were transferred.

PROPERTY, PLANTS & EQUIPMENT

Table of gross tangible fixed assets in € thousands

Property, plant and equipment	12/31/2010	Acquisition / Contribution	Exit / Sale	12/31/2011
Land	***55,613***		***8,458***	***47,155***
Buildings	***242,241***	***8,734***	***33,924***	***217,050***
Structural work (Structures, roads and utilities works)	98,033	6,987	13,949	91,072
Facades, weatherproofing	24,062		3,383	20,679
Technical equipment	71,873	1,310	9,837	63,346
Fixtures and fittings	48,273	437	6,755	41,955
Other non current assets	***55***			***55***
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	42			42
Office and computer equipment, furniture	12			12
Recoverable packaging and related items	1			1
Property, plant and equipment in progress	***1,668***	***10,739***	***8,734***	***3,674***
Land	34	71	51	54
Buildings				
Miscellaneous	1,635	10,669	8,683	3,620
Total	**299,577**	**19,473**	**51,115**	**267,935**

Sales of assets correspond to the shopping centers located at Brive-la-Gaillarde and Vichy 4 Chemins for a pre-tax value of 42.381 million euros.

A silo parking lot at Toulouse Gramont, which opened on December 2, for 8.734 million euros.

On December 31, 2011, fixed assets in progress of 3.674 million euros for work in progress on the eastern extension of the Toulouse Gramont center.

Table of gross fixed asset in € thousands

Depreciation	12/31/2010	Allowances	Reversals	12/31/2011
Land	***21***	***13***		***34***
Buildings	***42,056***	***9,616***	***7,332***	***44,340***
Structural work (structures, road and utilities works)	8,523	1,940	1,552	8,911
Facades	4,143	947	714	4,376
Technical equipment	15,489	3,554	2,629	16,415
Fixtures and fittings	13,901	3,175	2,437	14,638
Other property, plant and equipment	***26***	***11***		***37***
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	20	8		28
Office and computer equipment, furniture	6	2		8
Recoverable packaging and related items				
Total	**42,102**	**9,640**	**7,332**	**44,410**

No impairments were booked for tangible fixed assets were not depreciated.

FINANCIAL FIXED ASSETS

Gross financial fixed asset table (in € thousands)

Participating interests and financial debt	12/31/2010	Increase	Decrease	12/31/2011
Participating interests	***720,244***	***1,100***	***1,500***	***719,844***
Advances	***427,781***	***268,446***	***337,074***	***359,153***
Advances to participating interests	309,638	265,510	322,204	252,944
Loans and other financial investments	118,143	2,936	14,870	106,209
Total gross	**1,148,026**	**269,546**	**338,574**	**1,078,997**

The table of subsidiaries and equity holdings shows holdings by subsidiary on the last page of the document.

The change in equity holdings owes to the acquisition of a stake in Alta Lux Spain after the merger with Alta Développement Espagne.

The change in loans and other fixed assets owes to the repayment of 14 million euros by Ori Alta.

Table of provisions for financial fixed assets (in € thousands)

		Increases during the year	Decreases during the year		
Provisions for depreciation	**12/31/2010**	**Allowance**	**Provisions no longer required**	**Provisions used**	**12/31/2011**
Provisions on participating interests	1,500			1,500	
Provisions on debt related to participating interests	4,691			4,691	
Total	**6,191**			**6,191**	

During the fiscal year, write-downs on equity holdings and debt related to the subsidiary became obsolete with the merger with Alta Développement Espagne.

Debt believed to be totally or partially unrecoverable is written down.

RECEIVABLE

Receivable is valued at par. It is booked to group debt of shopping centers and tax debt.

Table of Receivable (in € thousands)

Receivables	Gross 2011	Provisions	Net 2011	Net 2010
Trade receivables	***9,621***	***551***	***9,071***	***22,725***
Other receivables	***6,501***		***6,501***	***5,616***
Staff and related accounts	75		75	55
Advances and downpayments	95		95	70
Government, related authorities: valued added tax	3,545		3,545	2,947
Government, related authorities: other receivables				2
Group Shareholders and partners	4		4	1,179
Miscellaneous amounts payable	2,782		2,782	1,363
Total	**16,122**	**551**	**15,572**	**28,341**

Table of Receivables broken down by due date

Maturity of receivables	Gross 2011	Up to 1 year	1 to 5 years	> 5 years
Trade receivables	9,621	9,621		
Staff and related accounts	75	75		
Advances and downpayments	95	95		
Governement, related authorities: value added tax	3,545	3,545		
Governement, related authorities: other receivables				
Group Shareholders and partners	4	4		
Miscellaneous amounts payable	2,782	2,782		
Total	**16,122**	**16,122**		

Accrued incomes

Accrued income on balance sheet items	12/31/2011	12/31/2010
Loans	2,278	2,104
Government	30	2
Trade receivables	6,935	9,243
Other miscellaneous debtors	1,094	179
Total	**10,336**	**11,528**

SECURITIES HELD FOR TRADING

Securities held for trading are made up of treasury shares in their entirety in the amount of 26.865 million euros.

Table of securities held for trading and treasury shares in € thousands

	12/31/2010	Increase	Decrease	Provision	12/31/2011
Treasury shares	17,685	19,122	(9,947)	5	26,865
Total	**17,685**	**19,122**	**(9,947)**	**5**	**26,865**
Number of shares	140,389	149,061	-76,570	0	212,880

On December 31, 2011, treasury shares used to support share value (2,282 shares) had been written down by 25,000 euros. Other treasury shares for remittance to employees of Company subsidiaries were not provided for in provisions, their costs being re-billed in entirety to the companies of employee beneficiaries.

Table of provisions in € thousands

		Increases during the year	Decreases during the year		
Provisions for depreciation	**12/31/2010**	**Allowance**	**Provisions no longer required**	**Provisions used**	**12/31/2011**
Provisions on participating interests	1,500			1,500	
Provisions on debt related to participating interests	4,691			4,691	
Provisions on customer accounts	1,261	1,895	1,767	838	551
Provisions for depreciation on participating interests	30		5		25
Total	**7,482**	**1,895**	**1,772**	**7,029**	**576**

4.3.3.2. Notes on liabilities

SHARE CAPITAL

Table of change in share capital

Share capital	12/31/2010	Distribution Allocation	2011 net income	12/31/2011
Share capital	155,541			155,541
Additional paid-in capital	575,925	(76,872)		499,053
Merger premiums	8,717			8,717
Share subscription warrants	650			650
Legal reserve	12,133	226		12,359
Retained earnings	218	(218)		
Net income for the year	4,517	(4,517)	5,392	5,392
Total	**757,701**	**(81,382)**	**5,392**	**681,712**

After allocation of 5% of results for the fiscal year, or 226,000 euros, to the legal reserve, the Ordinary General Meeting of Shareholders of June 17, 2011 approved a dividend of €8.00 for the fiscal year ended December 31, 2010, or a total of 80.307 million euros, and the payment of a preferential dividend of 1.205 million euros to the partner on a profit balance of 4.291 million euros, retained earnings of 218,000 euros and paid-in capital of 77.002 million euros. Dividends of 130,000 euros paid on treasury shares were allocated to paid-in capital.

At December 31, 2011, capital stood at 155.541 million euros, divided into 10,178,817 shares with a par value of €15.28 and 10 general partnership shares of €100.

PROVISIONS

Table of changes in provisions

Provisions for liabilities and charges	12/31/2010	Increases during the year	Decreases during the year		12/31/2011
		Allowance	Provisions no longer required	Provisions used	
Other provisions for liabilities and charges	2,805	3,543		1,282	5,066
Total	**2,805**	**3,543**		**1,282**	**5,066**

The provision relates to:

- rights to shares held by Company employees stood at 4.422 million euros, vs. 2,805 million at December 31, 2010,
- the provision for a rental deposit up through 2012 given to the acquirer of Brest Coat Ar Gueven in the amount of 644,000 euros.

BORROWING AND OTHER DEBTS

Table of borrowing and other debt by due date in € thousands

Borrowings and other financial liabilities	12/31/2011	Up to 1 year	1 to 5 years	> 5 years	12/31/2010
FINANCIAL LIABILITIES	***649,248***	***84,679***	***561,125***	***3,444***	***674,152***
Convertible bonds					
Bank loans	611,048	49,923	561,125		647,388
Accrued interest on bank loans	521	521			331
Deposits and security interests received	3,444			3,444	3,884
Group Shareholders and partners	34,226	34,226			22,542
Other payables	10	10			7
OTHER FINANCIAL LIABILITIES AND OTHER PAYABLES	***18,832***	***18,832***			***10,865***
Trade payables and other payables	5,550	5,550			3,068
Staff-related and social security liabilities	402	402			377
Social security and other labour bodies					
Government: income tax	16	16			16
Government: value added tax	2,561	2,561			2,442
Government: guaranteed bonds					
Government: other taxes and duties	59	59			99
Amounts due on non-current assets and related accounts	2,717	2,717			1,600
Group Shareholders and partners	7,034	7,034			2,623
Other payables	271	271			276
Debt in the form of borrowed securities					
Prepaid income	222	222			365
Total	**668,079**	**103,511**	**561,125**	**3,444**	**685,017**

Table of accrued liabilities in € thousands

Accrued expenses balance sheet items	12/31/2011	12/31/2010
Borrowing and financial liabilities	521	18,707
Trade payables and other accounts	5,283	2,143
Amounts due on non-current assets and related accounts	2,453	1,431
Taxes other than on income and related payments	59	99
Group Shareholders and partners	6,445	2,305
Miscellaneous items	368	332
Total	**15,129**	**25,018**

Notes on the income statement

REVENUE

Revenue includes rent, rebilling of rental expenses, and work in respect of shopping center tenants in assets, and other services rendered by Altarea to subsidiaries subject to agreements in effect.

Revenue	12/31/2011	12/31/2010
Rent and rebilled charges	30,292	32,268
Initial lease payments	170	172
Management fees	9,568	10,239
Miscellaneous	129	234
Total	**40,159**	**42,913**

OTHER OPERATING INCOME

Breakdown of other operating income in € thousands

Other operating income	12/31/2011	12/31/2010
Capitalised production	10,612	520
Reversals of provisions	2,230	2,264
Intra-group rebillings and expense transfers	164	19
Miscellaneous	32	18
Total	**13,038**	**2,822**

The increase in other operating income related mainly to the recognition of expenses for expanding the Toulouse Gramont shopping center.

Write-backs related mainly to the reversal of a write-down on rental debt recognized on 12/31/2010 in the amount of 938,000 euros and the 1.283 million euro provision for risks.

OPERATING EXPENSES

Operating expenses included expenses borne by Altarea in respect of its property business (rental expenses, property taxes, amortization expenses) and to its holding company activity.

In € thousands	12/31/2011	12/31/2010
Service and co-ownership costs(1)	4,958	5,234
Maintenance and repairs	324	289
Insurance premiums	458	771
Sales commissions and professional fees(2)	10,140	9,057
Advertising and public relations(3)	1,025	1,053
Banking services and related accounts	462	278
Taxes other than on income(4)	1,843	1,846
Staff costs(5)	3,234	3,481
Allowances for depreciation and impairment	12,799	14,076
Capitalised purchases(6)	10,612	535
Lessee termination and early termination fees	40	370
Other expenses	2,776	2,136
Total operating expenses	**48,671**	**39,124**

(1) Rental expenses were re-billed in their entirety to tenants.
(2) Professional fees related to remuneration of the management of Altafinance 2 for its fixed amount and a fraction of its variable portion based on acquisitions or sales of company assets, management fees, the marketing and management of shopping centers, audit fees, fees related to projects and services.
(3) Advertising and communication includes costs of financial and institutional communication, internal communication, philanthropy and sponsorship.
(4) Property taxes on shopping centers amounted to 1.707 million euros, which were re-billed to tenants in their entirety.
(5) Director fees stood at 360,000 euros.
(6) Purchases booked to assets in 2011 related to the expansion of the Toulouse Occitania shopping center with an offsetting entry to other operating income.

FINANCIAL INCOME (LOSS)

In € thousands	12/31/2011	12/31/2010
Investment income		
— Dividends	8,569	16,504
— Interest on loans	3,431	3,265
— Income on ordinary accounts	9,465	12,952
— Commissions on guarantees	2,681	2,654
— Income on transfer of all Alta Developpement Russie assets	1,180	
— Paid by subsidiaries	432	191
— Reversal of provisions for write-down on investments	20,730	
— Reversal of provisions for write-down on asset values	18	804
— Other investment income	8	14
Total	**46,515**	**36,383**
Investment expenses		
— Increases in amortization, write-downs and provisions		6,191
— Increases in write-down on assets values	13	
— Losses on loans related to equity holdings	20,926	
— Interest on external borrowing	12,969	10,401
— Expenses on ordinary accounts	1,191	546
— Expenses on financial instruments (Swaps, Caps)	7,674	30,643
— Bank interest	1	5
— Paid by subsidiaries	1,090	221
— Loss on Alta Développement Espagne merger	4,691	
— Pre-tax expenses on sales of investment securities		230
— Other investment expenses		8
Total	**48,556**	**48,244**
Investment income	**(2,041)**	**(11,861)**

Dividends comprised a 7.002 million euro payment and a payment of 1.567 million by the subsidiary Alta Blue, which indirectly holds shopping centers in operation through its equity holdings.

Losses on debt related to equity ownerships are due to the forgiving of debt of 20.926 million euros owed by Alta Développement Espagne (merged with Altarea SCA at January 1, 2011) to Altarea Espana. Debt of 16.039 million euros, which was written down in financial statements at December 31, 2010, was written back in 2011.

The entry for the reversal of the write-down of financial fixed assets on the Altarea Espana debt (see previous paragraph) and the reversal of the write-down of 4.691 million euros for in the ordinary account of Alta Développement Espagne became obsolete subsequent to the merger.

Expenses on financial instruments included interest flows during the fiscal year paid by Altarea and fees of 7.674 million euros incurred in 2011 for the restructuring of interest rate coverage. These fees were paid in February of 2011.

EXCEPTIONAL INCOME (LOSS)

In € thousands	12/31/2011	12/31/2010
Exceptional income		
— Exception income on capital transaction	***43,692***	***46,083***
* incl, income on sales of assets	40,062	37,192
* incl, rebilling for deliver of shares to employees	3,630	8,890
Total	**43,692**	**46,083**
Exception expenses		
— *Exceptional expenses on management transactions*	1	9
* incl, fines and penalties	1	9
— *Exceptional expenses on capital transactions*	***40,197***	***36,306***
* incl, expenses on sales of securities		
* incl, expenses on sales of assets	36,479	27,413
* incl, cost of shares remitted to employees	3,718	8,894
— *Exceptional increases of amortization and provisions*	***644***	
* incl, provisions for rental guarantees	644	
Total	**40,842**	**36,315**
Exceptional income	**2,850**	**9,767**

Exceptional results are mainly the due to asset sales in 2011.

CORPORATE TAXES

In 2005, ALTAREA opted for the tax exemption plan put into place for publicly traded real estate investment companies (*Sociétés d'Investissement Immobilières Cotées,* or REIT) (SIIC -Article 208 C of CGI).

Breakdown of tax expenses

	Pre-tax profit			Tax			Net income		
In € thousands	**Exempt (SIIC)**	**Taxable (non-SIIC)**	**Total**	**Exempt (SIIC)**	**Taxable (non-SIIC)**	**Total**	**Exempt (SSIC)**	**Taxable (non-SIIC)**	**Total**
Income from operations	7,245	(2,720)	4,525		57	57	7,245	(2,663)	4,582
Financial incomes	(2,973)	1,002	(1,971)				(2,973)	1,002	(1,971)
Net non-recurring items	4,348	(1,567)	2,781				4,348	(1,567)	2,781
Total	**8,620**	**(3,285)**	**5,335**		**57**	**57**	**8,620**	**(3,228)**	**5,392**

The company has no taxes due in this fiscal year.

Increase and reduction of future tax obligations

In € thousands	12/31/2010	Changes		12/31/2011
Reductions		+	-	
— Organic	(55)	58	(39)	(37)
— Tax loss	(287,942)		(18,834)	(306,776)
Total base	(287,997)	58	(18,874)	(306,813)
Taxes or tax savings at a rate of 33.33%	**95,989**	**(19)**	**6,291**	**102,261**

The entire tax loss was attributable to the taxable sector.

Recommendation for tax adjustment

After verification of accounts, Altarea was subject to a tax adjustment for to the fiscal years ended December 31, 2007 and December 31, 2008. No expenditure is likely to occur owing to the company's tax situation. The company is appealing this adjustment with the agreement of its tax advisors. Therefore, there were no related provisions booked as of December 31, 2011.

4.3.3.4. Other information

TRANSACTIONS WITH RELATED COMPANIES IN € THOUSANDS

Balance sheet line item	Amount	Of which related parties
Assets		
Investments in associates and other participating interests	719,844	719,844
Advances to participating interests	252,943	252,943
Loans	106,101	105,948
Trade receivables	9,621	6,242
Other receivables	6,501	229
Cash and prepaid expenses	27,227	26,890
Depreciation, amortization and impairment	576	
Equity and liabilities		
Provisions for liabilities and charges	5,066	644
Borrowings and financial liabilities	649,238	34,226
Trade payables	9,698	1,524
Tax and social security payables	3,038	
Other payables and prepaid income	6,106	5,563

Income statement line item	Net amount on the income statement	Of which related parties
Operating income		
Sales of goods held for resale and properties		
Rentals and services income	40,159	9,553
Reversals of provisions and expense transfers	2,394	56
Other income	32	
Operating expenses		
Other purchases and external expenses	34,980	5,567
Allowances for depreciation and impairment	12,799	
Other expenses	968	
Financial income		
Income from participating interests	18,466	18,466
Interest and other financial income	7,300	7,293
Reversals of provisions and expense transfers	20,748	20,730
Financial expenses		
Share of losses from subsidiaries		
Allowances for depreciation and impairment	13	
Interest and similar expense	48,542	27,898
Non-recurring income		
Non-recurring income from management transactions		
Non-recurring income from capital transactions	43,692	3,560
Reversals of provisions and expense transfers		
Non-recurring expenses		
Non-recurring expenses on management transactions	1	
Non-recurring expenses on capital transactions	40,197	
Non-recurring allowances for depreciation and impairment	644	

COMPANY TRANSACTIONS WITH RELATED COMPANIES NOT ENTERED INTO UNDER TYPICAL MARKET TERMS AND CONDITIONS

There were no major transactions with related parties that were concluded under typical market terms and conditions.

Off balance sheet commitments

FINANCIAL INSTRUMENTS

ALTAREA holds a swap and CAP portfolio in order to cover interest rate risk on a fraction of the present and future variable rate portion it bears along with its subsidiaries.

In € thousands	2011	2010
Swap / Total (Nominal)	675,000	650,000
Cap / Total (Nominal)	189,527	189,825
Total	**864,527**	**839,825**

The value of financial instrument coverage stood at -15.250 million euros at December 31, 2011.

Impact on profit and loss statement in € thousands

In thousands of euros	2011	2010
Interest income		
Interest expense	(5,156)	(13,593)
Premiums and balancing cash payments	(2,518)	(17,050)
Total	**(7,674)**	**(30,643)**

Table of due dates on swaps and caps at the end of December in € thousands

In thousands of euros	2011	2012	2013	2014	2015
Swap	675,000	675,000	500,000	500,000	500,000
Cap	189,527	188,937	188,357		
Altarea -pay fixed (Total)	**864,527**	**863,937**	**688,357**	**500,000**	**500,000**

The benchmark rate was the 3-month EURIBOR.

The implementation of derivative instruments to limit interest rate risk could expose the Group to partial offsetting default.

EMPLOYEE RELATED COMMITMENTS

Employee related commitments related to retirement bonuses were estimated to be 81,000 euros at December 31, 2011.

COMMITMENTS GIVEN

Tranche A (263 million €) of IXIS borrowing is guaranteed by mortgages that were not booked to assets held by Altarea SCA as well as professional debt related to present and future leases. Guarantees included "riders", including an LTV ("Loan to Value") less than 65% and an after-tax financial fee coverage ratio by the EBITDA of the recurring sector in excess of 2.0.

Altarea gave the bank IXIS, a guarantee comprised of the shares of SAS Foncière ALTAREA in respect of a revolving Tranche B loan of an initial €460 million euros (€348 million having been used) with a repayment date of June 9, 2013.

Altarea SCA has guaranteed loans taken by other group companies amounting €638 million. These commitments included the guarantee of Altarea SCA to Cogedim SAS for Natixisin respect of the €250 million loan to acquire Cogedim.

Other commitments included loans of €97 million.

Altarea Sca gave a rental guarantee to Deka, the owner of the premises of a hotel and 3 businesses on avenue Wagram in Paris. This first request loan (GAPD) of €17.597 million is in effect until May 5, 2016. Starting May 6, 2016, a new GAPD will be issued based on a performance ratio.

Stock option plans

Stock option plan		Number of options awarded	Option strike price (in €)	Exercise dates	Options outstanding at 12/31/2010	Awarded	Options exercised	Options cancelled	Options outstanding at 12/31/2011
Stock option plans on Altarea shares									
November 23, 2004	Plan A	9,240	32.90	11/23/2008 - 11/23/2011					
Additional options — capital increase		2,640	170.00	11/23/2008 - 11/23/2011	2,640			(2,640)	0
January 4, 2005	Plan B	28,500	38.25	01/04/2009 - 01/04/2012					
Additional options — capital increase		857	170.00	01/04/2009 - 01/04/2012	857			(857)	0
13 March 2006	Plan C	1,950	119.02	03/13/2010 - 03/13/2013	950			(400)	550
Additional options — capital increase		557	170.00	03/13/2010 - 03/13/2013	270			(114)	156
30 January 2007	Plan D	3,800	175.81	01/30/2011 - 01/30/2014	1,450			(600)	850
Additional options — capital increase		1,086	170.00	01/30/2011 - 01/30/2014	412			(170)	242
5 March 2010	Plan E	5,500	104.50	03/05/2010 - 03/05/2013	5,500			(1,250)	4,250
Total		**54,130**			**12,079**	**0**	**0**	**(6,031)**	**6,048**

Stock warrants

Share subscription warrants	Number of options awarded	Option strike price (in €)	Exercise dates	Warrants outstanding at 12/31/2010	Warrants outstanding at 12/31/2011
December 24, 2007	65,000*	275.00	01/01/2011 - 12/31/2011	65,000	0
Total	**65,000**			**65,000**	**0**

* *Holders subscribed to these warrants at a unit price of €10, representing a total amount of €650,000.*

Award date*		Number of rights awarded	Vesting dates	Rights in issue at 12/31/2010	Attribution	Rights exercised	Rights cancelled**	Rights in issue at 12/31/2011
Stock grant plans on Altarea shares								
December 31, 2008	Plan 12	2,500	September 30, 2011	2,500		(2,500)		0
July 17, 2009	Plan 14	17,680	July 17, 2011	15,465		(14,930)	(535)	0
July 17, 2009	Plan 15	10,000	July 17, 2011	10,000		(10,000)		0
September 15, 2009	Plan 16	11,000	September 15, 2011	11,000		(11,000)		0
March 5, 2010	Plan 17	32,190	March 31, 2012	31,110			(1,110)	30,000
March 5, 2010	Plan 18	73,800	December 20, 2012	72,300			(1,000)	71,300
March 5, 2010	Plan 19	20,000	December 20, 2012	20,000				20,000
March 5, 2010	Plan 20	20,000	December 20, 2013	20,000				20,000
March 5, 2010	Plan 21	20,000	December 20, 2014	20,000				20,000
March 5, 2010	Plan 22	16,700	March 5, 2012	16,700				16,700
December 16, 2010	Plan 23	15,400	June 30, 2013	15,400			(1,100)	14,300
March 29, 2011	Plan 24	413	March 29, 2013	0	413			413
December 15, 2011	Plan 25	1,000	December 15, 2014	0	1,000			1,000
Total		**371,320**		**234,475**	**1,413**	**(38,430)**	**(3,745)**	**193,713**

* *The award of rights is contingent upon meeting non-market related performance criteria, which are assumed to have been met.*

** *Rights cancelled for reasons of departure of due to lack of certainty on performance conditions being met.*

COMMITMENTS RECEIVED

Under mergers and purchases of minority interests, Altarea has a guarantee in respect of any tax liabilities. The liability guarantee given by Affine at the time of the sale of Imaffine's controlling interest on September 2, 2004 was transferred under the merger so that the former benefits from a 10-year guarantee of pre-tax assets prior to merger.

Under the acquisition of Altareit, Altarea received a guarantee from the seller Bongrain to be indemnified under the 100% bloc purchase against any damages or losses originating in businesses, the origin of which was prior to March 20, 2008 for a period of ten years.

Altarea holds a 7-year purchase option starting June 30, 2010 to acquire a share of ordinary accounts from is partners in Alta Blue amounting to €66.7 million.

Employees

The Company employs five individuals.

Events subject to closing

None.

Subsidiaries and consolidated companies in € thousands

Company	Share capital	Equity other than share capital	Ownership interest	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	Revenues before taxes
SUBSIDIARIES (over 50% owned)											
SAS FONCIERE ALTAREA — 353 900 699	6,287	257,425	99.99%	579,507	579,507	193,497	193,497		17,401	7,003	6
SCA ALTAREIT — 553 091 050	2,627	187,059	99.63%	91,635	91,635	(32,851)	(32,851)		41,742		587
SNC TOULOUSE GRAMONT — 352 076 145	450	(1,083)	99.99%	457	457	3,834	3,834		(1,091)		499
SNC ALTAREA MANAGEMENT — 509 105 537	10	432	99.99%	10	10	746	746		432		6,191
SAS ALTA DEVELOPPEMENT ITALIE — 444 561 476	12,638	(2,819)	99.80%	13,800	13,800	48,507	48,507		(820)		1,300
SARL SOCOBAC — 352 781 389	8	154	100.00%						(2)		
SARL ALTALUX SPAIN			100.00%	1,100	1,100	6,359	6,359				
PARTICIPATING INTERESTS (10 to 50%)											
SAS ALTA BLUE — 522 193 796	1,000	74,498	33.33%	33,333	33,333				(15,016)	1,567	
OTHER SECURITIES											

Subsidiaries and consolidated companies' head office: 8, avenue Delcassé 75008 Paris

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

STATUTORY AUDITORS' REPORT
ON PARENT COMPANY ACCOUNTS
(For the financial year ended December 31, 2011)

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended December 31, 2011 on
- our audit of the accompanying financial statements of **ALTAREA**;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. OPINION ON FINANCIAL STATEMENTS:

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall 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 the end of the financial year, in accordance with accounting principles generally accepted in France.

II. JUSTIFICATION OF OUR ASSESSMENTS:

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the following items:
- Under Note 2.2, "Accounting principles and policies":
  - The Note on "*Property, plant, and equipment*" discusses the accounting methods used for the recognition and 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 rules and 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.

Our assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. VERIFICATIONS AND SPECIFIC INFORMATION:

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

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

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

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

Paris and Paris-La Défense, April 2, 2012

The Statutory Auditors

A.A.C.E. Ile-de-France
French member of Grant Thornton International

Patrick Ughetto

ERNST & YOUNG et Autres

Jean-Roch Varon

4.5. STATUTORY AUDITORS SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(Annual General Meeting called to approve the financial statements

For the financial year ended December 31, 2011)

To the Shareholders,

As the Statutory Auditors of your Company, we hereby present you with our report on related-party agreements and commitments.

Our responsibility is to report to you, based on the information provided to us, the main terms and conditions of the agreements and commitments brought to our attention or of which we may have become aware in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements approved by the Annual General Meeting in prior years and that remained in effect during the past year.

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

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE ANNUAL GENERAL MEETING FOR APPROVAL

We hereby inform you that we were not notified of any agreement or commitment authorized during the past financial year to be submitted to the Annual General Meeting for approval in accordance with the provisions of Article L. 226-10 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in prior years

a) remaining in effect during this financial year:

In accordance with Article R. 226-2 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, which were approved by Annual General Meetings in prior years, remained in effect during the past financial year.

With COGEDIM SAS:

Your Company provided a guarantee to **IXIS CORPORATE & INVESTMENT BANK** on behalf of **COGEDIM SAS** as security for a loan in a principal amount of €300 million from **IXIS CIB**, which was used to finance a portion of the acquisition of the former **COGEDIM.**

The Company charged a commission of €1,000,000 for this guarantee in 2011.

With ALTAREA PATRIMAE:

Your Company granted its Spanish subsidiary, **ALTAREA PATRIMAE**, a subordinated loan and a guarantee for a bank Loan. This financing was used to purchase the San Cugat shopping center.

The subordinated loan, granted on 25 July 2006 for an amount of €22,800,000, carries an interest rate of 1.5% until 31 December 2007, 3% until 31 December 2009, and 6% thereafter, until no later than 31 December 2016.

Your Company also pledged receivables from **ALTAREA PATRIMAE** to **IXIS CORPORATE & INVESTMENT BANK** as security for the €22,800,000 subordinated loan.

The company recognized €1,368,000 of financial income from the subordinated loan in 2011.

With MEZZANINE PARIS NORD SA:

Your Company provided a personal, undivided guarantee to **CREDIT FONCIER DE FRANCE** (acting on behalf of **ENTENIAL**) on behalf of **MEZZANINE PARIS NORD SA** as security for the following:

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

Commissions on this guarantee payable to the company at a rate of 0.4% by MEZZANINE PARIS NORD amounted to €5,913 in 2011.

b) With no effect during the past year:

We have also been informed that the performance of the following agreements and commitments, which were approved by Annual General Meetings in prior years, produced no effects during the past financial year.

With the company ALTA DEVELOPPEMENT ESPAGNE:

As part of the December 22, 2009 sale of shares in **ALTA DÉVELOPPEMENT RUSSIA** by your Company to its subsidiary **ALTA DÉVELOPPEMENT ESPAGNE**, the latter undertook to make an earn-out payment on the acquisition capped at €35,970,779 representing 50% of the subsequent disposal price to a third party within two years of the acquisition date.

This agreement ceased to have effect following the dissolution of **ALTA DEVELOPPEMENT RUSSIE** on October 17, 2011, with universal transfer of its assets to its sole shareholder, **ALTA DÉVELOPPEMENT ESPAGNE.**

As part of the December 22, 2009 sale of the receivable held by your company on **ALTAREA ESPAÑA** to its subsidiary **ALTA DÉVELOPPEMENT ESPAGNE**, the latter undertook to make an earn-out payment in the event of an improvement in **ALTAREA ESPAÑA**'s financial condition, representing 75% of the repayment or sale of the receivable to a third party within five years of the initial sale.

This agreement ceased to have effect at the end of financial year 2011, following the dissolution of **ALTA DEVELOPPEMENT ESPAGNE,** effective December 31, 2011, due to the merger by acquisition with your Company.

Paris and Paris-La Défense, April 2, 2012

The Statutory Auditors

A.A.C.E. Ile-de-France *French member of Grant Thornton International*	**ERNST & YOUNG et Autres**
Patrick Ughetto	**Jean-Roch Varon**

5 CORPORATE SOCIAL RESPONSIBILITY

5.1. THE GROUP'S ENVIRONMENT AND VISION

5.1.1. A RAPIDLY CHANGING SECTOR

5.1.1.1. Real estate market: trends, risks and opportunities

The real estate sector represents 43% of energy consumption and 21% of greenhouse gas emissions. It is also responsible for large amounts of waste production and water consumption, and has substantial impacts on biodiversity. Along with transportation, real estate is the sector with the most significant sustainability issues — especially from an environmental standpoint.

The potential extent of impacts creates a risk of a loss in value on property assets. Real estate companies therefore have to remain a step ahead of societal developments underway and those to come:

- growing difficulties for access to housing;
- worsening public health issues and energy shortages;
- an aging and increasingly dependent population;
- diminishing tax incentives to buy sustainable property;
- pressure on energy markets, with an impact on buildings' energy bills modes of transportation;
- pressure on urban sprawl.

As a springboard for technological and socially responsible innovations, sustainable development issues provide a beacon within the sector and represent a genuine source of value creation for real estate market players.

5.1.1.2. The Grenelle Environment Round Table: technological advances needed

In 2009, the Grenelle Environment Round Table defined the initial set of concrete objectives to prepare for the challenges of tomorrow. The 57 articles cover energy, construction, transportation, biodiversity, governance and environmental and health risks. For Altarea Cogedim, active in both real estate investment and development, the impact is two-fold:

Improving the energy performance of new buildings

France's 2012 thermal regulations (RT 2012) establish the Low Energy Building (BBC®) label for energy performance as standard, but the future 2020 thermal regulations (RT 2020) will require the construction of energy-plus buildings (BEPOS). This next step will mark a genuine advance in minimizing energy use and offsetting residual energy needs.

Improving the energy performance of existing buildings

The renovation of public and private tertiary property between now and 2020 was incorporated into the Grenelle standard. The objective of reducing energy consumption by 38% between 2012 and 2020 will be enforceable once the implementation decree is passed. This will set out the target performance levels depending on the building's initial condition, type, usage and the level of responsibility of each stakeholder.

5.1.1.3. Stakeholder requirements

The real estate sector affects a broad number of stakeholders, which have been applying increasing pressure on real estate companies in France since the publication of the Grenelle standards. Altarea Cogedim's stakeholders predominantly include financial and extra-financial rating partners, national and international investors, housing customers, office users, shopping center stores and hotels, elected officials and local governments, suppliers, service providers and all construction partners.

The Group's growth, the broadening of its shareholder base and the scope of its development projects have tightened transparency, accuracy and comparability requirements for the extra-financial information of all those involved, concerned with assessing the actual performance of new projects, existing property assets and the company.

5.1.2. GROUP VISION

5.1.2.1. Developing green value

Altarea Cogedim has turned sustainable development into a growth opportunity for its real estate investment and development businesses by promoting the green value of its new projects and retail assets.

As a developer, the Group has established environmental performance as one of its quality requirements for all production. As such, its positioning and development are grounded on four complementary areas of progress covering factors of direct and indirect responsibility:

- improving the comfort of use of new projects by choosing certifications and environmental profiles adapted to each type of asset;
- extending the durability of development projects by reducing their energy requirements and protecting them from increases in energy prices;

- promoting sustainable use by applying stringent criteria to the choice of sites and their proximity to public transportation;
- reducing the environmental footprint of the construction and end of life of new projects by encouraging more energy-efficient construction materials and processes that produce less greenhouse gas emissions.

In order to advance in all of its production, Altarea Cogedim introduced four indicators derived directly from these areas of progress. These indicators were reviewed by an independent auditor in 2011.

Altarea Cogedim is committed to promoting understanding, comparability and irrefutability of the environmental performance of its new projects as major factors of its green valuation for all Group clients.

As a property investor, the Group gears its strategy towards managing and improving the environmental performance of its assets.

It reports on the environmental performance of its assets using specific, transparent indicators in line with sector recommendations to ensure their comparability. This reporting forms a sound, reliable base for reducing the environmental impact of its assets. In 2011, Altarea Cogedim enlisted an independent auditor to verify the main environmental indicators applied to its assets so as to heighten the quality of its reporting process and the reliability of its data.

With these measures, the Group limits the environmental impact of its assets and their vulnerability to increases in the price of natural resources and future environmental taxation. It boosts the appeal and liquidity of its shopping centers for investors while maintaining their appraisal value and limiting their technical and energy obsolescence.

5.1.2.2. Reducing our environmental footprint

Altarea Cogedim is dedicated to managing and reducing its environmental footprint across all of its activities: investment, development and corporate operations.

As a real estate developer, Altarea Cogedim carries out real estate projects aiming for high environmental and energy performance while gradually reducing the impact of construction and the end of life of buildings. The Group's series of construction carbon assessments *(Bilan Carbone® Construction)*, launched in 2011, is tangible evidence of this ambition. These assessments covered its various types of projects, aiming to reduce the carbon footprint of its development projects now and for the future.

As a real estate investor, the Group manages the environmental impact of its portfolio of shopping centers through detailed, verified reporting, setting short- and medium-term environmental goals and defining targeted action plans.

The Group performed its first corporate carbon assessment in 2010, covering its head office and regional offices to raise the awareness of all employees about a sustainable, carbon-free lifestyle and workstyle.

5.1.2.3. Recognizing all talent

With the strong growth of its businesses, Altarea Cogedim has undertaken an ambitious review of its labor policy, focusing on work quality, well-being, performance and personal development to bring out the best in each employee.

The Group plans to activate three main drivers: continuous development of expertise, promotion of employee loyalty and employee motivation throughout their career.

5.1.2.4. Encourage sustainable practices

Today considered a driving force in promoting "better urban quality of life," Altarea Cogedim attaches great importance to taking a concrete approach to leadership with all of its stakeholders: clients, employees, suppliers/subcontractors, partners and local communities.

Given the increasing influence of stakeholders in its businesses, the Group is developing ways of involving them further in its sustainable development strategy and establishing day-to-day dialogue to better apply sustainable practices.

5.1.2.5. A collaborative, cross-business approach

The Altagreen approach was built in collaboration with Group employees and is founded on three pillars — relevance, sharing and sustainability — to guarantee ambitious but balanced efforts from the company.

Cross-business by nature, the Altagreen approach is used to pool the different types of expertise and skills from each of the Group's businesses, so that the company matures faster and its development projects perform better.

Prior to their approval by Management, all Group commitments are defined jointly by the Sustainable Development Department and all representatives, enabling Altagreen to strengthen the strategy of each business.

5.2. GOVERNANCE

5.2.1. ORGANIZATION AND OPERATION

The Sustainable Development Department has four staff members:

- Head of Sustainable Development, Communication and Human Resources in charge of the Group's cross-business functions;
- Group Sustainable Development Manager to oversee the Altagreen approach for the various businesses and operations;
- Sustainable Development Engineer to handle environmental reporting and operation carbon assessments, and define and monitor action plans for the investment business;
- Communication and Sustainable Development Specialist focused on internal communication and sustainable development events and campaigns.

The Department advises the Group's management in defining Altarea Cogedim's Sustainable Development strategy and coordinating all of its extra-financial communication.

The team works with a network of ten Sustainable Development representatives from each of the Group's businesses (retail, residential and offices) who participate in the bimonthly Sustainable Development Committee meeting. A number of focus meetings are also held with representatives on more specific and operational topics.

The Sustainable Development Department also enjoys a network of regular advisors representing the cross-business activities: human resources, communication, finance and corporate services. Targeted, one-off meetings are also held with them for exchange and feedback.

The structure of the department contributes to advancing the Group's Sustainable Development approach, thanks to employees who fully grasp their accountability on these issues, while enabling the reporting of information and the sharing and rollout of the approach to Group businesses through its cross-business network of representatives.

5.2.2. ENVIRONMENTAL MANAGEMENT SYSTEM

Altarea Cogedim has implemented Environmental Management Systems adapted to each business for all of its development and operations teams. These guides are used to improve development, construction and operational processes and boost the environmental and energy performance of new development projects and shopping centers.

5.2.2.1. Environmental Management System for Residential Construction

As a residential property developer, Altarea Cogedim has integrated a certification approach into its development and construction process: the "Guide to Best Environmental Practices for Residential Property". Through this process certification, the Group enjoys *NF Logement qualitative* certification on all of its production and can apply the *NF Logement – Démarche HQE* certification to all projects in the Paris Region.

5.2.2.2. Environmental Management System for Commercial Construction

In 2010 and 2011, the Group also defined the "Guide to Best Environmental Practices for Commercial Property", which provides developers and operating staff with all the requirements for HQE, BREEAM and LEED certifications at each project stage, along with guidance on the development and construction of the Group's commercial property projects (offices, retail property and hotels).

5.2.2.3. Environmental Management System for Operations

The Group is drafting the "Guide to Best Environmental Practices for Operations" to enhance the reliability of environmental data reporting and the monitoring of environmental action plans. The Group will use this guide to move forward with environmental certification for all of its operational processes.

This General Management System, applied to both of the Group's main businesses (development and investment), will be used to strengthen the environmental performance of all Group assets by providing easier access to various certification standards and encouraging improvement across all practices.

5.2.3. STRENGTHENING RELATIONS WITH BUSINESS PARTNERS

Altarea Cogedim is devoted to establishing lasting relations with its business partners by organizing special meetings for exchange and dialogue and providing them with dedicated publications.

5.2.3.1. Corporate investors

Objectives

- Maintain regular, constructive relations with Altarea Cogedim's present and future investors.
- Present the Group's financial, environmental and social performance.

Initiatives in 2011

The Group's Investor Days provided a special opportunity to exchange with national and international investors and present or future shareholders to discuss company news, strategy, projects and financial data.

In 2011, Altarea Cogedim launched the first "Actions", a half-yearly shareholder letter aimed at corporate investors on the Group's business.

5.2.3.2. Project investor clients

Objectives

- Present the Group's property projects and assets, along with all information on their technical, financial and environmental aspects.
- Present Altarea Cogedim's range of products and services along with all of its references.

Initiatives in 2011

In its role as developer and service provider, Altarea Cogedim carries out projects for investment partners. In addition to regular meetings, the Group develops communication tools highlighting its expertise and references ("*Le Commerce par Altarea Cogedim*" ("Retail property by Altarea Cogedim"), "*L'immobilier d'entreprise par Altarea Cogedim*" ("Office property by Altarea Cogedim"), etc.), and opportunities for collaboration and guidance.

The Group also very regularly takes part in the leading national and international real estate events (MIPIM, SIMI, MAPIC, SIEC).

5.2.3.3. Rating agencies

Objective

- Present the Group's financial, environmental and social performance.

Initiatives in 2011

The Business and Sustainable Development Report and the Registration Document offer special opportunities for reporting on the company's business. Altarea Cogedim is committed to transparency for all of its financial and extra-financial reporting and action plans for the clarity and comparability of its performance.

5.2.3.4. Residential clients

Objectives

- Present the Group's property projects, along with all information on their technical, financial and environmental aspects.
- Guide Group clients and increase their satisfaction.

Initiatives in 2011

In 2010 and 2011, Altarea Cogedim strengthened its approach of guiding end clients in the residential segment with the creation of a Delivery Quality and After-Sales Service Department. This department is in charge of assisting clients through to delivery, ensuring compliance with the Group's quality standards, managing any last-minute complaints and extending after-sales service as necessary. Upon delivery, Altarea Cogedim supplies all clients with a "Welcome Booklet", which features the property's technical and environmental information, and a "Going Green Booklet", which explains how to live and use the new property sustainably.

The Group also participates very regularly in the leading regional and national real estate events to exchange with its clients and present all of its real estate programs.

5.2.3.5. Office and hotel clients

Objectives

- Assist clients in defining their needs and carrying out their real estate projects.
- Present opportunities for collaboration and assistance, along with all Group references.

Initiatives in 2011

Altarea Cogedim assists office and hotel clients in defining their needs and carrying out their customized projects. At regular meetings or at leading national and international real estate events (MIPIM, SIMI), Altarea Cogedim is positioned as a privileged partner to this client segment.

The annual publication *"L'immobilier d'entreprise par Altarea Cogedim"* ("Office property by Altarea Cogedim") addresses the needs of these clients, presenting the Group's services and references in office and hotel properties.

5.2.6. RETAIL TENANTS OF SHOPPING CENTERS

Objectives

- Present the Group's property projects and assets, along with all information on their technical, financial and environmental aspects.
- Manage the environmental and financial impacts of energy and regulatory requirements.

Initiatives in 2011

The Group launched a half-yearly newsletter, *"Le Rendez-vous retail"*, in 2011 to present sector news and projects. Altarea Cogedim also takes part in the leading national and international real estate events (MAPIC, SIEC).

As part of its environmental approach and to anticipate regulatory requirements that will apply to its retail assets, Altarea Cogedim intends to work more closely with all tenants on developing environmentally-friendly practices. As a result, the Group standardized application of green leases for new and renewed leases in 2010.

Green leases make up an official framework that applies to both owner and tenant: they require each party to exchange environmental and energy information and call for establishment of an environmental committee composed of the owner, tenant and all stakeholders at each site.

At December 31, 2011, 448 of the Group's 1,513 leases were green leases, i.e. 29.6%.

Along with its targets to reduce its energy consumption and CO_2 emissions, Altarea Cogedim has set a goal of 65% green leases on all property by the end of 2015.

5.3. ENVIRONMENT

Altarea Cogedim's environmental approach breaks down into three separate segments: i) its development business, ii) its investment business and iii) its head office and regional offices.

To improve across all of its businesses, the Group has defined progress indicators covering all of these issues in order to measure and monitor the company's environmental performance and gains.

All of the Group's CSR indicators and details on its scopes, formulas and calculation methodologies are available in the chapter "Performance Notes".

5.3.1. BOOSTING PERFORMANCE FOR ALL NEW PROGRAMS

Altarea Cogedim is working on enhancing the environmental and energy performance of its new projects while limiting the environmental impact resulting from their development. The Group has structured this approach into a number of areas of progress for its new retail, office, residential and hotel projects.

5.3.1.1. Environmental performance

Objectives

- Offer real estate projects in line with the needs of Group clients.
- Focus environmental performance on heightening comfort of use.
- Carry out development projects that boast irrefutable environmental performance.

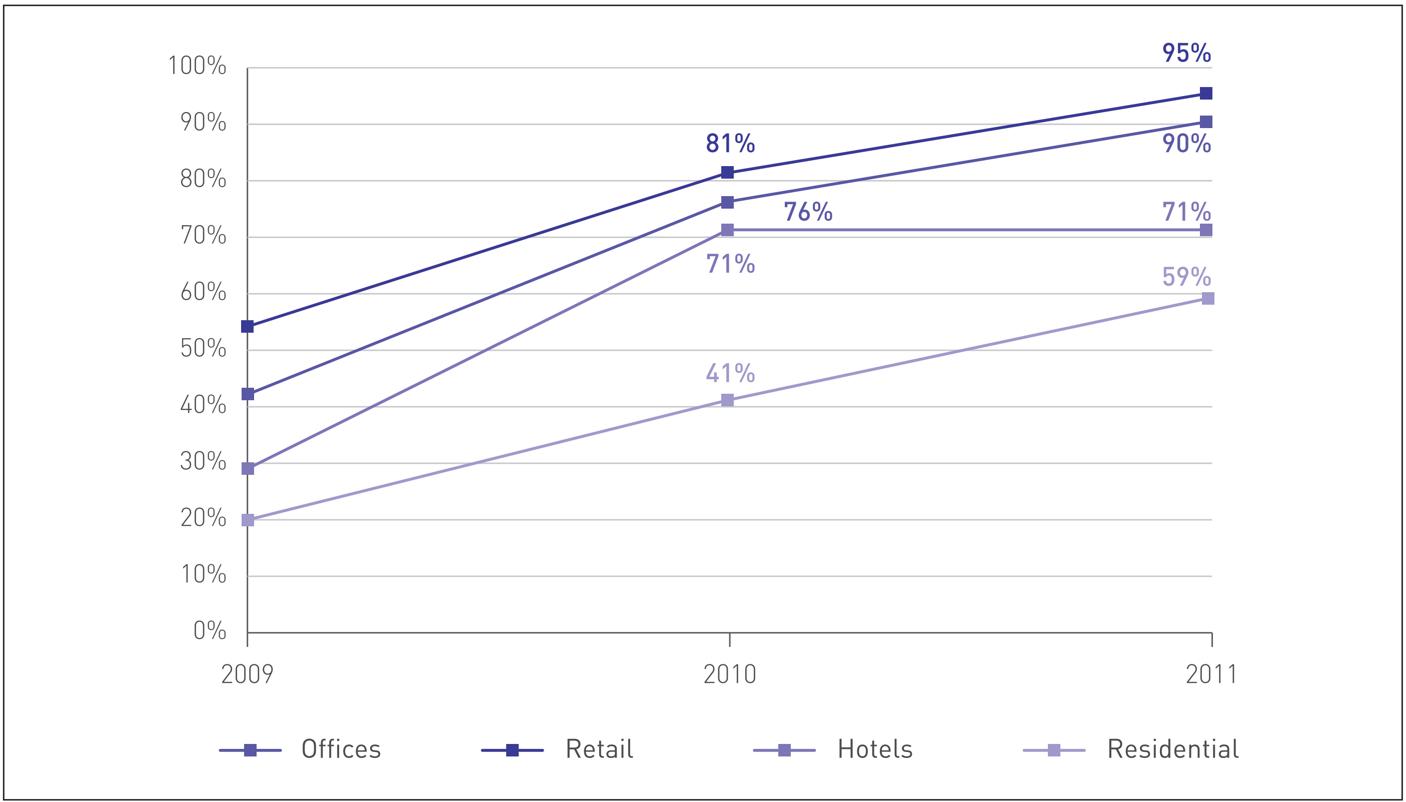
Initiatives in 2011

To enhance the environmental performance of its development projects, Altarea Cogedim has selected environmental or qualitative certifications adapted to the type of project for all of its production. They are selected based on two predominant criteria:

- the relevance of applicable standards and assessment method,
- stakeholder expectations for each project category.

Altarea Cogedim has standardized its environmental performance objectives so that all stakeholders can assess the quality of Group production. As such, the "Environmental performance level" indicator covers all new projects.

Changes in environmental performance levels of new developments



Proportion of surface area or number of residential properties certified or undergoing the environmental certification process for the standards NF Démarche HQE®, Breeam or Habitat et Environnement, out of all development projects with a building permit (provisional or permanent), under construction or delivered in the reference year.

Since 2009, the certification level of new projects has risen significantly for retail, office and residential properties thanks to new development projects with environmental certification and the withdrawal of non-certified projects from the indicator scope.

The performance level of hotels stabilized in 2011 because no new development projects were initiated during the year.

In 2010, the Group introduced a systematic qualitative or environmental certification approach for its new projects:

- Dual environmental certification to NF Bâtiment Tertiaire (commercial buildings) — Démarche HQE® and BREEAM standards for new retail development projects;
- NF Bâtiment Tertiaire — Démarche HQE® environmental certification for new office and hotel development projects;
- NF Logement (residential) — Démarche HQE® environmental certification for new residential development projects in the Paris Region and most residential projects in other French regions;
- NF Logement qualitative certification for all residential production.

This standardized environmental performance objective may vary depending on the specific case: purchase of a project with a permanent building permit, services provided for an investor partner, technical impossibility, etc.

Areas of progress

The Group will maintain its objectives for residential, office and hotel properties in 2012. However, it will raise its target for new retail developments, aiming exclusively for minimum "Very Good" BREEAM certification.

Altarea Cogedim will also launch a test residential project, High Health Quality, to further its work on improving air quality and visual and acoustic comfort.

5.3.1.2. Energy performance

Objectives

- Extend the durability of the Group's new development projects by limiting the risk of energy obsolescence.
- Carry out development projects that boast irrefutable energy performance.
- Meet energy regulations and market requirements.

Initiatives in 2011

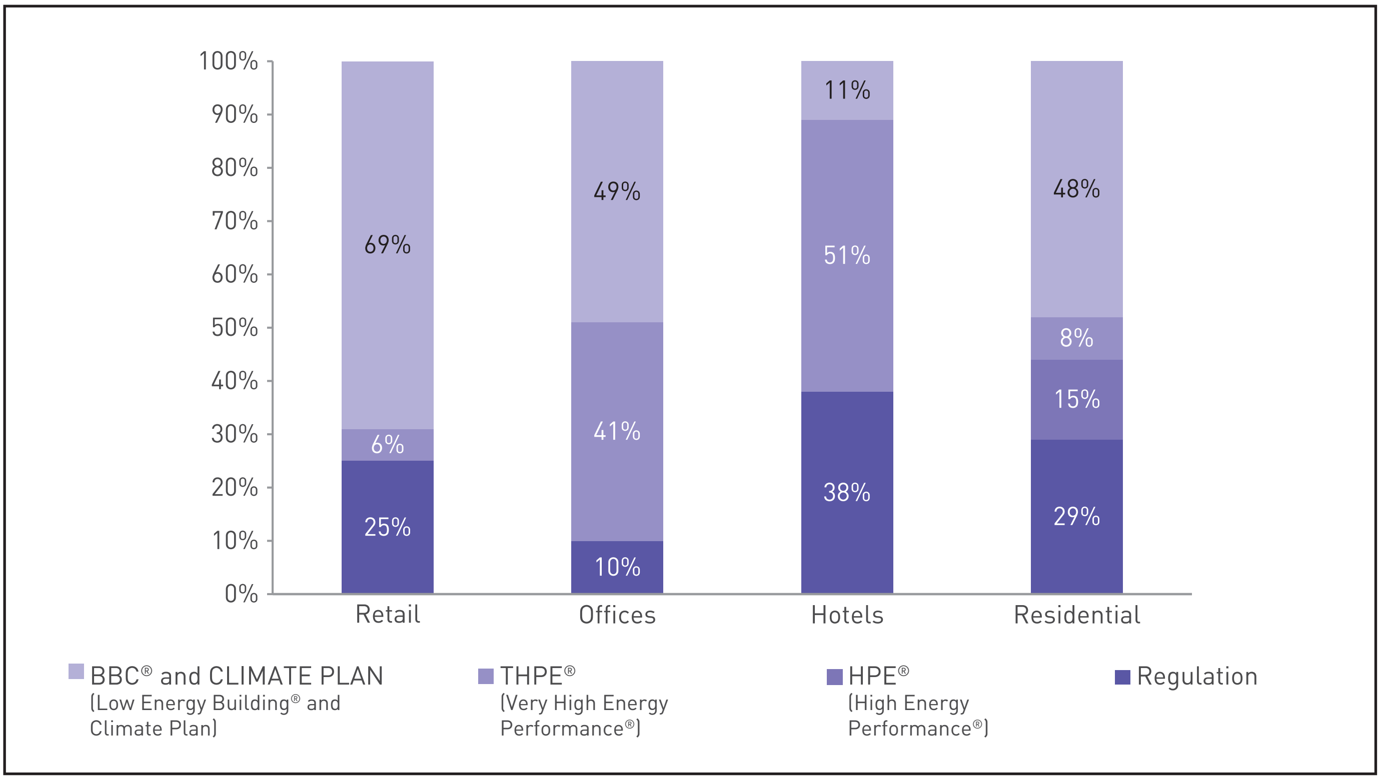
Altarea Cogedim is positioned to produce high-performance development projects while remaining most closely in line with the actual use of the building. It achieves these goals by choosing adapted, sustainable solutions with the lowest risk of medium- to long-term technical obsolescence.

Since 2010, the Group has standardized the Low Energy Building (BBC®) energy performance across all of its residential, office, retail and hotel projects. However, it intends to advance even further in improving the energy performance of its development projects. All building permit applications must comply with the thermal regulations in effect. The Group has decided to apply the requirements of the next set of French thermal regulations (RT 2012) ahead of schedule in order to offer its clients and users enduring real estate projects while maximizing comfort of use.

To ensure the transparency of the energy performance of its production, Altarea Cogedim has decided to report on the energy performance of all of its retail, office, residential and hotel projects by energy performance level:

- Regulation — Minimum;
- High Energy Performance (HPE®) — Minimum +10%;
- Very High Energy Performance (THPE®) — Minimum +20%;
- Low Energy Building (BBC®) — Minimum +50% for commercial property and 50 kWh p.e./m²/year adjusted for residential property;
- Climate Plan — 50 kWh p.e./m²/year for residential property.

Energy performance level of new projects

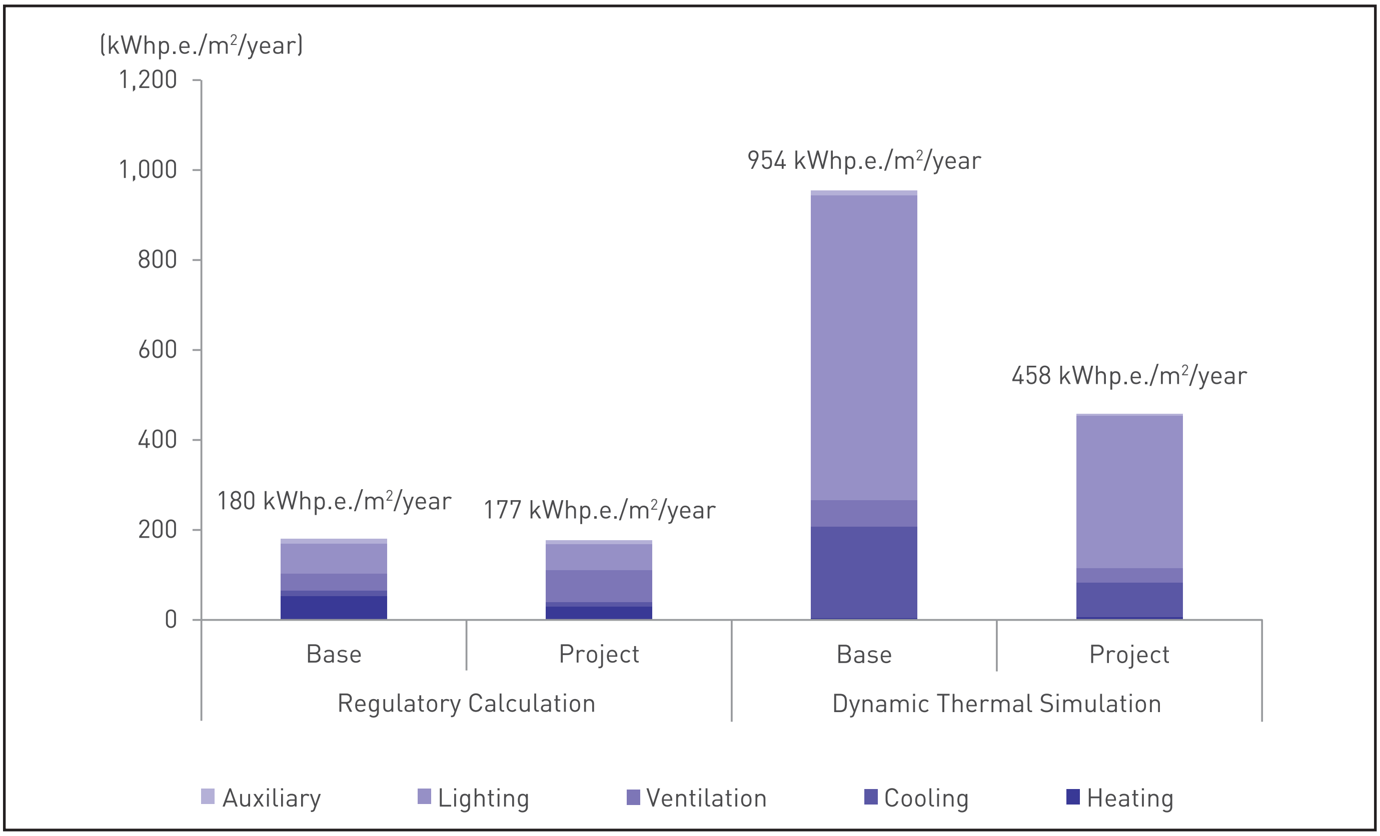


Breakdown of surface area or number of residential properties with a building permit (provisional or permanent), under construction or delivered in 2011 by energy label.

In 2010, the Group engaged in standardizing the BBC® energy performance level across all new projects of all types. The integration of new BBC and Climate Plan properties into the scope and withdrawal of regulation-level, HPE and THPE projects raised the average energy performance level of each type of Group product.

To improve the performance of its development projects and assess actual future energy consumption, Altarea Cogedim conducts additional studies for less standard projects and large-scale projects. Advancing further with the regulatory calculation method used to assess only conventional performance, the Group runs dynamic thermal simulations for office, retail and hotel projects. These analyses are used to assess the building's future energy requirements by integrating the contribution of users into the current installed power capacity. These dynamic thermal simulations are used as a design tool to define the insulation characteristics of a façade or determine technical equipment requirements.

Comparison between Regulatory Calculation and Dynamic Thermal Simulation (Villeneuve-la-Garenne shopping center)



Areas of progress

Over the next few years, Altarea Cogedim will maintain its objective of maximized energy performance for the benefit of users. The Group will make additional energy performance commitments for its new projects once the main points of the 2012 thermal regulations are set for all new buildings.

5.3.1.3. Proximity to public transportation

Objectives

- Connect Group projects with various living spaces.
- Encourage more environmentally-friendly travel through the use of public transportation.

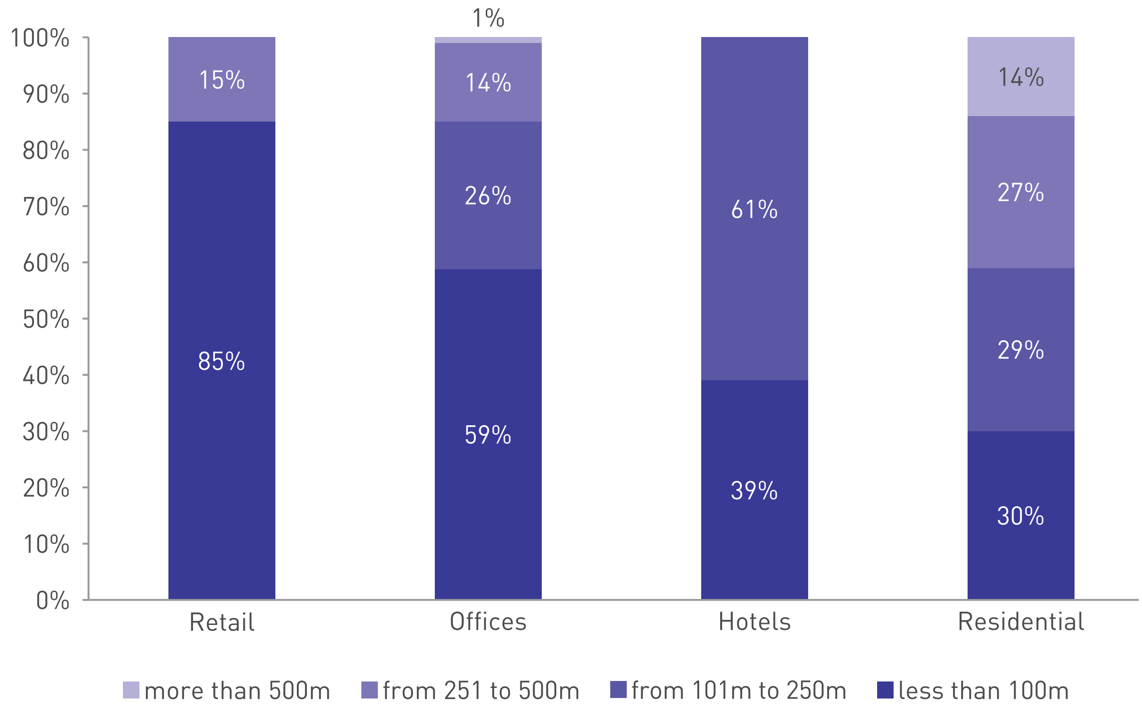
Initiatives in 2011

Benefiting from its position as a developer of retail, office, residential and hotel property, Altarea Cogedim can apply its firm beliefs in the importance of connecting various living spaces, providing easier access to environmentally-friendly forms of transportation.

In its "Environmental performance level" and "Energy performance level" indicators, Altarea Cogedim aims for transparency on the location of all of its projects, regardless of type, with regard to public transportation.

Through this positioning, the Group advocates the sustainable use of its property and a sustainable lifestyle among its clients and users.

Distance of new projects to public transportation



Breakdown of surface area or number of residential properties with a building permit, under construction or delivered in 2011 by distance to public transportation.

Areas of progress

Pursuing its investment selection strategy, Altarea Cogedim will maintain its requirements for locations, site integration and distance to public transportation.

5.3.1.4. Environmental footprint of buildings

Objectives

- Limit greenhouse gas emissions (notably CO_2) produced by the construction of new projects.
- Anticipate the use and end of life of buildings.

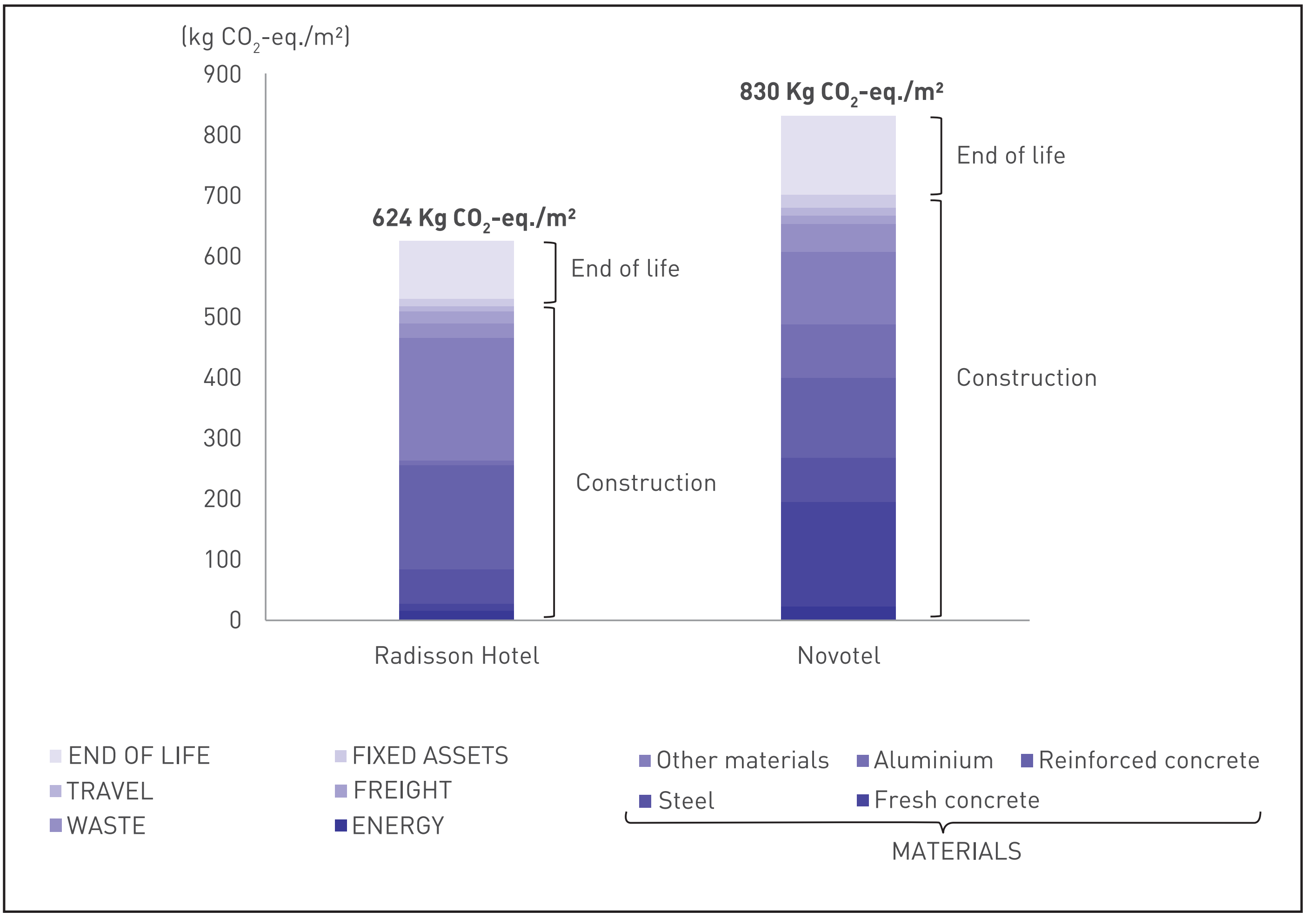
Initiatives in 2011

Altarea Cogedim initiated its commitment to limit the environmental impact of the construction (design, site, end of life) of its real estate projects in 2010 and strengthened its efforts in 2011. Moving forward in its approach, the Group launched a series of construction carbon assessments (*Bilan Carbone® Construction*) of its different types of projects. As it can only intervene on operations where it acts as project manager, the Group will launch additional carbon assessments of other specific development projects.

As such, Altarea Cogedim can fully grasp the carbon impact of the construction of its projects, raise the project team's awareness about greenhouse gas emissions calculations and collect reliable data to limit uncertainty. Depending on the project stage, the Group can use alternative, more environmentally-friendly technical or material solutions directly on-site. For more detailed construction carbon assessments performed at a later project stage, the conclusions can subsequently be applied to similar projects.

During feasibility studies on existing buildings, a construction carbon assessment enables Altarea Cogedim to gauge the CO_2 savings resulting from keeping part of the structure or façade of the existing building.

Comparison of the construction and end-of-life carbon assessment (Bilan Carbone®) of a new 4-star hotel and a refurbished 4-star hotel



Areas of progress

Committed to improving the environmental performance of its buildings, the Group plans to standardize construction carbon assessments in 2012 for all of its new commercial development projects with a net floor area greater than 107,500 ft² (10,000 m²). These assessments will enable Altarea Cogedim to reduce CO_2 emissions arising from the construction and end of life of its development projects.

Based on the results of a large number of full carbon assessments (*Bilan Carbone® Complet*), covering design, construction, operation and end of life, the Group identified ttransportation in use or operation as the leading cause of greenhouse gas emissions throughout the lifecycle of new projects.

Building on this knowledge of future energy consumption and information on proximity to public transportation for all of its projects, Altarea Cogedim can assess the impact of use or operation in the different types of office, retail, residential and hotel projects. The carbon intensity of the use of a building can eventually be quantified based on its geographic location, size, number of users and visitors, as well as its function.

5.3.1.5. Water and biodiversity

Objectives

- Limit soil sealing.
- Respect the local flora and fauna and integrate biodiversity into new projects.

Initiatives in 2011

For retail buildings, a very space-intensive type of project, Altarea Cogedim incorporates technical solutions that limit soil sealing into the design phase and builds retention basins to reduce the rate of runoff into local sewer systems**.** Most of the Group's retail projects include rainwater catchment systems used for watering needs and for cleaning floors and sanitation facilities.

In order to reduce the impact of its development projects, Altarea Cogedim performs studies on the biodiversity of sites with an environmental specialist for its major projects. Taking into account local flora and fauna, which are integrated into environmental certifications, is an important aspect of the specifications sent to the contracting team during the scheduling phase.

Areas of progress

The Group will maintain its drive to improve water management, reduce soil sealing and promote biodiversity in its new projects by systematically pursuing its collaboration with environmental specialists on its new retail development projects.

5.3.2. PROTECTING AND PROMOTING THE LONG-TERM VALUE OF GROUP PROPERTY

The environmental performance of property assets is a major priority for Altarea Cogedim. Their environmental footprint must continually be reduced in order to protect and promote their long-term value.

Given its exclusively commercial focus, the Group's portfolio consists of few assets open to the public with environmental certification. The shopping centers Okabé in Kremlin Bicêtre and La Cour des Capucins in Thionville, delivered in 2010 and 2011 respectively, are certified to NF Bâtiment Tertiaire — Démarche HQE and Very High Energy Performance (THPE) standards. At December 31, they represented 3.4% of property assets in terms of surface area. For the next few years, the Group has decided to focus on developing an Environmental Management System certified by an independent expert for all of its assets rather than take an approach of environmental certification, asset by asset, once in operation.

As the environmental footprint of property cannot be reduced without being quantified and closely monitored, Altarea Cogedim has streamlined its reporting process in line with the GRI CRESS (Construction and Real Estate Sector Supplement). The reporting scopes and methodology are described in the "Performance Notes" section. This indicator monitoring helps define action plans and commitments to reduce consumption.

5.3.2.1. Energy performance

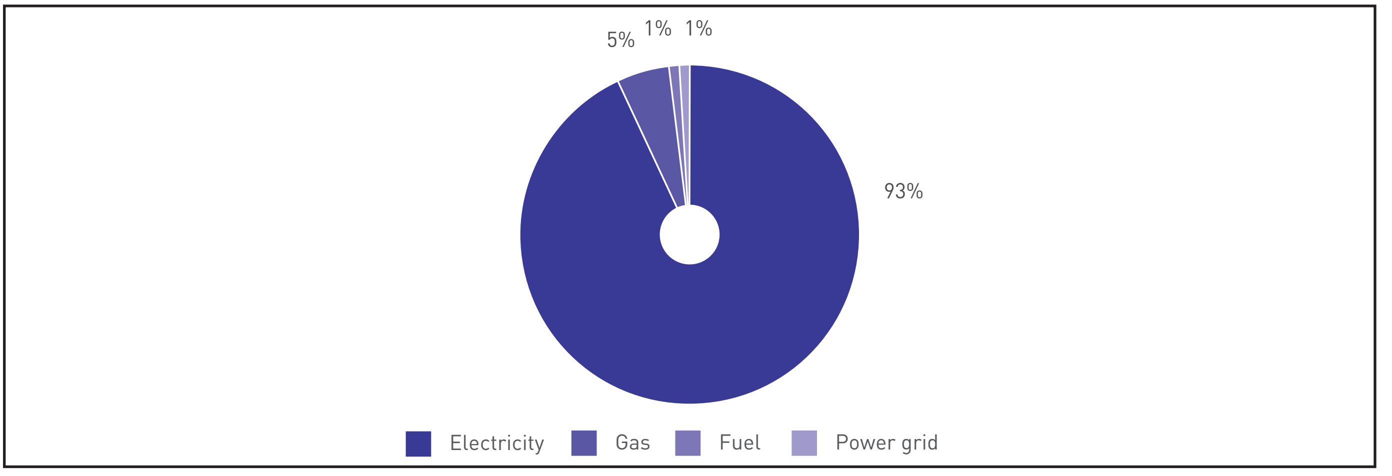
Objective

- Manage and reduce the energy consumption of assets.

Initiatives in 2011

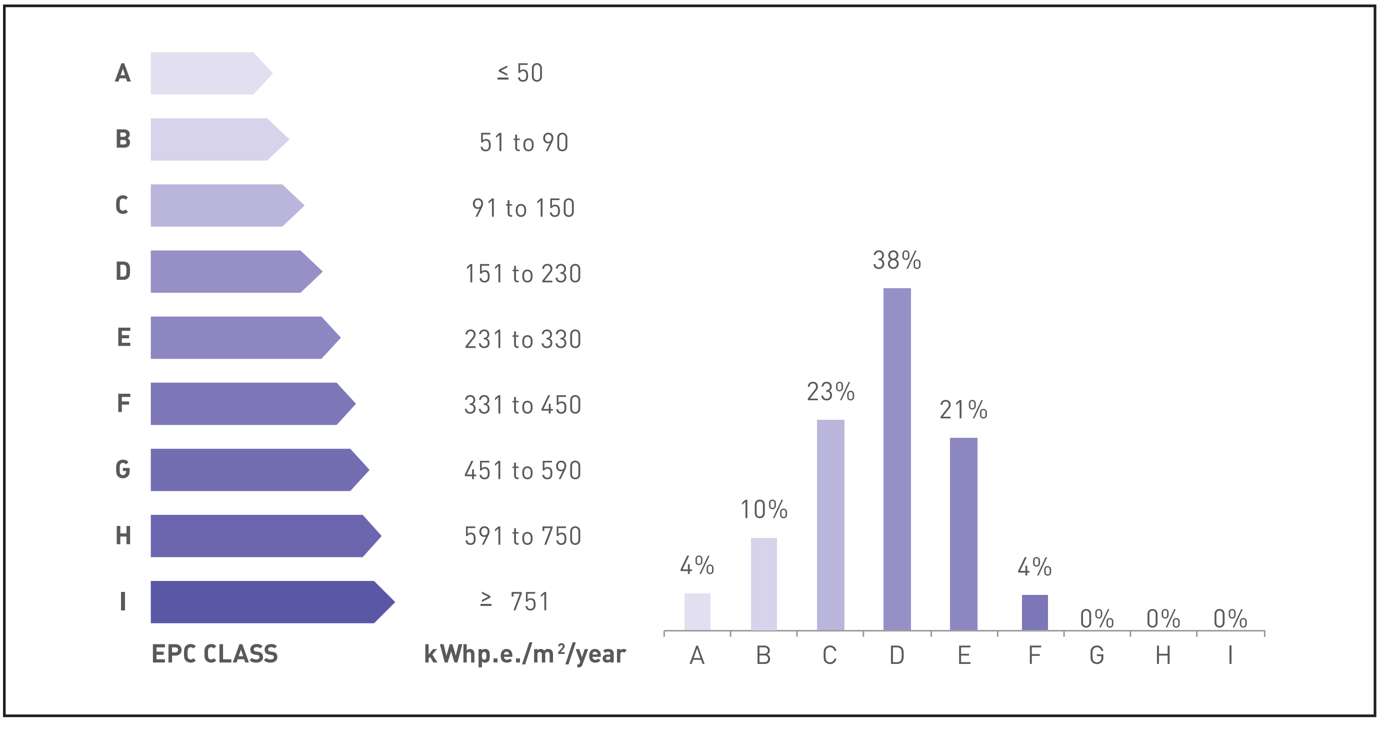
93% of the Group's energy needs are supplied through electricity. Energy consumption breaks down into consumption by the common areas and by the private areas managed by the lessor. The highest energy consuming factors are i) lighting and ii) air conditioning and ventilation.

Energy mix of the overall scope in 2011 (primary energy)



For the total scope, encompassing all types of retail assets, the average energy consumption of the Group's portfolio was 186 kWh p.e./m² in 2011.

Energy efficiency classes of assets in primary energy (breakdown by surface area) excluding tenant consumption



Energy consumption per square meter rose by 1.2% between 2010 and 2011 for the total scope. This scope integrates the flow of assets into and out of the portfolio as well as the change in the energy ratio per square meter. It highlights the Group's arbitrage strategy in favor of large shopping centers, inherently greater energy consumers due to their malls, with primarily artificial lighting, air conditioning and heating.

Energy consumption per square meter fell by 8.3% between 2010 and 2011 like-for-like. In addition to favorable weather conditions in 2011, the initiatives taken — energy management and the 2010 and 2011 construction plans — helped reduce energy consumption of property held for 24 months in the portfolio during these two years.

Areas of progress

Based on this reliable reporting, the Group announced an official target to reduce the energy consumption of shopping centers by 22% in primary energy consumption per square meter between 2010 and 2015.

Energy consumption will be optimized by the energy refurbishment work integrated into the multi-year investment plans, implementation of the Environmental Management System for operations — used for greater precision in energy and environmental management — and the Group's arbitrage strategy.

5.3.2.2. Carbon footprint of shopping centers

Objectives

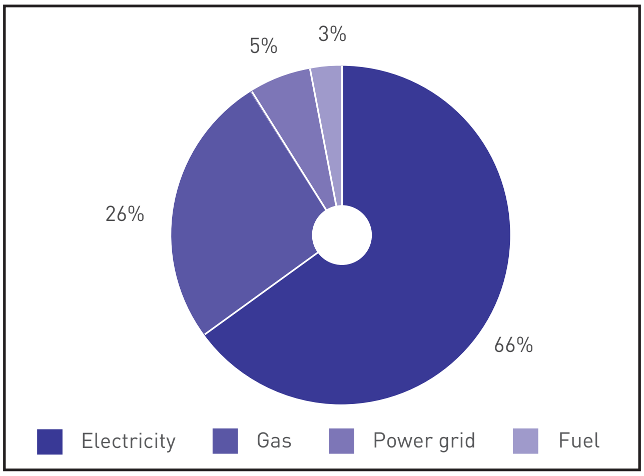
- Manage and reduce greenhouse gas emissions (particularly CO_2) due to assets' energy consumption.
- Quantify and reduce greenhouse gas emissions (particularly CO_2) of Altarea Cogedim assets throughout their lifecycle by integrating the scopes covering the lessor, tenants and visitors.
- Understand and limit the level of vulnerability of the real estate investment business to increases in the price of fossil fuels and future environmental taxation.

Greenhouse gas emissions due to the energy consumption of assets

Initiatives in 2011

The Group closely monitors the overall energy mix and greenhouse gas emissions due to each type of energy. Altarea Cogedim bases its calculations on emissions factors indicated in the French decree of September 15, 2006, on energy performance assessments for existing buildings in mainland France.

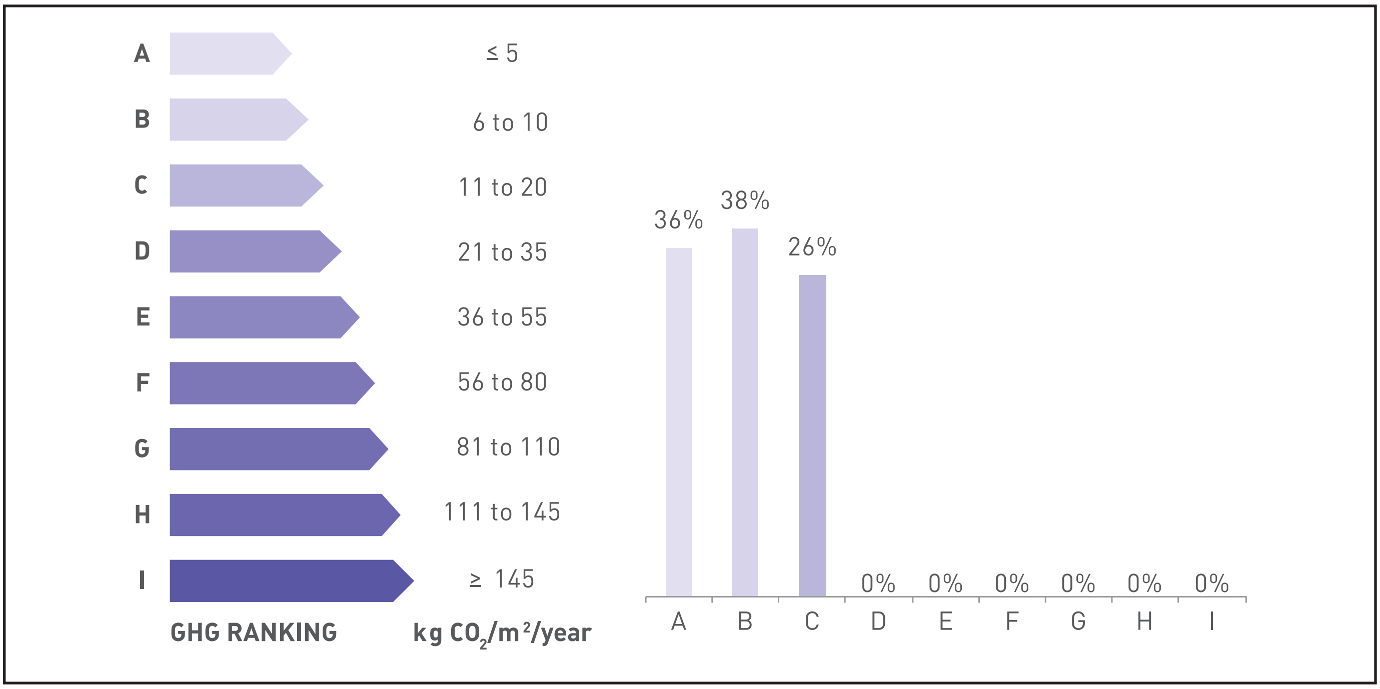
CO_2 mix of the overall scope in 2011



Although electricity produces the least emissions per kWh, it is the source of energy that contributes most to total emissions because it is the most widespread. Heating oil is only used as a source of energy for 1% of total energy use but produces 5% of total emissions as it is a high greenhouse gas emitter. The Group benefits from its geographic location and its electric energy supply from nuclear power for a very low carbon rate per average kWh.

For the total scope, encompassing all types of retail assets, average greenhouse gas emissions came to 8.6 kg CO_2 eq. per square meter in 2011.

Greenhouse gas emissions class of the overall portfolio in 2011 (breakdown in surface area) excluding tenant consumption



Greenhouse gas emissions per square meter fell by 2.4% between 2010 and 2011 for the total scope, which integrates the flow of assets into and out of the portfolio.

Greenhouse gas emissions per square meter fell by 14.5% between 2010 and 2011 like-for-like. In addition to favorable weather conditions in 2011, the initiatives taken — energy management and the 2010 and 2011 construction plans — helped reduce the CO_2 emissions due to energy consumption of property held for 24 months in the portfolio during these two years.

Areas of progress

Based on this reliable reporting, the Group announced an official target to reduce emissions due to energy consumption by 24% in greenhouse gas emissions per square meter between 2010 and 2015.

This target can be achieved by optimizing the energy mix in favor of energy sources that produce fewer greenhouse gas emissions. But as the emissions factors associated with the various energy sources are highly uncertain and have significantly differing values depending on the source, the Group believes this may present a secondary avenue for reduction.

CO_2 emissions due to energy consumption will be reduced thanks to the energy refurbishment work integrated into the multi-year investment plans, the implementation of the Environmental Management System — used for greater precision in energy and environmental management — and the Group's arbitrage strategy.

Operation carbon assessments of assets (Bilan Carbone® Exploitation)

Initiatives in 2011

In 2011, Altarea Cogedim performed operation carbon assessments of four standard-type shopping centers in its portfolio. This approach features a two-fold objective: i) quantify greenhouse gas emissions from operating the shopping centers by including emissions sources from the lessor, tenants and visitors and ii) define an overall reduction plan extended to each stakeholder. These reviews were conducted exclusively in-house by a full-time employee dedicated to measuring the environmental and carbon footprint of the Group's assets.

The scope of study was defined by selecting four characteristic assets from the Group's major categories of assets. The main differentiation criteria were the type of center, location (edge of town or city center) and age. Using this method, a sample was compiled representing the different categories of Altarea Cogedim assets covering a proportion equivalent to 25% of the value of property assets in France. The sample included the following sites:

- regional edge-of-town shopping center: Cap 3000 in Saint-Laurent-du-Var, old site, net floor area: 861,000 ft² (80,000 m²);
- city center shopping center: Okabé in Kremlin Bicêtre, recent site, net floor area: 432,700 ft² (40,200 m²);
- edge-of-town Life Style Center: Carré de Soie in Vaulx-en-Velin, recent site, net floor area: 832,000 ft² (77,500 m²);
- city center Family Village®/Retail Park: Bercy Village in Paris, old site, net floor area: 261,500 ft² (24,300 m²).

Sources taken into account by stakeholders

For each asset, the "overall scope" of the carbon assessment (*Bilan Carbone*®) defined by the French Environment and Energy Management Agency ADEME was covered. However, the sources of emissions were restructured into emissions sources adapted to shopping centers that are originally emissions produced by the stakeholders (lessor, tenants and center visitors).

	Energy (electricity, gas, heating oil, steam)	Refrigerant leaks	Travel			Fixed assets (building, IT system)	Waste
			Home to work	Staff	Visitors		
Scope of responsibility: lessor	x	x	x	x		x	x
Scope of responsibility: tenants	x	x	x				x
Scope of responsibility: visitors					x		

- The "lessor" is the asset owner: Altarea Cogedim.
- The "tenants" are the shops and businesses that rent shopping center space.
- The "visitors" are the individuals, mostly customers, who go to the site.

Emissions due to the manufacturing and shipping of products sold by the shops are excluded from the scope due to deficient information available and the lack of the lessor's influence to reduce these sources.

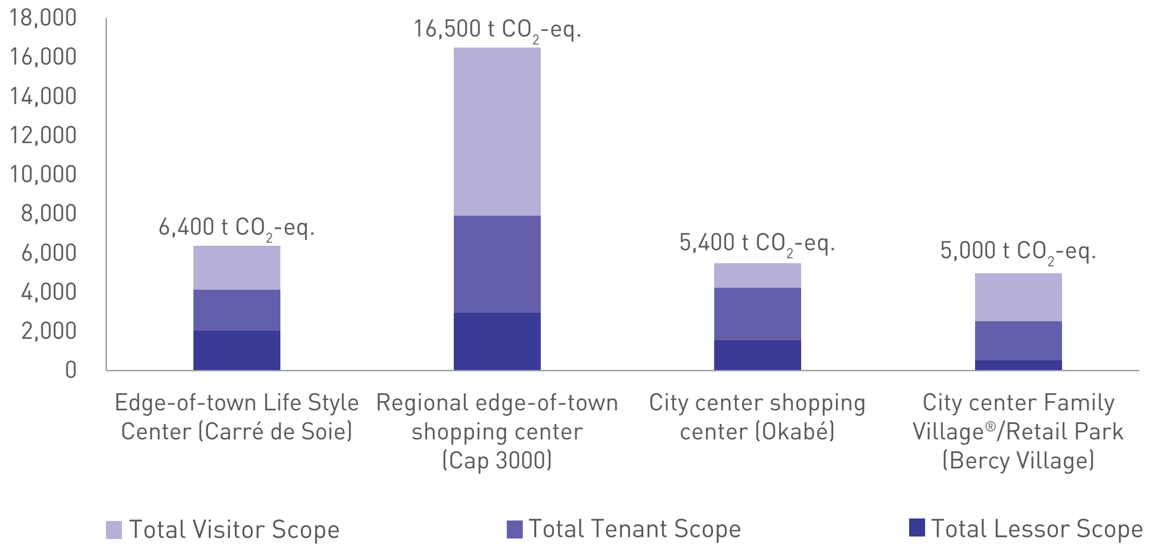
The data was collected specifically for each scope, which gave rise to varying levels of detail:

- data on the lessor is collected by the shopping center management, with high completion and accuracy rates. Uncertainty is +/-10%;
- data on tenants is provided either by the shopping center management (when they manage consumption, in particular gas for the water heating system and waste) or directly by the tenants. Overall, 66% of the information on tenants was collected. The data was then extrapolated to all shops. Uncertainty is +/-20%;
- data on visitor travel is based on surveys conducted on a sample of visitors and a tally of the number of vehicles in shopping center parking lots. Uncertainty is +/-30%.

Greenhouse gas emissions are calculated using the emissions factors from the ADEME's *Bilan Carbone*® V6.1 database.

Emissions of four standard sites

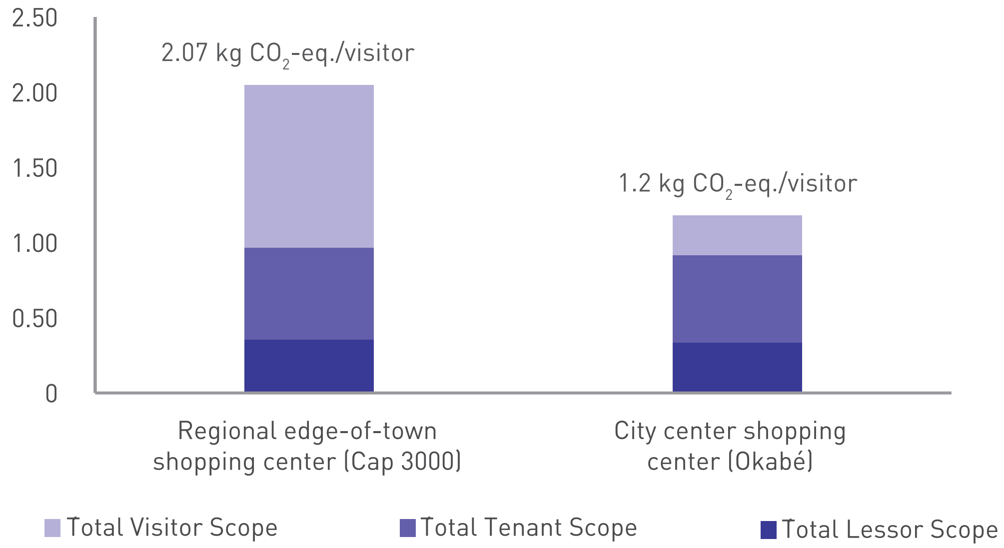
Comparison of total emissions for 4 standard centers (tons of CO_2-eq.)



To determine the emissions characteristics based on the main categories of sites, adjustments may be made to smooth out the special cases. For older centers, such as Cap 3000, which have theoretically depreciated, emissions from the construction of the building and parking lots can be reintegrated.

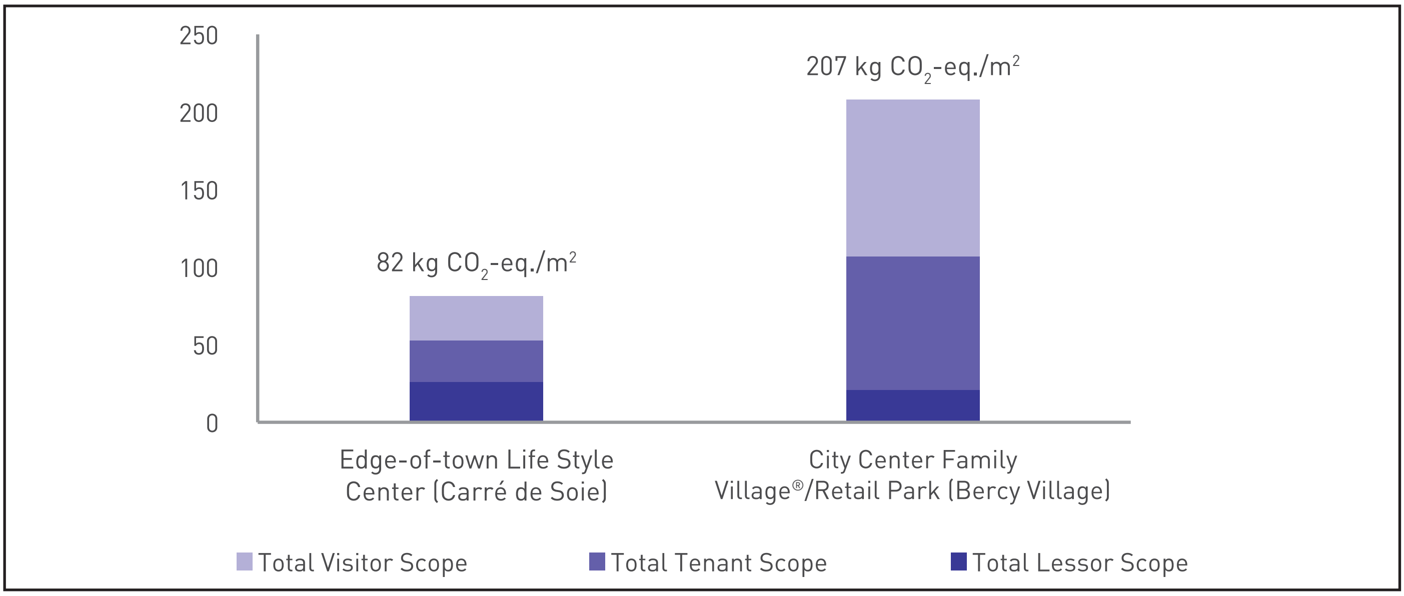
Ratios are determined to show three characteristics that differentiate the emissions specific to each type of site: geographic location, asset age and type of mall.

Geographic location — Emissions/number of visitors ratio (kg CO_2-eq./visitor)



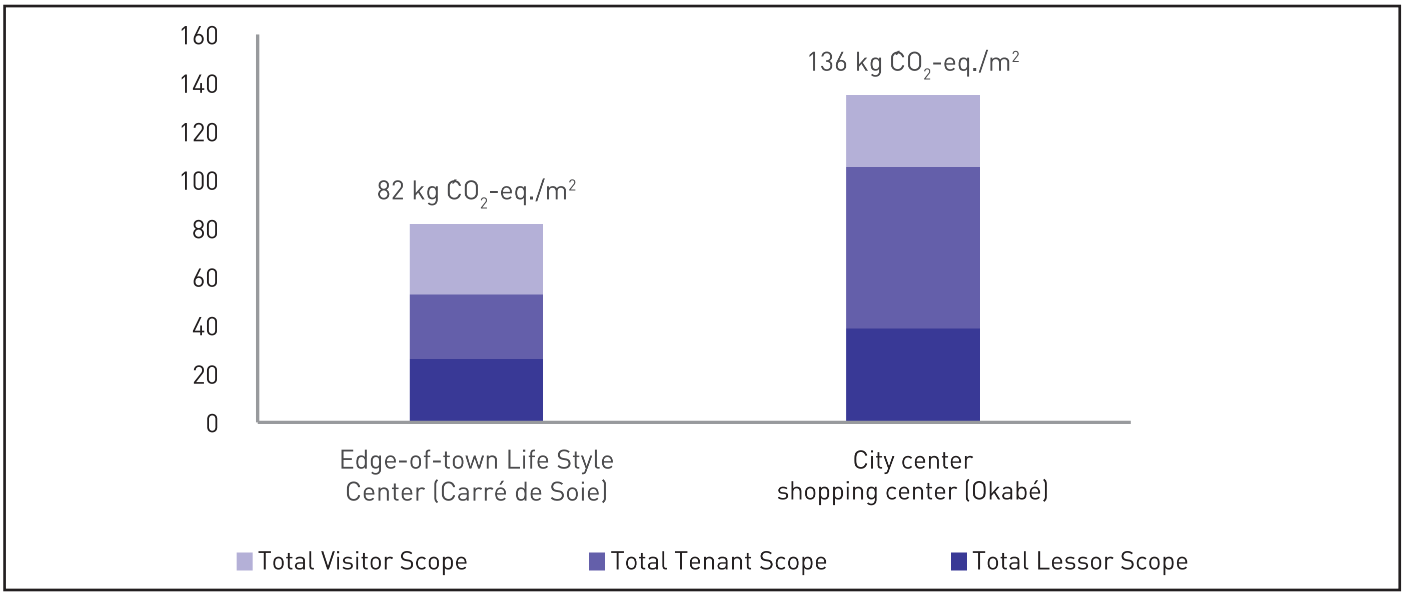
A site located near public transportation benefits from lower emissions per visitor than a site with poor access to public transportation, which produces fewer emissions than cars and motorcycles.

Asset age — Emissions/net floor area ratio (kg CO_2-eq./m²)



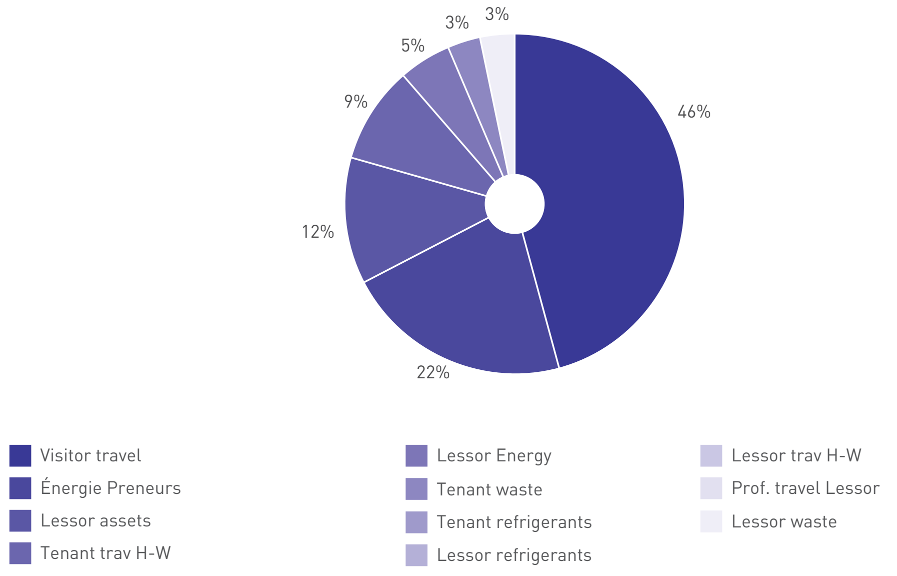
A recent site benefits from fewer emissions per square meter than an old site, which consumes more energy due to its insulation, ventilation and the performance of its technical facilities.

Type of mall — Ratio emissions/surface SHON (kg CO_2-eq./m²)

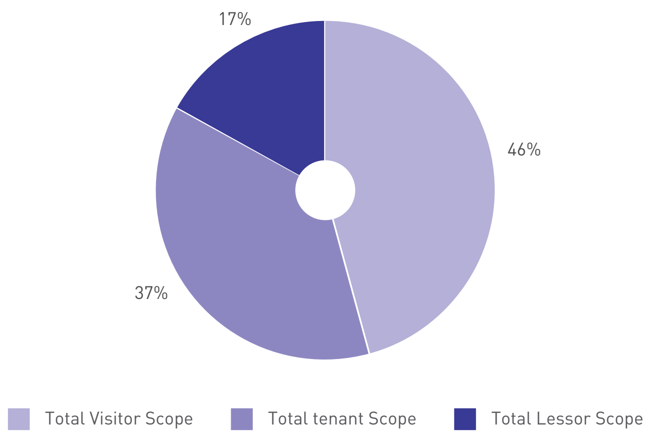


A covered mall produces more emissions per square meter than an open-air mall. This is due to the extensive use of energy for lighting, air conditioning and heating a covered mall, and to tenants' use of a gas water heating system in winter (which produces more CO_2 than electricity).

Emissions of the sample taken overall

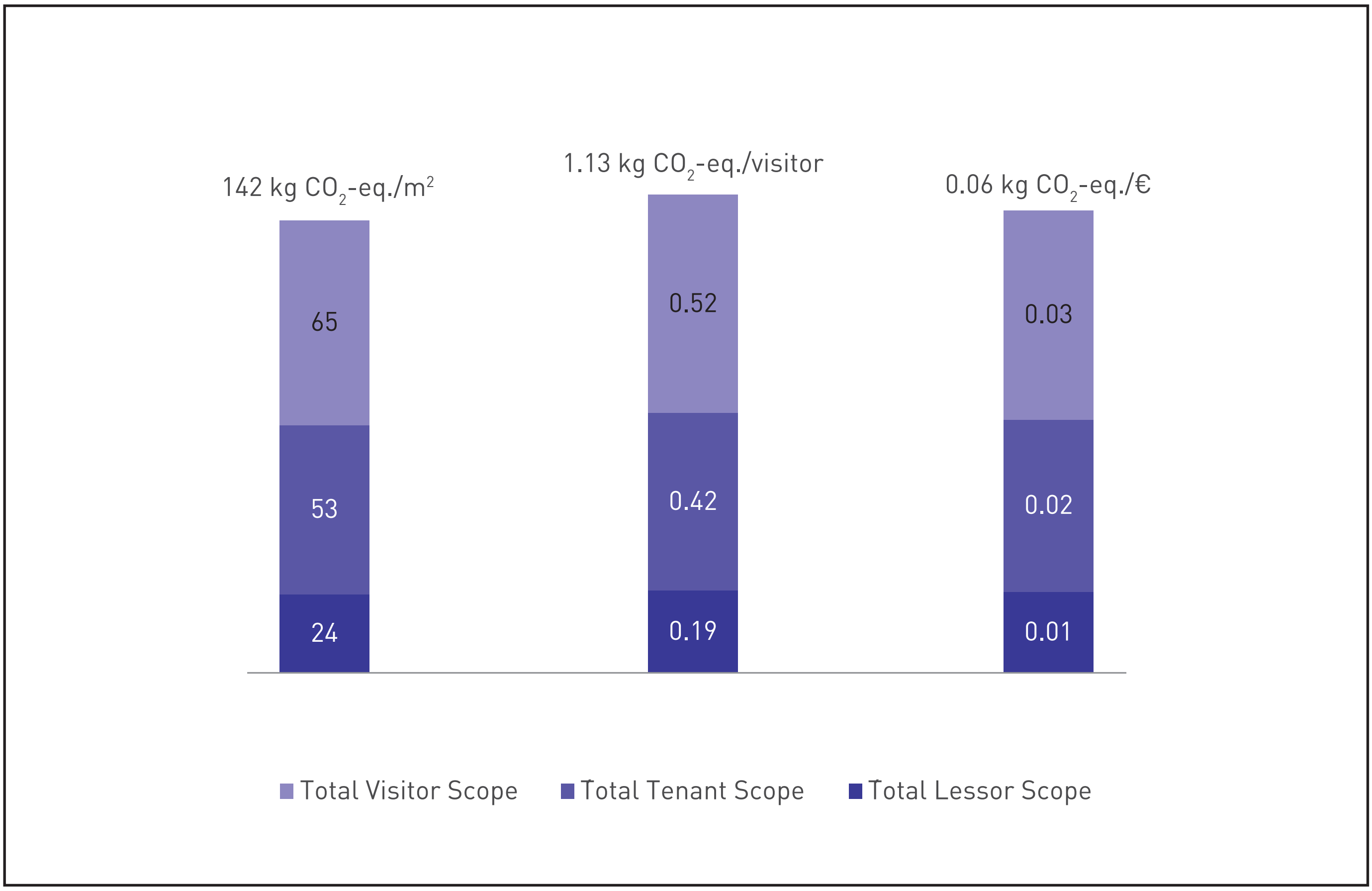


Breakdown of emissions by stakeholder (overall sample)



Three ratios are used to monitor emissions independently based on a given parameter. The ratio of emissions to revenue is notably used to smooth out changes in the shopping center's business activity and will be a useful monitoring indicator for Altarea Cogedim.

Ratios of emissions per m², per visitor and per euro of revenue



The sample studied was characteristic of the Group's retail property, hence the same is true for its aggregate emissions. The breakdown is used to determine emission reduction measures that can be taken directly by the lessor, or indirectly by the tenants or visitors as encouraged the lessor. Some measures may also be taken only during the site design phase or only during operation. The action plan covers the entire lifecycle of the building.

Results

The factor that produces the most emissions is travel — by visitors as well as by the lessor and tenants — between home and the workplace or for professional reasons. Travel accounts for a total of 55% of emissions.

Solutions to reduce these emissions include: connecting to public transportation networks, promoting sustainable travel and improving the carbon performance of vehicles.

Tenants are essentially the second-largest contributors to emissions, in particular with the energy consumption of private areas.

Solutions to reduce these emissions include: introducing green leases to limit equipment power capacity and enforcing recommended, energetically-optimal heating and cooling levels in private areas.

Lessors contribute to emissions mainly through building assets.

Solutions to reduce these emissions include: reducing the carbon impact per square meter linked to the construction of the building. The first step consists in more accurately measuring emissions for this factor by replacing the emissions factor common to all "retail — concrete" buildings provided by the ADEME with an emissions factor specific to the building itself. This can be calculated during a construction carbon assessment.

The energy consumption of the common areas represents the second-highest emissions factor for lessors.

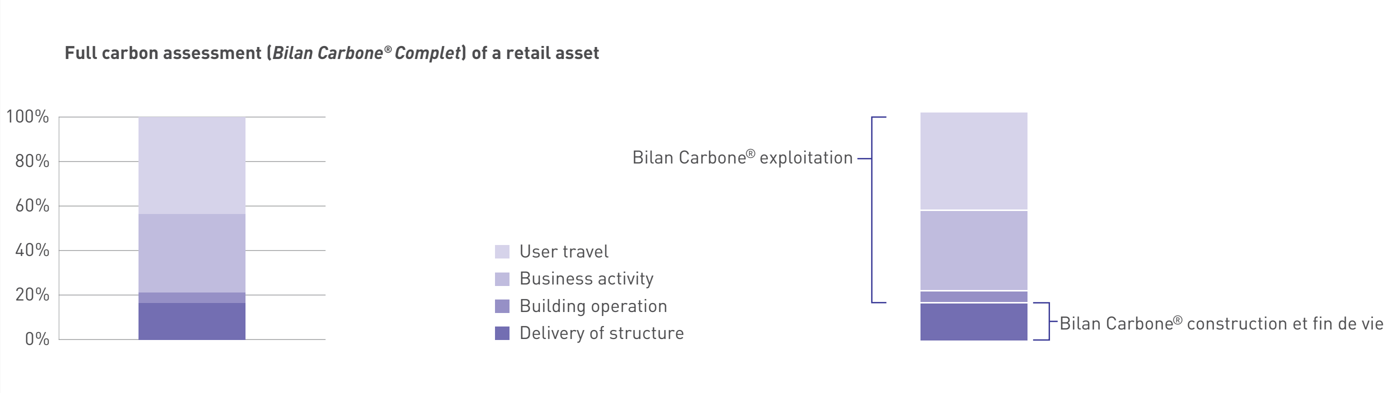
Solutions to reduce these emissions include: enhancing the energy performance of facilities in common areas and optimizing the energy mix.

These operation carbon assessments *(Bilan Carbone® Exploitation)* along with construction carbon assessments *(Bilan Carbone® Construction)* are used to evaluate, monitor and reduce emissions linked to the entire lifecycle of a retail site, from its design to the end of its life.

Areas of progress

The approach will be rolled out. Today, the "Delivery of structure" section in the chart below is taken into account by a standard ADEME emissions factor. Eventually, this section will be assessed more accurately by performing a construction carbon assessment of the development project.

Full carbon assessment *(Bilan Carbone® Complet)* of a retail asset



All new commercial developments with a net floor area of over 107,500 ft² (10,000 m²), including all shopping centers developed by Altarea Cogedim on a proprietary basis, will be subject to a construction carbon assessment.

The carbon assessments will be used to determine the Group's financial vulnerability to carbon taxation and to increases in the price of fossil fuels.

5.3.2.3. Water

Objective

- Manage and reduce the water consumption of assets.

Initiatives in 2011

For the overall scope, encompassing all types of retail assets, the average water consumption of the Group's portfolio was 19.5 gallons/ft² (801 liters/m²) in 2011.

Shopping centers use more water than other types of centers because they generally have more sanitation facilities and use sprinkler systems, which are high water consumers, in the common areas.

Areas of progress

An Environmental Management System, for greater precision in environmental management, will contribute to better managing water consumption.

5.3.2.4. Waste

Objectives

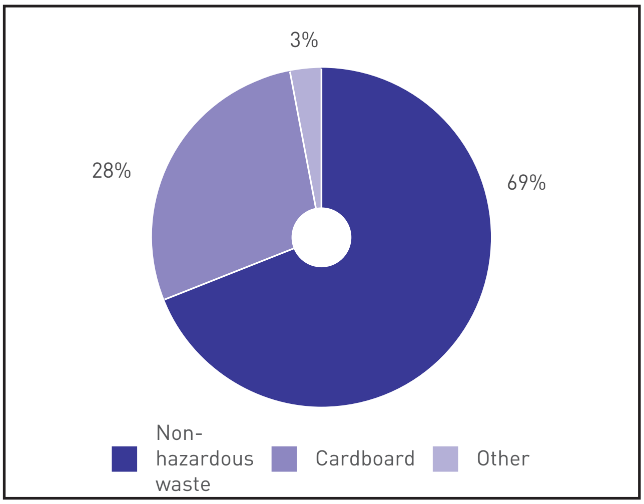
- Manage and reduce waste production.
- Increase waste sorting to promote recycling and energy recovery.

Initiatives in 2011

For the overall scope, encompassing all types of retail assets, the following amounts of waste were produced in 2011:
- 4,108 tons (3,727 metric tonnes) of non-hazardous industrial waste;
- 1,659 tons (1,505 metric tonnes) of cardboard;
- 194 tons (176 metric tonnes) of other recyclable waste.

One of the main challenges of waste management is accurately monitoring the proportion of sorted waste that could subsequently be recycled.

Breakdown of waste by type in 2011



Thirty-one percent of waste is sorted: 28% cardboard and 3% other types (sorted bulky waste, glass and green waste).

Areas of progress

An Environmental Management System, for greater precision in environmental management, will contribute to better managing waste production and increase waste sorting.

5.3.2.5. Transportation

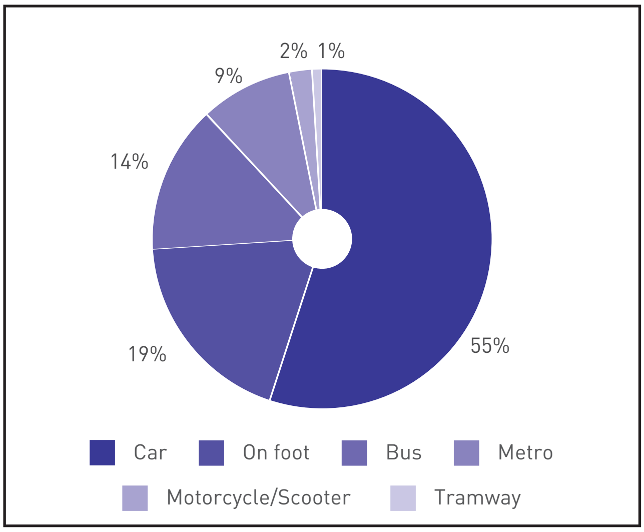
Objective

- Review the location of customers to promote less carbon-intensive travel.

Initiatives in 2011

In 2011, a review of customers on site and at a number of different types of assets was conducted to determine the means of transportation used for travel to shopping centers. In all, 69% of centers were covered.

Breakdown of means of transportation used by customers to go to centers



Results show that 24% of customers travel using public transportation and 19% come on foot, for a total percentage of travel with a low environmental impact of 43%.

Areas of progress

This review provides good visibility over the means of transportation used by customers. The information will be used for new projects or center refurbishment to promote the use of public transportation and carbon-free travel.

5.3.2.6. Asbestos, disabled access, water quality and legionella, fire safety

Asbestos

Sites built before 1998 were subject to examination and Technical Asbestos Reports (*Dossiers Techniques Amiante*, DTA). Sites built after 1998 are not concerned.

Disabled access

In application of French regulations, all disabled access facilities of shopping centers were audited in 2009 and 2010. Results: five-year refurbishment plans were drawn up to improve disabled access at shopping centers.

Water quality/legionella

All new shopping centers are equipped with adiabatic or other dry air coolers to reduce the risk of legionella. Water quality is analyzed on a monthly basis.

Safety/fire audit:

In accordance with French regulations, fire safety facilities are inspected annually and visited every three years.

All the related measures taken will be maintained and adapted as needed to comply with regulations.

5.3.3. CORPORATE

The Corporate segment covers all facilities used by Altarea Cogedim employees to carry out the Group's business: head office, 9 regional offices, one office in Italy and one in Spain.

Altarea Cogedim is the tenant and user of all of its offices. An annual environmental audit of the buildings it uses is not carried out. However, the Group itself monitors the waste produced by its head office, with energy and water consumption information sent by the head office owner on an annual basis.

5.3.3.1. Energy

Objective

- Manage and reduce the energy consumption of the head office.

Initiatives in 2011

The information on the energy consumption of the head office sent by the owner for 2011 came to 4,609 MWh of primary energy, i.e. 559 kWh of primary energy per m² and 8,115 kWh of primary energy per head office employee.

Areas of progress

The Group will boost the environmental policy at its regional offices and head office through a new internal communication campaign to raise employee awareness. In addition to encouraging environmentally-friendly practices, the campaign will outline all the developments in the Altagreen approach and the new commitments for each business.

5.3.3.2. Carbon footprint

Objectives

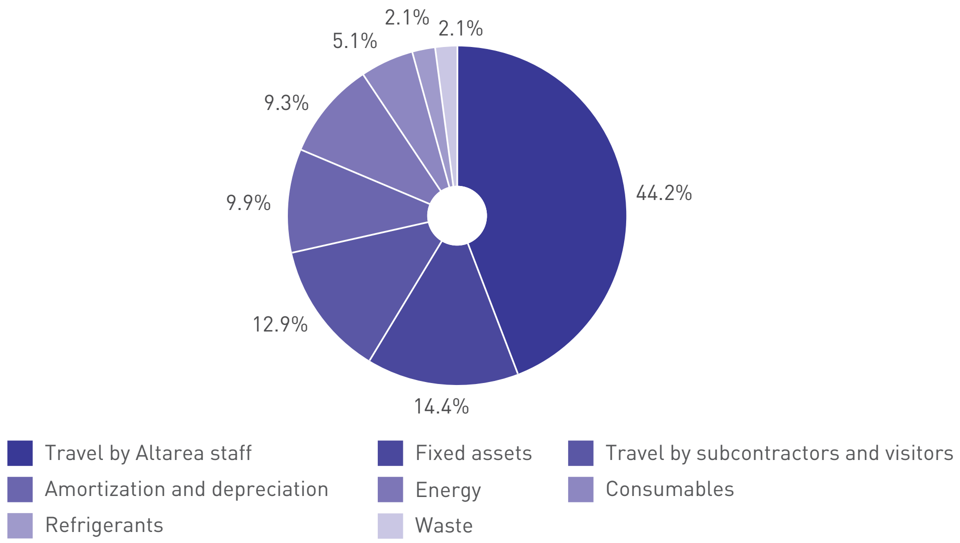
- Quantify and reduce greenhouse gas emissions (particularly CO_2) due to the energy consumption of the head office.
- More generally, quantify and reduce greenhouse gas emissions (particularly CO_2) of the Group's corporate footprint.

Initiatives in 2011

For 2011, greenhouse gas emissions due to the energy consumption of the head office totaled 252 tons of eCO_2, or 31 kg of eCO_2 per m² and per year, and 443 kg of eCO_2 per head office employee.

In 2010, for the first time, Altarea Cogedim performed a carbon assessment of its Corporate segment *(Bilan Carbone® Corporate)*. In 2011, the Group took the opportunity to inform its employees and raise their awareness about this initial calculation, listing the sources taken into account. The 2010 carbon assessment covered all the sources related to the buildings used by Group employees, consumables, energy, refrigerants and travel by visitors and employees.

Group carbon assessment *(Bilan Carbone® Groupe)* (Corporate segment)



The 2010 carbon assessment showed results of 5.37 tons (4.87 metric tonnes) of eCO_2 per employee and 3,769 tons (3,419 metric tonnes) of eCO_2 per year for total emissions.

Measures were taken in 2010 to reduce these emissions. The CO_2 emissions of company vehicles fell from an average of 5.88 oz. (166.7 g) of CO_2 per km in 2008 to an average of 4.98 oz. (141.3 g) of CO_2 per km in 2011. Three vehicles are available on loan to employees for professional use during the day to encourage the use of public transportation between home and the workplace.

Areas of progress

In line with future regulatory requirements, the Group will launch another carbon assessment of its Corporate footprint in 2012.

At the same time, Altarea Cogedim is boosting its efforts to reduce the CO_2 emissions of its vehicle fleet by tightening its selection criterion from 5.29 oz. (150 g) of CO_2 per km in 2011 to 4.94 oz. (140 g) of CO_2 per km in 2012.

5.3.3.3. Water

Objective

- Manage and reduce the water consumption of the head office.

Initiatives in 2011

The information on the water consumption of the head office sent by the owner for 2011 totaled 3,839 m^3, or 11.4 gallons per ft² (465 liters per m^2) and 1,786 gallons (6,759 liters) per head office employee.

Areas of progress

The Group will boost the environmental policy at its regional offices and head office through a new internal communication campaign to raise employee awareness.

5.3.3.4. Waste

Objective

- Manage, reduce and recover waste produced by the head office.

Initiatives in 2011

The head office produced 251 m^3, i.e. 2.78 L per ft² (30 L per m^2) and 442 L per head office employee, in non-hazardous industrial waste in 2011.

The head office produced 343 m^3, i.e. 3.9 L per ft² (42 L per m^2) and 605 L per head office employee, in paper and cardboard waste in 2011.

The Group implemented a recycling policy and selected a service provider for the energy recovery of a portion of its waste.

Areas of progress

The Group will boost the environmental policy at its regional offices and head office through a new internal communication campaign to raise employee awareness.

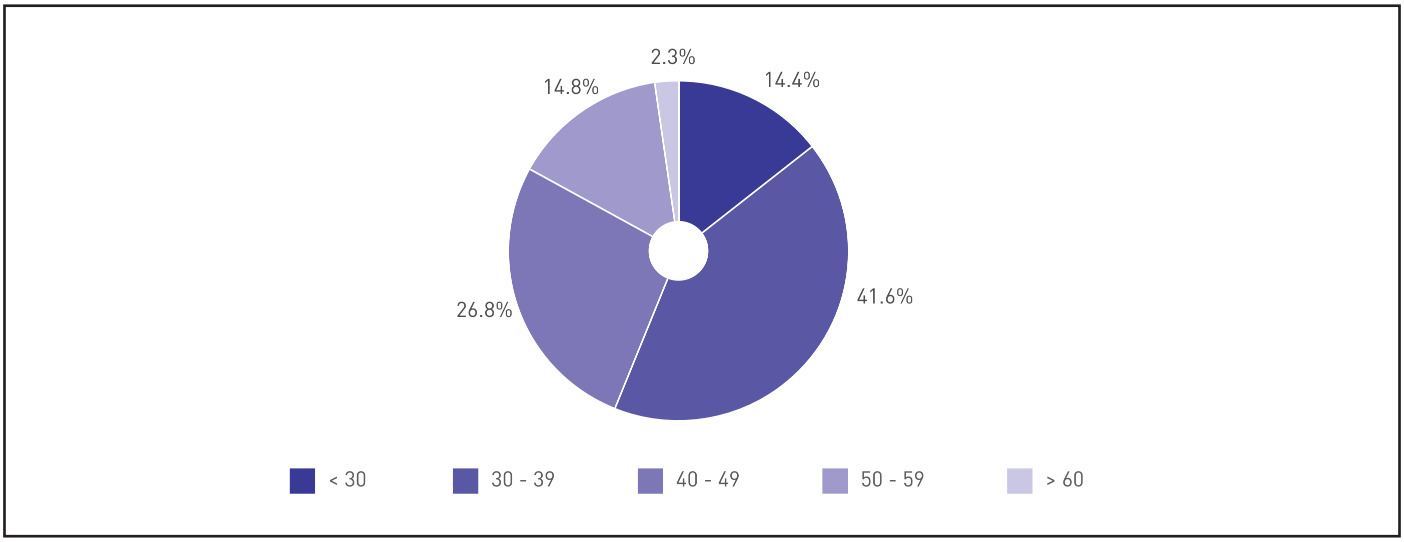
5.4. LABOR RELATIONS

All employee-related data exclude RueDuCommerce employees, as the company was consolidated after December 31, 2011.

5.4.1. RECRUITMENT/EMPLOYMENT

5.4.1.1. An active recruitment policy

The headcount increased by 12% between 2010 and 2011, comprising 831 employees on permanent employment contracts as at December 31, 2011. Out of the 146 new hires, 73% were management staff and nearly 27% non-management staff, in line with the Group's traditional breakdown of employees. Average length of service remained stable at 6 years. The age pyramid currently stands as follows:



Emphasizing the importance of the integration of new employees, a full integration module was introduced in 2011. Trial periods led to permanent hires in 93% of cases. Although limited, the use of fixed-term contracts was necessary in 2011 to meet two main employment needs:

- replacements, for 17 maternity leaves;
- a temporary surge in business, resulting in 29 contracts.

A total of 60 fixed-term contracts were recorded for 2011, of which 29 were still in effect at December 31, 2011. Fourteen of these have since been successfully integrated into the Group on permanent contracts.

5.4.1.2. Investing in young talent

Training and hiring young professionals is an issue of national importance. Altarea Cogedim develops its involvement with schools and training programs to work with young people starting their career. In 2011, 33 young professionals worked for the Group as interns, three of whom were later hired. Another seven young professionals were on professional training contracts and seven under apprenticeship contracts. Some of these contracts remain in effect in 2012. The Group's growing appeal is having an impact on the applications received: 1,861 applications were processed through the online platform in 2011, compared with 1,258 in 2010, rising 48%. This diversified sourcing — not including the Group's participation in student and employment fairs — will help reinforce the pool of young talent starting their career while building on the successful experience of guidance from mentors.

5.4.1.3. Management of normal departures

The departure rate[1] came out at 7.54% in 2011, down significantly on previous years (12% in 2010 in particular), amounting to 60 departures. The main reason is resignation

(43%), while 16 amicable agreements for contract termination (*ruptures conventionnelles*). Of all departures, only one case was filed with the French labor courts for breach of trial period. Turnover[2] was recorded at 12.94%. Four employees left the Group to start up their own business. Altarea Cogedim assisted each of them in starting or developing their company. Absenteeism, which includes sick leave and work-related accidents, was low, at 2.09%, remaining essentially unchanged from year to year. Illness was the reason for absenteeism in virtually all cases.

1. Departure rate: number of employee departures during the period compared with average headcount.
2. Turnover rate: [(total number of departures + total number of recruitments over the period)/2]/average headcount for the period.

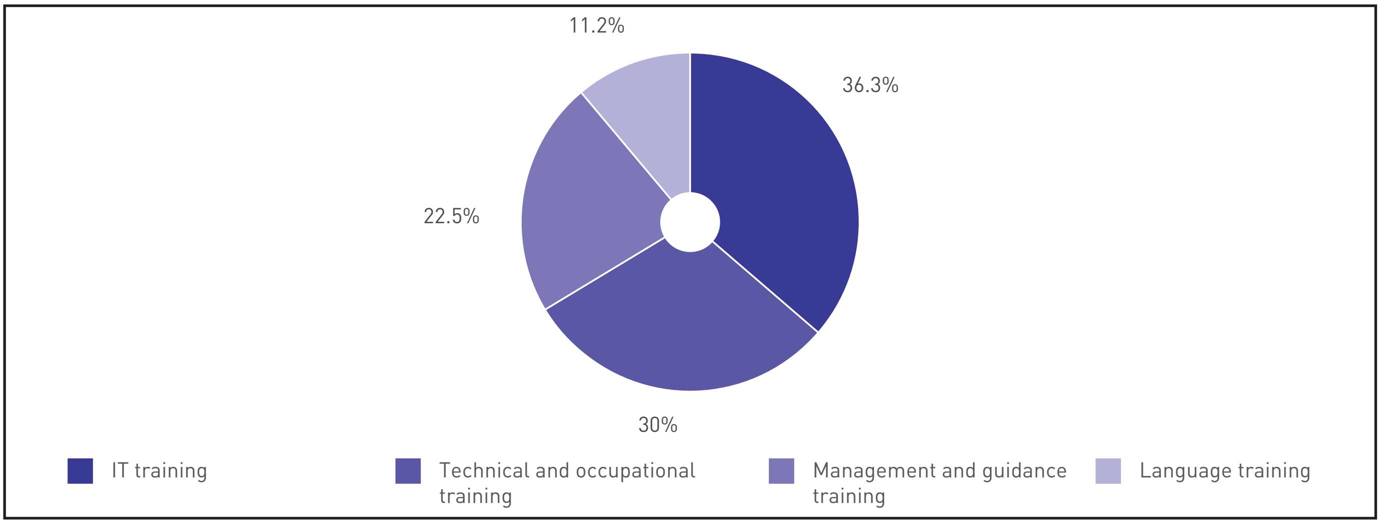
5.4.2. TRAINING/SKILLS DEVELOPMENT

5.4.2.1. Ongoing training policy

Altarea Cogedim invested 1.9% of its payroll in training (€1,002,237 including charges), amounting to €157,588 more than in 2010.

In 2011, 50% of employees took at least one training program. The average number of training hours per employee stood at nearly 11 hours, versus 8.6 in 2010. A total of 8,392 hours of training were given across all employee segments, with 1,019 training programs taken partly under the Group's shared training platform.

Breakdown of training hours



Managerial training courses were particularly emphasized, representing more than 22% of training hours in 2011. These programs are given so that managers from the three business lines share the same managerial methods and values. This focus has represented 3,635 hours of training over the past three years.

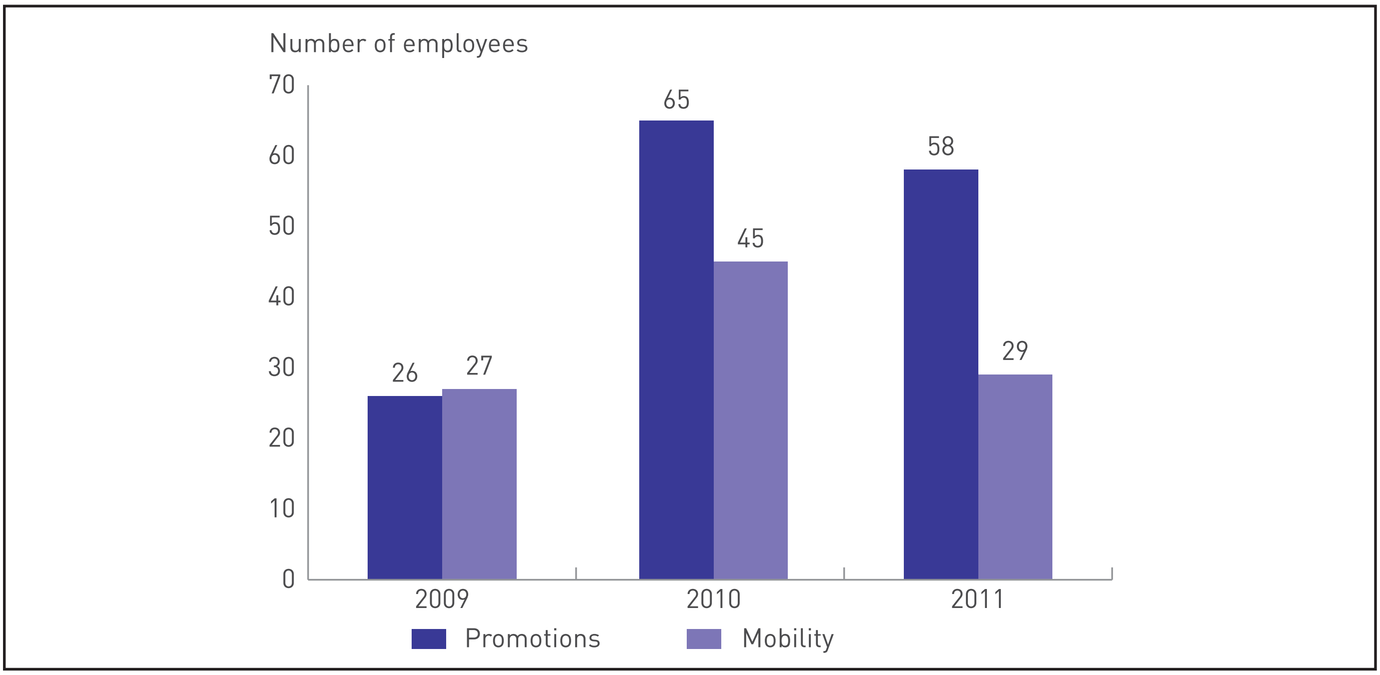
5.4.2.2. Supplementary information

In addition to training initiatives, Altarea Cogedim set up a series of in-house conferences entitled "Les Jeudi d'Alterego" (Alter-ego Thursdays), to present the Group's businesses, achievements and projects. Four conferences were held in 2011, bringing 160 people together at the head office. Eleven conferences have been organized since July 2009. They are a useful addition to the in-house communication network, combining an intranet (alterego.net), a quarterly magazine (*Alterego le mag*) and meetings held according to Group news. This formula will be rolled out to regional offices in 2012.

5.4.2.3. Encouraging development

Training requirements and career development were discussed during the Group's traditional series of annual employee appraisals. In 2011, 600 appraisals were conducted, analyzed and processed. Managers were provided with a brief appraisal report and asked to prioritize the individual training measures to be taken. The goal in 2012 is to continue developing this policy to cover 85% of employees with at least 6 months of service with the Group (versus 80% in 2011). This systematic review, combined with the Group's operational priorities, helps strengthen its mobility and promotion programs. In 2011, 87 employees benefited from mobility or were promoted in 2011, with a total of 250 persons, or one employee out of three, having advanced through mobility or promotion in the past three years.

Promotions and mobility



5.4.3. COMPENSATION

The gradual overhaul of the compensation system over the past three years has helped better qualify the indicators presented below.

The average gross salary (excluding variable compensation) amounted to €56,252 per year at the end of 2011, compared with €54,632 at end-December 2010. The variable portion represented 11% of compensation (versus 9.62% in 2010). This growth is due to two factors: the alignment of variable compensation and the development of performance-related bonuses in a challenging and competitive economy. Profit-sharing came out at 7.5% of gross salaries for 2011. In addition to dividend payments to employees, most of whom are company shareholders, a profit-sharing bonus was introduced: based on hours worked, each employee having served more than three months received a bonus of €300 (gross) in November 2011.

5.4.4. DIVERSITY

Three focuses have been developed over the past several years: gender equality, employment of people with disabilities and measures to promote the employment of seniors.

5.4.4.1. Equality is improving

The development of programs to provide women with the same professional opportunities as men was continued, with growing results. Women represent 42.7% of company managers, compared with the national level of 39%. In 2011, 36% of promotions and 66% of mobility programs concerned women, while 54% of participants in training programs were female employees. The proportion of women recruited is also telling: 59% of new hires in 2011 were women, with the percentage of women recruited for managerial positions reaching 47%. More generally, the implementation of equality agreements within the Group will offer a broader scope of action.

5.4.4.2. Disabled employment policy taking shape

At December, 31, 2011, four employees were declared disabled, compared with one employee in 2010. Of these employees, one additional person declared a disability in 2011, one employee was provided by an external company, and one employee was hired on a permanent contract at one of the Group's cross-business departments.

An assistance and awareness policy has gradually been implemented, and several initiatives taken. For example, an information meeting on disabilities in the workplace was held with an occupational physician and attended by some thirty employees, and a special section on the subject was added to the intranet. Information on disabilities in the workplace was also distributed at the "HR meetings" held between February and March 2011, bringing together all managers by business line. This drive will continue in 2012, also in liaison with employee representatives involved upstream in developing the policy. The use of suppliers from the ESAT network in France, i.e. companies that are devoted to developing integration of disabled employees, will also be expanded.

5.4.4.3. Application of agreements on the employment of seniors

Two focuses of the agreements signed in 2010 were more closely applied. The objective of implementing 6 mentors was surpassed. At December 31, 2011, 14 volunteer senior mentors were working with either a young professional in a first job or an established employee who benefited from a transfer or major promotion. The purpose of the program is to provide advice and guidance for the smooth integration of all the aspects of their new responsibilities. Volunteers were also offered an interview for a position for the later stage of their career. This approach has thus far sparked little interest, with only one interview resulting in a transfer between departments.

Broadly speaking, the well-established practice of the annual employee appraisals already provides options and opportunities, even if they are not focused on the same purpose. The approach will nevertheless be pursued.

5.4.5. EMPLOYEE REPRESENTATION AND EMPLOYEE-MANAGEMENT DIALOGUE

The French employees of Altarea Cogedim (excluding RueDuCommerce) are grouped together into two "economic and social units" (UES), similar to a works council but for groups made up of smaller legal entities, UES Altarea and UES Cogedim. Although all employees are covered by a collective bargaining agreement, the employees in the development business are under the agreement for real estate development and those in the investment business and sales teams are under the national agreement for the real estate sector. The total number of staff representatives for both UES and their respective bodies stood at 35. In 2011, the terms of employee representatives in the various representation bodies in France (works council, CHSCT, DP) were all renewed. In addition to the compulsory and recurring topics, the representative bodies also dealt with the following issues: the Group's growth (new acquisitions, set-up of regional subsidiaries), new three-year agreements on profit-sharing and the profit-sharing bonus.

5.5. SOCIAL RESPONSIBILITY

5.5.1. ETHICS AND HUMAN RIGHTS

Altarea Cogedim introduced a Code of Conduct that was approved by both Group works councils. The Code of Conduct covers all aspects of relations between Altarea Cogedim and its stakeholders — employees, clients/tenants, service providers/suppliers — and the best practices for internal operations: information systems, telephone systems, rules applicable to listed companies, etc.

A compliance officer was appointed in application of the Code of Conduct.

The audit and internal control teams are currently working to define processes (construction contracts, etc.) for certain points in the Code of Conduct.

5.5.2. RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS

5.5.2.1. "Socially responsible purchasing" in-house

For the past three years, Altarea Cogedim has focused on cutting costs in different company areas: travel, postage, vehicle fleet, paper, press subscriptions, etc. Rather than setting medium- and long-term quantitative targets, the Group emphasizes a step-by-step approach, with requirements adjusted every year.

Property rental

Parking places were reduced (7% fewer since 2009) at the head office and Matignon parking lot, where the Group rents additional spaces.

The Group is pursuing its educational program to encourage employees to take public transport instead of systematically taking their car to come to work.

Travel

In 2010 and 2011, a videoconferencing system was installed at the head office and regional offices (excluding shopping centers).

Employees are encouraged to use the train (second class) as a priority for business travel under three hours.

A "frequent traveler" category was created for company employees: prices were negotiated with the French national rail operator (SNCF) and with hotel chains.

Postage

The Group uses the "*Lettre verte*" (green letter) from the French Post Office. This decision was based on the advantages of this service, which are both financial (lower cost) and environmental (commitment by the Post Office to pollute less in exchange for a slightly longer delivery service).

Paper management

Since 2010, paper photocopies at the head office have gone completely green: 50% is recycled and 50% is from sustainably managed forests.

Company letterhead is printed on 100% recycled paper.

Press subscriptions

An approach was implemented to dematerialize media, favoring online subscriptions. The review process initiated to eliminate double subscriptions was continued.

Food products

Nearly 50% of the products listed and ordered for the company are fair trade.

5.5.2.2. "Socially responsible purchasing" outside the company

Internal processes and good practices

The Altarea Cogedim Contracts Department formed a special team to better enforce the aspects of quality, aesthetics, costs and socially responsible purchasing in calls for tenders.

The team's main representative is in charge of drafting specifications for four range levels. These documents are then sent to all program and purchasing managers, who in turn forward them to contractors. As a result, all project participants apply the best practices and choices of services in Group programs.

Suppliers contribute to drafting these documents and adapt their services in line with the criteria set by Altarea Cogedim. In particular, the environmental and health declaration forms (FDES) and supplier's sustainable development policy were reviewed.

The "Clean construction site" approach

Altarea Cogedim wants to encourage construction subcontractors to comply with target 3 on "low-nuisance sites", one of the 14 targets in the Démarche HQE.

The Group amended the general provisions of its agreements with service providers to apply the "Clean construction site" approach to all of its sites, with no exceptions.

The "Clean construction site" approach will be operational as of the end of 2012. It covers information provided for local residents, training and information provided for staff, hazardous materials, waste management, noise, pollution (soil, water, air, visual), traffic and includes an additional section on arduous labor (e.g. installation of elevators during the construction phase).

The "Place des marchés" site

Altarea Cogedim hopes to promote exchanges with its construction service providers: architects, design offices and entrepreneurs.

The Group set up the "Place des marchés" online platform which enables service providers to submit applications to Group calls for tenders and offers tools to simplify the procedure: direct access to their profile (contact information, employees, businesses, etc.), "documentation box" used to download documents and prevent dealing with the "tons of paper" needed for calls for tenders, etc.

On February 15, 2012, the "Place des marchés" merged for both Altarea and Cogedim.

5.5.3. SPONSORSHIP IN HOUSING

Altarea Cogedim decided to capitalize on its real estate development and investment expertise by engaging in a partnership with Habitat & Humanism to focus on solutions for the underprivileged through housing.

An initial three-year partnership agreement (2008-2010) was signed with a total financial commitment of €1.1 million. This agreement led to:

- the opening of an initial social housing residence in 2010, which takes in individuals recovering from emergency situations and who are part of a program working towards personal and social integration;
- the financing of two specialized positions within the organization (a rental properties manager and a manager in charge of identifying, evaluating and acquiring properties).

A second three-year agreement (2011-2013) was signed with a total financial commitment of €1.4 million and the following targets:

- opening two more social housing residences (including one in 2012);
- opening an intergenerational home in 2013;
- financing a third specialized position;
- developing within Altarea Cogedim an expertise sponsorship program for Habitat & Humanism (technical and legal expertise, and so on);
- organizing awareness and fund-raising campaigns for the general public, particularly through events in the Group's shopping centers.

5.6. GENERAL OVERVIEW

OVERVIEW

Area	Focus	Objectives	Initiatives in 2011
Strategy and Governance	Organization and operations	Define and roll out CSR strategy	Set up a dedicated sustainable development department and network of sustainable development representatives
	General Management System	Develop Environmental Management Systems for the development and investment businesses	Maintain and obtain NF Logement certification for the "Guide to Best Environmental Practices for Residential Property" on the development and construction of residential projects
			Roll out the "Guide to Best Environmental Practices for Commercial Property" to the Group's commercial construction businesses with NF Bâtiment Tertiaire - Démarche HQE®, BREEAM and LEED certifications
			Define the first reporting procedures for environmental indicators
Economy	Customer relations and business partners	Produce targeted publications for the Group's customers and business partners	Publish the half-yearly newsletter *"Actions"* for corporate investors and financial partners
			Publish the half-yearly newsletter *"Le Rendez Vous Retail"* aimed at retailers in shopping centers
			Design and publish the *"L'immobilier d'entreprise par Altarea Cogedim"* newsletter aimed at investors in new office and hotel development projects
			Design and publish the *"Le commerce par Altarea Cogedim"* aimed at investors in shopping centers
			Publish the Annual Business and Sustainable Development Report and the Registration Document, which address all of the Group's stakeholders
		Develop the partnership with tenants	Standardize green leases for all new and renewed leases, aiming for 25% coverage of all leases at 31/12/2011
		Ensure customer satisfaction for residential property	Implement the delivery quality and after-sales service approach for residential customers
			Maintain the strategy of satisfaction surveys for residential customers
	Future and innovation	Anticipate changes in social responsibility and consumer consumption	Set up a sustainable lifestyle observatory
	Green value of assets	Measure the environmental performance of assets	Develop an environmental reporting process in line with the GRI CRESS
		Check the reliability of Group data	Enlist an independent expert to check environmental data on assets
		Certify the environmental performance of assets in operation	Adapt the NF Bâtiment Tertiaire - Démarche HQE® Operation certification to the Okabé shopping center
	Green value of new development projects	Carry out development projects with certified environmental performance.	Standardize NF Logement certification for all new residential projects
			Standardize NF Logement - Démarche HQE® environmental certification for all new residential development projects in the Paris region
			Standardize NF Bâtiment Tertiaire - Démarche HQE® certification for all new office development projects
			Standardize NF Bâtiment Tertiaire - Démarche HQE® and BREEAM certification for all new shopping center development projects
			Take part in the HQE®Performance project in partnership with the HQE Association with two office development projects
		Improve the health standards of new projects	Form two cross-business working groups to focus on air quality and acoustic comfort
		Boost the energy performance of new development projects	Standardize a minimum of the 2005 BBC Effinergie® energy label for new residential development projects
			Standardize a minimum of the 2005 BBC Effinergie® for new retail and office development projects
		Connect new development projects with various living spaces	Apply stringent criteria to the choice of sites and the distance to public transportation

Completion rate	2012 Commitments and Objectives	Key indicators
100%	Maintain this approach	N/A
100%	Maintain this approach and renew the right to use the NF Logement label with CERQUAL	N/A
50%	Train development and operational teams on the "Guide to Best Environmental Practices for Commercial Property"	
100%	Design and implement an Environmental Management System for the operation of assets, the "Guide to Best Environmental Practices for Operations" (2012/2013)	
100%	Maintain this approach	N/A
100%	Maintain this approach	
100%	Maintain this approach	
100%	Maintain this approach	
100%	Maintain this approach	
100%	Set a target for green leases with 65% coverage of assets at December 31, 2015	Number of green leases and coverage rate for assets
100%	Maintain this approach	N/A
25%	Reposition the approach by systematically sending survey forms through the project's representative council	
25%	Maintain this approach	N/A
100%	Maintain this approach	N/A
100%	Maintain this approach	Number of indicators checked by an independent expert
20%	Reposition the approach by reviewing the BREEAM IN USE standards for the Group's assets	N/A
100%	Maintain this approach	Proportion of the surface area or number of residential properties certified or undergoing environmental certification
100%	Maintain this approach	
100%	Maintain this approach	
100%	Shift from NF Bâtiment Tertiaire - Démarche HQE® certification towards standardizing "Very Good" BREEAM certification for all new shopping center development projects	
100%	Maintain this approach pending changes in standards	
25%	Launch a test residential project, High Health Quality	N/A
100%	Maintain this approach	Break down surface areas or number of residential properties in new development projects by energy label
100%	Maintain this approach	
100%	Maintain this approach	Break down surface areas or number of residential properties in new development projects by distance to public transportation

Area	Focus	Objectives	Initiatives in 2011
Social responsibility	Sponsorship	Engage in a policy of support in the housing sector and in training	Strengthen the expertise sponsorship program in the partnership with Habitat and Humanism
			Continue to participate actively in the Palladio Foundation
		Promote future talent	Organize the *Prix Cogedim de la première œuvre* (prize awarded by Cogedim for a first project) for the "le Jardin d'Ecriture" project in Paris (13th arrondissement)
	Sustainable lifestyle	Promote a sustainable lifestyle for all employees	Introduce the delivery of baskets of fresh seasonal fruit and vegetables for head office employees by the company "Fresh Corner"
			Provide employees with three vehicles available for loan for professional travel to encourage the use of public transportation between home and the workplace
	Business ethics	Ensure ethical employee practices	Implement a Code of Conduct given to each employee upon hire Appoint a company compliance officer
	Socially responsible purchasing	Develop a strategy of socially responsible purchasing and selection of responsible service providers	Set up the website www.altareacogedim-marchés.com, a platform used to dematerialize calls for tenders, list and select construction service providers and partners based on their references and experience
Labor relations	Diversity	Guide employees	Appoint 14 volunteer mentors (some of which were seniors) instead of the initial objective of 6
		Raise awareness about disabled workers	Launch an awareness plan, information meeting for employees, special section on the intranet and raise awareness of managers
	Employment and expertise	Raise awareness about sustainable development	Continue the policy aimed at promoting awareness about sustainable development at Orientation Days held for new recruits
		Provide training	Process and develop training requests made at annual appraisals
		Carry out annual appraisals	Continue this policy for employees having served more than 6 months at the company
		Communicate and exchange	Organize 5 conferences, "*Les jeudi d'AlterEgo*", to present the Group's businesses
			Organize 10 "HR meetings" with managers
Environment	Energy	Measure the energy consumption of the assets managed by Altarea Cogedim in its portfolio	Measure and report on energy consumption in line with the GRI CRESS
		Reduce the energy consumption of the assets managed by Altarea Cogedim in its portfolio	Define a commitment to reduce energy consumption
			Define an action plan to reduce energy consumption
		Measure and reduce the energy consumption of new development projects	Develop a Building Management System (BMS) specific to Altarea Cogedim
			Integrate renewable energy for new development projects
			Use simulation tools for the future energy consumption of new development projects
			Anticipate the next set of energy regulations and train teams accordingly
		Manage and reduce the energy consumption of the head office	Request energy consumption information from the owner of the head office
			Define an action plan to reduce energy consumption and launch a campaign to promote environmentally-friendly behavior

Completion rate	2012 Commitments and Objectives	Key indicators
100%	Integrate a local expertise sponsorship program for any new campaign	Amount invested in the organization
100%	Increase the Group's participation in real estate forums	N/A
100%	Maintain this approach	N/A
100%	Maintain this approach	N/A
100%	Provide a fourth electric or hybrid vehicle (2012/2013)	
100%	Maintain this approach	N/A
100%	Maintain this approach	N/A
100%	Maintain this approach	N/A
50%	Maintain this approach	Number of persons who declare a disability
0%	Strengthen the approach	N/A
100%	Quantify the percentage of requests selected from annual appraisals that was carried out in training programs	Percentage of training initiatives carried out
80%	Increase the coverage rate to 85% at a constant structure	Rate of annual appraisals conducted
80%	Organize 5 AlterEgo conferences	Number of Alter Ego conferences
80%	Repeat approach with a series of 12 meetings	N/A
100%	Maintain this approach	Total consumption of primary energy - Consumption of primary energy per m² for the overall scope and at constant structure
100%	Reduce consumption of primary energy per m² and per year by 22% between 2010 and 2015	
100%	Set up an internal working group on LED lighting	
10%	Maintain this approach	N/A
75%	Strengthen the approach with a systematic analysis of the site's renewable energy potential	
75%	Perform systematic Dynamic Thermal Simulations on commercial development projects with a surface area of over 10,000 m²	
100%	Run a double calculation for RT 2005 and RT 2012 for office development projects currently being designed	
100%	Conduct a training campaign on the RT 2012 for the technical office, hotel and residential teams and for operational retail teams	
100%	Maintain this approach	Total consumption of primary energy - Consumption of primary energy per m² - Consumption of primary energy per employee
50%	Launch an awareness-raising campaign geared towards all Group employees	

Area	Focus	Objectives	Initiatives in 2011
Environment	Greenhouse Gases	Measure CO_2 emissions due to the energy consumption of the assets managed by Altarea Cogedim in its portfolio	Measure and report on energy consumption in line with the GRI CRESS
		Reduce CO_2 emissions due to the energy consumption of the assets managed by Altarea Cogedim in its portfolio	Define an action plan to reduce CO_2 emissions due to energy consumption
			Optimize the energy mix
		Measure total CO_2 emissions over the entire lifecycle of a shopping center	Perform *Bilans Carbone® Exploitation* of 25% of assets in terms of value (lessor, tenant, visitor scope)
		Measure and reduce CO_2 emissions due to the construction of new development projects	Launch 8 *Bilans Carbone® Construction*: two hotel projects, two residential projects, one office project, one shopping center project, one life style center project and one Family Village®/retail park project
		Measure and reduce CO_2 emissions due to the operation of new development projects	Optimize the energy mix
			Apply stringent criteria to the choice of sites and the distance to public transportation to reduce CO_2 emissions due to user and visitor transportation
		Measure and reduce CO_2 emissions due to the energy consumption of the head office	Request energy consumption information and the name of each energy supplier from the owner of the head office to calculate CO_2 emissions
			Define an action plan to reduce CO_2 emissions due to the energy consumption of the head office
		Measure and reduce CO_2 emissions due to the Group's business activity (Corporate segment)	Raise awareness of employees in-house about the *Bilan Carbone® Groupe* (Corporate segment) performed in 2010
			Implement a plan to reduce CO_2 emissions per km for the Group's vehicle fleet
			Introduce a transportation policy that encourages rail over air travel for trips under 3 hours long
			Install videoconferencing equipment at the head office and all regional offices
	Waste	Measure the waste production of the assets managed by Altarea Cogedim in its portfolio	Measure and report on waste production in line with the GRI CRESS
		Measure and reduce waste produced by the head office	Measure and report waste produced by the head office
			Introduce a recycling policy and select a service provider for the energy recovery of a portion of its waste
	Water	Measure the water consumption of the assets managed by Altarea Cogedim in its portfolio	Measure and report on water consumption in line with the GRI CRESS
		Limit the water consumption of new development projects	Install water flow regulation and rainwater catchment systems for watering green spaces and cleaning parking lots
		Limit soil sealing for new development projects	Use permeable surfaces for outdoor pedestrian areas and parking lots. Build retention basins to reduce the rate of runoff into local sewer systems.
		Measure and reduce the water consumption of the head office	Request water consumption information from the owner of the head office
			Define an action plan to reduce water consumption and launch a campaign to promote environmentally-friendly behavior
	Biodiversity	Respect the local flora and fauna and integrate biodiversity into new development projects	Enlist an environmental specialist to perform biodiversity studies upstream to design for new commercial development projects

Completion rate	2012 Commitments and Objectives	Key indicators
100%	Maintain this approach	Total CO_2 emissions - CO_2 emissions per m² for the overall scope and at constant structure
100%	Reduce CO_2 emissions per m² and per year by 24% between 2010 and 2015	
100%	Maintain this approach	
100%	Quantify the financial and economic impact of an increase in the cost of fossil fuels and of a energy and carbon taxation system	N/A
100%	Standardize *Bilans Carbone® Construction* for all commercial development projects with a net floor area of over 10,000 m²	N/A
75%	Strengthen the approach with a more in-depth study of the energy mix of each project	N/A
100%	Maintain this approach	
100%	Maintain this approach	CO_2 emissions due to total energy consumption - CO_2 emissions due to energy consumption per m² - CO_2 emissions due to energy consumption per employee
50%	Launch an awareness campaign geared towards all Group employees	
100%	Perform another *Bilan Carbone® Groupe* (Corporate segment)	N/A
100%	Tighten the Group's vehicle selection criteria from 150 g of CO_2 per km in 2011 to 140 g of CO_2 per km in 2012	
100%	Maintain this approach	
100%	Maintain this approach	
100%	Maintain this approach	Total waste production by type - Waste production by type per m² for the overall scope
100%	Maintain this approach	Total waste production by type - Waste production by type per m² - Waste production by type per employee
100%	Maintain this approach	
100%	Maintain this approach	Total water consumption - Water consumption per m² for the overall scope
100%	Maintain this approach	N/A
75%	Strengthen the approach with greater focus on the design phase	N/A
100%	Maintain this approach	Total water consumption - Water consumption per m² - Water consumption per employee
	Launch an awareness-raising campaign geared towards all Group employees	
50%	Strengthen the approach	N/A

5.7. PERFORMANCE NOTES

5.7.1. REPORTING SCOPE AND METHODOLOGY FOR NEW DEVELOPMENT PROJECTS

5.7.1.1. Scopes

Scopes include office, residential, retail and hotel development projects with a building permit (provisional or permanent), under construction or delivered in the reference year.

The residential property indicators are consolidated in terms of number, while office, retail and hotel property indicators are consolidated in terms of net floor area.

5.7.1.2. Definition of indicators

Environmental performance level of new projects
This indicator shows the proportion of certified surface area to total surface area within the scope, thereby highlighting the standardization of the environmental approach for a major proportion of the Group's production.

Calculation formula = Surface area or number of residential properties certified or undergoing certification/Total surface area or total number of residential properties

Surface area or number of residential properties certified or undergoing certification: surface area in m² of net floor area or number of residential properties with NF Démarche HQE, Habitat et Environnement, BREEAM or LEED environmental certification, or registered with accredited establishments to apply for these certifications.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

Energy performance level of new projects
This indicator shows the breakdown of new development projects by energy label. The energy classes applied are those that measure an improvement on the regulatory calculation (2005 thermal regulations: RT 2005) or on the dynamic thermal simulation if the regulatory calculation does not apply (HPE® – 10%, THPE® – 20%, BBC® – 50% or 50 kWh p.e./year/m² adjusted for residential property, Climate Plan – 50 kWh p.e./year/m² for residential property).

Calculation formula = Surface area or number of residential properties with the minimal regulation level or HPE, THPE or BBC and Climate Plan certification/Total surface area or total number of residential properties

Surface area or number of residential properties with the minimal regulation level or HPE®, THPE® or BBC® and Climate Plan certification: surface area in m² of net floor area or number of residential properties with or applying for an HPE®, THPE® or BBC® and Climate Plan energy label and surface area or number of residential properties with an HPE®, THPE® or BBC® and Climate Plan energy performance level based on the thermal regulation minimum or a dynamic thermal simulation.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

Distance of new projects to public transportation
This indicator shows the overall distance of new development projects to public transportation and carbon-free transportation alternatives for property users.

Calculation formula = Surface area or number of residential properties by category of distance to public transportation/ Total surface area or total number of residential properties

Surface area or number of residential properties by category of distance to public transportation: surface area in m² of net floor area or total number of residential properties located between 0 and 100m, between 101m and 250m, between 251m and 500m, or more than 500m from a bus stop or metro, tramway, RER suburban train or train station.

For Residential and Office buildings, Shopping Centers and Life Style Centers, the distance computed is that between the entrance to the building and the nearest bus stop or metro, tramway, RER suburban train or main-line train station.

For Family Villages and Retail Parks, the distance computed is that between the entrance to the parking lot and the nearest bus stop or metro, tramway, RER suburban train or main-linetrain station.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

ENVIRONMENT INDICATORS - NEW DEVELOPMENT PROJECTS

INDICATOR | **ENVIRONMENTAL PERFORMANCE LEVELS OF NEW PROJECTS** | **ENERGY PERFORMANCE LEVEL OF NEW PROJECTS** | **DISTANCE OF NEW PROJECTS TO PUBLIC TRANSPORTATION**

RETAIL

	2009	2010	2011
Surface area certified or undergoing certification	45,000	142,000	165,800
Non-certified surface area	62,140	44,115	18,800
Proportion of surface area certified or undergoing certification	42.0%	76.3%	89.8%
Proportion of surface area not certified	58.0%	23.7%	10.2%

	Surface area	Proportion
Surface area in m² in line with regulatory standards	46,600	25.2%
Surface area in m² in line with High Energy Performance (HPE) standards	0	0.0%
Surface area in m² in line with Very High Energy Performance (THPE) standards	11,000	6.0%
Surface area in m² in line with Low Energy Building (BBC) standards	127,000	68.8%

	Surface area	Proportion
Location from 0 to 100m	156,800	84.9%
Location from 101m to 250m	0	0.0%
Location from 251m to 500m	27,800	15.1%
Location more than 500m	0	0.0%

RESIDENTIAL

	2009	2010	2011
Number of properties certified or undergoing certification	1,766	4,245	6,301
Number of properties not certified	6,965	6,111	4,441
Proportion of properties certified or undergoing certification	20.2%	41.0%	58.7%
Proportion of properties not certified	79.8%	59.0%	41.3%

	Number of properties	Proportion
Number of properties in line with regulatory standards	3,114	29.0%
Number of properties in line with High Energy Performance (HPE) standards	1,559	14.5%
Number of properties in line with Very High Energy Performance (THPE) standards	872	8.1%
Number of properties in line with Low Energy Building (BBC) or Climate Plan standards	5,197	48.4%

	Number of properties	Proportion
Location from 0 to 100m	3,230	30.1%
Location from 101 to 250m	3,069	28.6%
Location from 251 to 500m	2,951	27.5%
Location more than 500m	1,492	13.9%

OFFICES

	2009	2010	2011
Surface area certified or undergoing certification	232,852	376,592	397,266
Non-certified surface area	198,355	89,715	20,340
Proportion of surface area certified or undergoing certification	54.0%	80.8%	95.1%
Proportion of surface area not certified	46.0%	19.2%	4.9%

	Surface area	Proportion
Surface area in m² in line with regulatory standards	41,620	10.0%
Surface area in m² in line with High Energy Performance (HPE) standards	0	0.0%
Surface area in m² in line with Very High Energy Performance (THPE) standards	169,610	40.6%
Surface area in m² in line with Low Energy Building (BBC) standards	206,376	49.4%

	Surface area	Proportion
Location from 0 to 100m	245,624	58.8%
Location from 101 to 250m	109,977	26.3%
Location from 251 to 500m	56,805	13.6%
Location more than 500m	5,200	1.2%

HOTELS

	2009	2010	2011
Surface area certified or undergoing certification	6,300	41,300	41,300
Non-certified surface area	15,424	16,500	16,500
Proportion of surface area certified or undergoing certification	29.0%	71.5%	71.5%
Proportion of surface area not certified	71.0%	28.5%	28.5%

	Surface area	Proportion
Surface area in m² in line with regulatory standards	22,000	38.1%
Surface area in m² in line with High Energy Performance (HPE) standards	0	0.0%
Surface area in m² in line with Very High Energy Performance (THPE) standards	29,300	50.7%
Surface area in m² in line with Low Energy Building (BBC) standards	6,500	11.2%

	Surface area	Proportion
Location from 0 to 100m	22,800	39.4%
Location from 101 to 250m	35,000	60.6%
Location from 251 to 500m	0	0.0%
Location more than 500m	0	0.0%

DEFINITION

Proportion of the surface area or number of residential properties certified or undergoing the environmental certification process for the standards NF Démarche HQE®, Breeam or Habitat et Environnement out of all development projects with a building permit (provisional or permanent), under construction or delivered in the reference year.

Breakdown of surface area or number of residential properties with a building permit (provisional or permanent), under construction or delivered in 2011, by energy label.

Breakdown of surface area or number of residential properties with a building permit, under construction or delivered in 2011, by distance to public transportation.

5.7.2. REPORTING SCOPE AND METHODOLOGY FOR EXISTING ASSETS

5.7.2.1. Scopes

To calculate all the indicators and environmental data pertaining to the real estate investment business, the Group has defined the following scopes:

Total scope
The total scope covers all retail assets fully or partially owned by Altarea Cogedim in France. The assets included in the total scope have been held for 12 months in the reference year. As a result, any acquisitions or disposals made during the year are excluded from the total scope.

Overall scope
Altarea Cogedim's overall scope covers all assets included in the total scope except for:
- sites for which the Group has no environmental information;
- sites not managed by Altarea Cogedim and therefore for which the Group has no operational control.

Constant structure (like-for-like)
Altarea Cogedim defines the constant structure as all assets included in the overall scope held for 24 months in the two reference years, excluding any acquisitions and disposals made during the two reference years.

All assets, even partially owned assets, in the overall scope and constant structure are counted in full if Altarea Cogedim manages them directly. The Group also excludes from the different reporting scopes any assets managed directly but not owned by the Altarea Cogedim Group.

For all indicators covering all assets (shopping centers, life style centers, Family village® and retail parks), the proportion of the reporting scope covered by the indicator will be specified as compared with the Group's total scope for the reference year. This proportion is expressed as a percentage of the value of the assets in Altarea Cogedim's total scope.

In this reporting scope, Altarea Cogedim only includes consumption managed or paid for directly by the Group. All environmental data managed directly by tenants are therefore excluded.

5.7.2.2. References of indicators and assumptions

Regulations and standards
In its drive to ensure transparency and a durable environmental reporting process, Altarea Cogedim applies the "Best Practices Recommendations on Sustainability Reporting" published by the European Public Real Estate Association (EPRA) in September 2011 and complies with the GRI CRESS (Construction and Real Estate Sector Supplement) for all of its environmental reporting on its property assets.

The Group applied all recommendations and formulas in the document and immediately transposable for its assets.

Altarea Cogedim also complied with the French decree of September 15, 2006 on energy performance assessments for existing buildings for sale in mainland France in:
- deciding to report gas consumption in kWh LHV rather than HHV;
- choosing methods for converting final energy into primary energy and HHV into LHV for gas;
- choosing the greenhouse gas emissions factors for the various energy sources.

The Group also reports its consumption in both final energy and primary energy but emphasizes primary energy, which better represents the total environmental impact.

Specific characteristics of Retail Parks, Family Villages and Life Style Centers
Details on the calculations for the following ratios:
- energy consumption of Life Style Centers (in total GWh and kWh/m²/year);
- energy consumption of Family Villages and Retail Parks (in total GWh and kWh/m²/year);
- CO_2 emissions of Life Style Centers (in kg CO_2-eq./m²/year);
- CO_2 emissions of Family Villages and Retail Parks (in kg CO_2-eq./m²/year).

Given the special characteristics of these types of assets (Life Style Centers, Family Village® and Retail Parks), which have no heated, covered and air-conditioned mall, and to comply with EPRA recommendations, the Group has significantly changed its calculation formula compared to that used in 2010. Altarea Cogedim now uses a ratio with a denominator equal to the outdoor pedestrian surface area plus the GLA supplied by energy included in the numerator. This is done to make these sites directly comparable with shopping centers.

The outdoor pedestrian surface area is considered an "undeveloped" area, and therefore no precise surveys have been taken. As all of these retail development projects are recent and relatively similar, Altarea Cogedim calculates outdoor pedestrian surface area as follows:

Outdoor pedestrian surface area = Net floor area * 15% *

* *The 15% value represents average outside Surface as a Percentage of the total net Surface of Altarea Cogedim Family Village and Lifestyle Projects.*

For Life Style Centers, the ratio is calculated using the outdoor pedestrian surface area plus the GLA used as a basis for energy measured in the numerator. This method presents no risk of overlap as the outdoor pedestrian surface area and the mall surface area are never included in the GLA.

For Family Village® or Retail Parks, the ratio is calculated using only the outdoor pedestrian surface area because, for this type of retail asset, the lessor covers no energy supplied to the GLA.

ENVIRONMENT INDICATORS — EXISTING ASSETS

ENERGY

ENERGY CONSUMPTION AT OVERALL SCOPE (IN GWH AND KWH/M²/YEAR)

	2010				2011				Change			
	Total		Per m²		Total		Per m²		Total		Per m²	
	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE
Electricity	23.9	61.8	65.8	169.8	28.4	73.1	67.3	173.8	18.5%	18.5%	2.3%	2.3%
Gas	4.1	4.1	11.3	11.3	4.0	4.0	9.5	9.5	-3.5%	-3.5%	-16.6%	-16.6%
Power grid	0.9	0.9	2.6	2.6	0.8	0.8	1.9	1.9	-14.4%	-14.4%	-26.0%	-26.0%
Fuel	0.0	0.0	0.1	0.1	0.4	0.4	0.9	0.9	940.0%	940.0%	798.6%	798.6%
Total	**29.0**	**66.9**	**79.8**	**183.8**	**33.5**	**78.3**	**79.6**	**186.0**	**15.4%**	**17.1%**	**-0.3%**	**1.2%**
Proportion of total scope	89.1% of French assets in terms of value				89.5% of French assets in terms of value							
GRI REFERENCES Total energy: GRI EN3 + EN4 Energy per m²: GRI CRE1	Consumption of final energy (FE) and primary energy (PE) managed by Altarea Cogedim for the overall scope and per m² of mall surface area, outdoor pedestrian surface area and GLA over which energy is distributed.											

ENERGY CONSUMPTION — CONSTANT STRUCTURE (IN GWH AND KWH/M²/YEAR)

	2010				2011				Change			
	Total		Per m²		Total		Per m²		Total		Per m²	
	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE
Electricity	20.7	53.5	65.8	169.8	19.4	50.0	61.5	158.6	-6.6%	-6.6%	-6.6%	-6.6%
Gas	3.4	3.4	10.9	10.9	2.2	2.2	7.1	7.1	-35.3%	-35.3%	-35.3%	-35.3%
Power grid	0.9	0.9	3.0	3.0	0.8	0.8	2.6	2.6	-14.4%	-14.4%	-14.4%	-14.4%
Fuel	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.3	191.8%	191.8%	191.8%	191.8%
Total	**25.2**	**58.0**	**79.9**	**183.9**	**22.5**	**53.2**	**71.5**	**168.6**	**-10.5%**	**-8.3%**	**-10.5%**	**-8.3%**
Proportion of total scope	64.2% of French assets in terms of value											
GRI REFERENCES Total energy: GRI EN3 + EN4 Energy per m²: GRI CRE1	Consumption of final energy (FE) and primary energy (PE) managed by Altarea Cogedim at constant structure and per m² of mall surface area, outdoor pedestrian surface area and GLA over which the energy is distributed.											

ENERGY CONSUMPTION OF SHOPPING CENTERS (IN GWH AND KWH/M²/YEAR)

	2010				2011				Change			
	Total		Per m²		Total		Per m²		Total		Per m²	
	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE
Electricity	16.9	43.6	66.8	172.4	21.7	56.0	70.6	182.0	28.5%	28.5%	5.6%	5.6%
Gas	3.9	3.9	15.6	15.6	3.9	3.9	12.7	12.7	-0.7%	-0.7%	-18.4%	-18.4%
Power grid	0.9	0.9	3.7	3.7	0.8	0.8	2.6	2.6	-14.4%	-14.4%	-29.6%	-29.6%
Fuel	0.0	0.0	0.1	0.1	0.3	0.3	1.0	1.0	2226.3%	2226.3%	1812.2%	1812.2%
Total	**21.8**	**48.5**	**86.2**	**191.7**	**26.7**	**61.0**	**86.9**	**198.4**	**22.7%**	**25.9%**	**0.9%**	**3.5%**
Proportion of total scope	47.4% of French assets in terms of value				54.2% of French assets in terms of value							
GRI REFERENCES Total energy: GRI EN3 + EN4 Energy per m²: GRI CRE1	Consumption of final energy (FE) and primary energy (PE) managed by Altarea Cogedim for the overall scope and per m² of mall surface area and GLA over which energy is distributed.											

ENERGY CONSUMPTION OF LIFE STYLE CENTERS (IN GWH AND KWH/M²/YEAR)

	2010				2011				Change			
	Total		Per m²		Total		Per m²		Total		Per m²	
	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE
Electricity	5.5	14.1	69.1	178.2	4.9	12.7	62.5	161.1	-9.6%	-9.6%	-9.6%	-9.6%
Gas	0.2	0.2	2.3	2.3	0.1	0.1	0.9	0.9	-61.9%	-61.9%	-61.9%	-61.9%
Power grid	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Fuel	0.0	0.0	0.3	0.3	0.1	0.1	0.9	0.9	208.5%	208.5%	208.5%	208.5%
Total	**5.7**	**14.3**	**71.7**	**180.8**	**5.1**	**12.9**	**64.3**	**162.9**	**-10.4%**	**-9.9%**	**-10.4%**	**-9.9%**
Proportion of total scope	21.9% of French assets in terms of value				18.2% of French assets in terms of value							
GRI REFERENCES Total energy: GRI EN3 + EN4 Energy per m²: GRI CRE1	Consumption of final energy (FE) and primary energy (PE) managed by Altarea Cogedim for the overall scope and per m² of outdoor pedestrian surface area and GLA over which energy is distributed.											

ENERGY CONSUMPTION OF FAMILY VILLAGES AND RETAIL PARKS (IN GWH AND KWH/M²/YEAR)

	2010				2011				Change			
	Total		Per m²		Total		Per m²		Total		Per m²	
	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE	FE	PE
Electricity	1.6	4.1	49.7	128.3	1.7	4.4	49.8	128.4	7.9%	7.9%	0.1%	0.1%
Gas	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Power grid	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Fuel	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Total	**1.6**	**4.1**	**49.7**	**128.3**	**1.7**	**4.4**	**49.8**	**128.4**	**7.9%**	**7.9%**	**0.1%**	**0.1%**
Proportion of total scope	19.9% of French assets in terms of value				17.2% of French assets in terms of value							
GRI REFERENCES Total energy: GRI EN3 + EN4 Energy per m²: GRI CRE1	Consumption of final energy (FE) and primary energy (PE) managed by Altarea Cogedim for the overall scope and per m² of outdoor pedestrian surface area over which energy is distributed.											

ENVIRONMENT INDICATORS — EXISTING ASSETS

CO_2

CO_2 EMISSIONS - TOTAL SCOPE (IN TONS OF CO_2-EQ. AND KG OF CO_2-EQ./M²/YEAR)

		2010		2011		Change	
	Emissions factor	**Total**	**Per m²**	**Total**	**Per m²**	**Total**	**Per m²**
Electricity	0.084	2,011	5.53	2,381	5.66	18%	2%
Gas	0.234	965	2.65	932	2.21	-3%	-17%
Power grid	depending on site	227	0.62	202	0.48	-11%	-23%
Fuel	0.3	11	0.03	115	0.27	940%	799%
Total		**3,214**	**8.84**	**3,630**	**8.62**	**13.0%**	**-2.4%**
Proportion of total scope		89.1% of French assets in terms of value		89.5% of French assets in terms of value			

GRI REFERENCES
Total emissions: GRI EN16
Emissions per m²: GRI CRE3

CO_2 emissions due to energy consumption managed by Altarea Cogedim for the overall scope and per m² of mall surface area, outdoor pedestrian surface area and GLA over which energy is distributed.

CO_2 EMISSIONS AT CONSTANT STRUCTURE (IN TONS OF CO_2-EQ. AND KG OF CO_2-EQ./M²/YEAR)

		2010		2011		Change	
	Emissions factor	**Total**	**Per m²**	**Total**	**Per m²**	**Total**	**Per m²**
Electricity	0.084	1,743	5.53	1,628	5.17	-7%	-7%
Gas	0.234	807	2.56	522	1.66	-35%	-35%
Power grid	depending on site	227	0.72	202	0.64	-11%	-11%
Fuel	0.300	11	0.04	32	0.10	192%	192%
Total		**2,788**	**8.84**	**2,384**	**7.56**	**-14.5%**	**-14.5%**
Proportion of total scope	64.2%	of French assets in terms of value					

GRI REFERENCES
Total emissions: GRI EN16
Emissions per m²: GRI CRE3

CO_2 emissions due to energy consumption managed by Altarea Cogedim at constant structure and per m² of mall surface area, outdoor pedestrian surface area and GLA over which energy is distributed.

CO_2 EMISSIONS OF SHOPPING CENTERS (IN TONS OF CO_2-EQ. AND KG OF CO_2-EQ./M²/YEAR)

		2010		2011		Change	
	Emissions factor	**Total**	**Per m²**	**Total**	**Per m²**	**Total**	**Per m²**
Electricity	0.084	1,419	5.61	1,824	5.93	28%	6%
Gas	0.234	922	3.65	915	2.98	-1%	-18%
Power grid	depending on site	227	0.90	202	0.66	-11%	-27%
Fuel	0.300	4	0.02	93	0.30	2226%	1812%
Total		**2,572**	**10.17**	**3,034**	**9.86**	**18.0%**	**-3.0%**
Proportion of total scope		47.4% of French assets in terms of value		54.2% of French assets in terms of value			

GRI REFERENCES
Total emissions: GRI EN16
Emissions per m²: GRI CRE3

CO_2 emissions due to energy consumption managed by Altarea Cogedim for the overall scope and per m² of mall surface area and GLA over which energy is distributed.

CO_2 EMISSIONS OF LIFE STYLE CENTERS (IN TONS OF CO_2-EQ. AND KG OF CO_2-EQ./M²/YEAR)

		2010		2011		Change	
	Emissions factor	**Total**	**Per m²**	**Total**	**Per m²**	**Total**	**Per m²**
Electricity	0.084	459	5.80	415	5.25	-10%	-10%
Gas	0.234	43	0.55	16	0.21	-62%	-62%
Power grid	depending on site	-	-	-	-	0%	0%
Fuel	0.300	7	0.09	22	0.27	209%	209%
Total		**509**	**6.44**	**453**	**5.73**	**-11.0%**	**-11.0%**
Proportion of total scope		21.9%	of French assets in terms of value	18.2% of French assets in terms of value			

GRI REFERENCES Total emissions: GRI EN16 Emissions per m²: GRI CRE1	CO_2 emissions due to energy consumption managed by Altarea Cogedim for the overall scope and per m² of outdoor pedestrian surface area and GLA over which energy is distributed.

CO_2 EMISSIONS OF FAMILY VILLAGES AND RETAIL PARKS (IN TONS OF CO_2-EQ. AND KG OF CO_2-EQ./M²/YEAR)

		2010		2011		Change	
	Emissions factor	**Total**	**Per m²**	**Total**	**Per m²**	**Total**	**Per m²**
Electricity	0.084	132	4.18	143	4.18	8%	0%
Gas	0.234	-	-	-	-	0%	0%
Power grid	depending on site	-	-	-	-	0%	0%
Fuel	0.300	-	-	-	-	0%	0%
Total		**132**	**4.18**	**143**	**4.18**	**7.9%**	**0.1%**
Proportion of total scope		19.9%	of French assets in terms of value	17.2% of French assets in terms of value			

GRI REFERENCES Total emissions: GRI EN16 Emissions per m²: GRI CRE3	CO_2 emissions due to energy consumption managed by Altarea Cogedim for the overall scope and per m² of outdoor pedestrian surface area over which energy is distributed.

ENVIRONMENT INDICATORS — EXISTING ASSETS

WATER

WATER CONSUMPTION (IN LITERS AND LITERS/M²)

	2010		2011		Change	
	Overall	Per m²	Overall	Per m²	Overall	Per m²
Shopping centers	62,045,000	722	86,288,818	996	39%	38%
Life Style Center	10,193,050	466	8,197,600	375	-20%	-20%
Family Village® and Retail Park	24,166,110	763	19,819,613	580	-18%	-24%
Total	**96,404,160**	**691**	**114,306,031**	**801**	**18.6%**	**15.9%**
Proportion of total scope		89.1% of French assets in terms of value		89.5% of French assets in terms of value		
GRI REFERENCES Total consumption: GRI EN8 Consumption per m²: GRI CRE2	Consumption of water used by Altarea Cogedim (incl. fire safety) overall and per m² of mall surface area and common areas for Shopping Centers, and per m² of outdoor pedestrian surface area for Life Style Centers, Family Villages® and Retail Parks.					

WASTE

WASTE PRODUCTION (IN TONS)

	2010			2011			
	Non-hazardous waste	Cardboard	Other	Non-hazardous waste	Cardboard	Other	Change in overall
Shopping centers	2,327	689	-	2,607	841	6	15%
Life Style Center	340	185	-	403	180	-	11%
Family Village® and Retail Park	684	401	129	717	484	169	13%
Total	**3,351**	**1,275**	**129**	**3,727**	**1,505**	**176**	**13.7%**
Proportion of total scope			89.1% of French assets in terms of value			89.5% of French assets in terms of value	
GRI REFERENCE	Total waste production managed by Altarea Cogedim and breakdown by type (non-hazardous industrial waste, cardboard, other).						
GRI EN22 (partial)	Change expressed in a percentage based on the total.						

ENVIRONMENT INDICATORS — CORPORATE

ENERGY

INDICATOR	DENOMINATOR	2011 Final Energy	2011 Primary Energy
Energy consumption of head office in kWh	-	2,087,196	4,609,456
Energy consumption of head office in kWh per m²	8,248	253	559
Energy consumption of head office in kWh per employee	568	3,675	8,115
GRI REFERENCES Total energy: GRI EN4 Energy consumption per m² and per employee: GRI CRE1	Consumption of final energy and primary energy of the Altarea Cogedim head office.		

CO_2

INDICATOR	DENOMINATOR	2011
CO_2 emissions of head office in kg of eCO_2	-	251,829
CO_2 emissions of head office in kg of eCO_2 per m²	8,248	31
CO_2 emissions of head office in kg of eCO_2 per employee	568	443
GRI REFERENCES Total emissions: GRI EN16 Emissions per m² and per employee: GRI CRE3	CO_2 emissions due to the energy consumption of the Altarea Cogedim head office.	

WATER

INDICATOR	DENOMINATOR	2011
Water consumption of head office in liters	-	3,839,000
Water consumption of head office in liters per m²	8,248	465
Water consumption of head office in liters per employee	568	6,759
GRI REFERENCES Total consumption: GRI EN8 Consumption per m² and per employee: GRI CRE2	Water consumption of the Altarea Cogedim head office	

WASTE

INDICATOR	DENOMINATOR	2011 Non-hazardous waste	2011 Paper/ cardboard
Waste produced by head office in liters	-	250,920	343,400
Waste produced by head office in liters per m²	8,248	30	42
Waste produced by head office in liters per employee	568	442	605
GRI REFERENCE GRI EN22 (partial)	Waste produced by the Altarea Cogedim head office broken down by type (paper/cardboard or NHIW).		

LABOR INDICATORS

HEADCOUNT

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Total headcount	Number of employees	742	831	12.0%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011
	Average age	40	40	-0.6%	
	Average length of service with the Group (years)	6	6	0.3%	
	Number of employees on a fixed-term contract	25	29	16.0%	
	Proportion of full-time employees	97.0%	97.4%	0.4%	
Headcount by status	Proportion of management staff (%)	70.0%	70.4%	0.6%	
	Proportion of non-management staff (%)	30.0%	29.6%	-1.3%	
Recruitment	Number of new hires (permanent) over the period	124	146	17.7%	
	Proportion of management staff hired (%)	68%	73.3%	7.8%	
	Proportion of non-management staff hired (%)	32%	26.7%	-16.6%	
Departures	Departure rate: Number of departures over the period/average headcount at Dec. 31, 2011 (%)	12%	7.4%	-38.5%	
	Rate of management departures	N/A	8.0%	N/A	
	Rate of non-management departures	N/A	6.3%	N/A	
Reasons for departure	Termination of trial period	N/A	16.7%	N/A	
	Resignations	N/A	43.3%	N/A	
	Terminations	N/A	10.0%	N/A	
	Retirement	N/A	3.3%	N/A	
	Voluntary departure for unemployment (*rupture conventionnelle*)	N/A	26.7%	N/A	

GENDER EQUALITY

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Total headcount	Proportion of women in total headcount (%)	56.0%	57.2%	2.1%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011
Headcount by status	Proportion of women to management staff (%)	42.0%	42.7%	1.7%	
	Proportion of female managers (%)	50.0%	52.6%	5.2%	
Governance	Proportion of female members of the Executive Committee/plenary (%)	N/A	17.5%	N/A	
Recruitment	Proportion of female employees hired (%)	51.0%	58.9%	15.5%	Recruitments and departures of Group employees on permanent contracts (France, Italy, Spain) over the period
	Proportion of female managers hired (%)	33.0%	46.7%	41.5%	
	Proportion of non-management staff hired who are women (%)	87.0%	92.3%	6.1%	
Departures	Proportion of departures of female employees (%)	N/A	50.0%	N/A	
	Proportion of departures of female managers (%)	N/A	25.0%	N/A	
	Proportion of departures of non-management staff who are women (%)	N/A	25.0%	N/A	

EMPLOYMENT OF DISABLED WORKERS

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Disabled workers	Number of employees who declared a disability	1	4	300.0%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011

PROMOTIONS AND INTERNAL MOBILITY

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Promotions	Number of employees promoted over the period	65	58	-10.8%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011
	Proportion of employees promoted over the period (%)	8.8%	7%	-20.5%	
Mobility	Number of employees who benefited from one or more forms of mobility over the period (geographic and/or professional and/or between departments/within Group)	45	29	-35.6%	
	Proportion of employees who benefited from one or more forms of mobility over the period	6.1%	3.5%	-42.6%	

LABOR INDICATORS

ABSENTEEISM

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Absenteeism	Total absenteeism (%)	2%	2.10%	7.0%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011
	Absenteeism — management staff (%)	N/A	1.50%	N/A	
	Absenteeism — non-management staff (%)	N/A	3.50%	N/A	
Reasons	Absence due to work-related accidents	0.05%	0.03%	-48.2%	
	Absence due to illness	1.90%	1.93%	1.3%	

TRAINING AND SKILLS DEVELOPMENT

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Budget	Total expenditure on training (€ thousands)	844	1,002	18.7%	Group employees on a permanent contract (France, Italy, Spain) at Dec. 31, 2011
	Total expenditure on training compared with payroll - sum of annual gross fixed compensation (%)	1.79%	1.91%	6.7%	
Hours of training	Average number of hours per employee who took at least one training program	8.6	10.55	22.6%	
	Average number of hours for management staff	N/A	12.02	N/A	
	Average number of hours for non-management staff	N/A	7.04	N/A	
Types of training	Proportion of the number of hours of technical and occupational training (%)	41.1%	30.0%	-27.0%	
	Proportion of the number of hours of IT training (%)	20.7%	36.3%	75.2%	
	Proportion of the number of hours of management and guidance training (%)	18.6%	22.5%	21.0%	
	Proportion of the number of hours of language training (%)	17.7%	11.1%	-37.1%	
	Other	1.9%	0.00%	-100.0%	

APPEALING TO TALENT AND PROMOTING LOYALTY

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Applications	Number of applications received on the "careers" website	1,258	1,861	47.9%	Group
Annual appraisals	Proportion of employees who had an annual appraisal over the period (%)	74.1%	80.5%	8.6%	
Works Council	Allocations to Works Council (€ thousands)	316	330	4.5%	

EMPLOYEE RELATIONS AND REPRESENTATIVES

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
CHSCT	Number of CHSCT meetings	8	8	0.0%	DP+WC in France
Employee representatives	Number of employee representatives	36	35	-2.8%	
Collective bargaining agreement	Proportion of employees covered by a collective bargaining agreement (%)	100%	100%	0.0%	

COMPENSATION

AREA	INDICATOR	2010	2011	Change 2010/2011	SCOPE
Fixed compensation	Gross annual average compensation of non-management staff (€) — excluding variable compensation and employer contributions	32,260	33,785	4.7%	Employees on permanent contracts in France at Dec. 31, 2011 excluding members of restricted Executive Committee
	Gross annual average compensation of management staff (€) — excluding variable compensation and employer contributions	55,326	57,495	3.9%	
Variable compensation	Variable portion of management staff compensation (%)	9.62%	11.07%	15.1%	

5.8. REPORT ON THE INDEPENDENT REVIEW OF A SELECTION OF ENVIRONMENTAL AND SOCIAL INDICATORS

Altarea Cogedim

Financial year ended on December 31, 2011

Report on the independent review of a selection of environmental and social indicators

Following the request made for our services, we carried out a review aiming to provide us with moderate assurance that the eight indicators selected [1] ("the Indicators") were established, in all their significant aspects, in compliance with internal reporting standards applicable in 2011 ("the Standards").

It is Altarea Cogedim's responsibility to establish the Standards and to see to their distribution.

Our responsibility is to express an opinion on these financial statements based on our audit. Our audits were carried out in compliance with the international standard established by ISAE 3000 (International Standard on Assurance Engagement, December 2003).

Our independence is defined by legislative and regulatory texts as well as the code of conduct of the profession.

The conclusions given below only concern indicators reviewed, and not all the information contained in the 2011 Registration document. A higher level of assurance would have required more extensive work.

Nature and extent of work

To express our conclusion, we took the following measures:

- We assessed the Standards with regard to their precision, clarity, objectivity and comprehensiveness, as well as their relevance to the activities.
- We carried out interviews with persons responsible for consolidation of the Indicators. At these levels:
  - We conducted an analysis of the risks of anomalies, performed analytical procedures and verified the consolidation of the Indicators on the basis of surveys;
  - We carried out detailed tests on over 20% of assets (indicators related to operating assets) and over 20% of new developments;
  - Interviews were carried out at the head office and during visits to shopping centers (Cap 3000, Bercy Village and Thiais Village).
  - We reviewed the presentation of the Indicators in the 2011 Registration document (Chapter 5, Corporate Social Responsibility and tracking table on pages 241, 244-247, 250 and 251).

1. *Levels of environmental performance of new developments — Levels of energy performance of new developments — Levels of proximity to public transportation of new developments — Energy consumption of existing assets — CO_2 emissions of existing assets — Number of employees — Part of women in the overall headcount (%) — Total training costs as a percentage of payroll (%)*

Notes on the procedures

The Standards call for the following comments

Relevance:

- The Indicators of the property business, which address issues related to energy efficiency and CO_2, reflect the energy issues of buildings as defined at the sectoral level by EPRA (European Public Real Estate Association).
- Indicators related to new developments express Altarea Cogedim's impact and actions as a property developer. The topic of access is covered by indicators addressing proximity to public transportation.

Comprehensiveness:

- Energy performance and CO_2 indicators of the portfolio of shopping centers in operation are calculated for 28 assets, representing nearly 90% of the total market value of the French retail portfolio consolidated at December 31, 2011.

Reliability:

- For social and environmental indicators, rules, methods, roles and internal control responsibilities must be specified in the Standards. Managers of new residential developments should pay special attention to the traceability of the reported data, as well as the reliability of data transmitted, in particular the number of residential units in development.
- Surface data used to calculate Indicators is not always consistent with surveyors' statements and the internal asset management system. Work should be undertaken to identify and explain divergences.

Conclusion

Our audits did not reveal any significant anomalies liable to raise doubts as to the fact that the Indicators were established, in all their significant aspects, in compliance with the Standards.

Paris-La Défense, March 29, 2012

ERNST & YOUNG et Autres
Environment and Sustainable Development

Eric Duvaud

6 GENERAL INFORMATION

6.1. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Alain Taravella, Manager

6.1.2. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in this Registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position, and earnings of the company and all entities included 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 Registration document in its entirety and reviewed the information it contains regarding the company's financial position and financial statements.

Paragraph 3.9 of the report on the consolidated financial statements contains an observation for Financial Year 2011 concerning changes in accounting methods.

Consolidated and annual financial statements for Financial Year 2009, which are incorporated by reference in this Registration document, were the subject of Statutory Auditors' reports. The report on the consolidated financial statements contained an emphasis of matter paragraph concerning changes in accounting methods.

Alain Taravella
Manager

6.1.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(a) Statutory Auditors

AACE Île-de-France
Member of the Grand Thornton Network
100, rue de Courcelles 75849 PARIS Cedex 17
Represented by Patrick Ughetto
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The firm of Ernst & Young et Autres
Tour First
1, place des saisons
92400 COURBEVOIE
Represented by Jean-Roch Varon
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

(b) Alternate Auditors

Cabinet Auditeurs Associés Consultants Européens — AACE
4, rue Firmin Gillot 75015 PARIS
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

Auditex
Tour First
1, place des saisons
92400 COURBEVOIE
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The Statutory Auditors are members of *Compagnie nationale des commissaires aux comptes*.

6.1.4. DOCUMENTS AVAILABLE TO THE PUBLIC

I, the undersigned, hereby confirm that the following documents are available to the public in electronic or printed form, and can be obtained from the company's registered office at 8, avenue Delcassé, 75008 Paris, during office hours:

- the company's most recent Articles of Association;
- all reports, letters and other documents, past financial data, and expert opinions or statements requested by the company that are included or mentioned in this Registration document; and
- financial data for the company and its subsidiaries for the two fiscal years prior to the year in which this Registration document is published.

Alain Taravella
Manager

6.2. GENERAL INFORMATION ABOUT THE ISSUER AND ITS SHARE CAPITAL

6.2.1. 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 June 26, 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 July 11, 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 September 29, 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless 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 centers, to acquire equity investments or interests, directly or indirectly, in any and all companies or entities engaged in any kind of property-related business;
- exceptionally: to exchange or transfer by way of sale, capital contribution or otherwise any property assets acquired or built for the purpose of letting in accordance with the company's principal object;
- generally: to undertake any and all civil, financial, commercial, industrial, securities and real property transactions to facilitate the achievement of any of the foregoing objects.

(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 6820B (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 31 of the Articles of Association)

The financial year begins on January 1 and ends on December 31.

(j) Appropriation of earnings (Article 32 of the Articles of Association)

The company's distributable profit as defined by law is available for distribution by the General Meeting of Shareholders. The General Meeting of Shareholders has sole discretion over its appropriation. It may be appropriated in full or in part to any general or special reserves or to retained earnings or 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 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, providing 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 General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A Shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognized expertise in French tax law, certifying that the Shareholder is not a Liable Shareholder and that the distributions made to it will not cause the company to become liable for the Withholding.

Should the company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208 C II ter of the French General Tax Code in one or more of the *sociétés d'investissements immobiliers cotées* referred to in Article 208 C of the 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 by 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

No double voting rights exist.

(iv) Ceiling on voting rights

The number of voting rights that may be exercised by each limited partner in General Meetings is equal to the number of voting rights attached to the shares they own up to a maximum 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 shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, to registered form no later than the third business day before the date of that meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, shares must be in registered form where 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 authorized financial intermediary in the case of bearer shares. If requested by a Shareholder, the company or authorized financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to above may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The company may at any time and at its own expense ask its clearing organization for information about the name or corporate name, nationality and address of holders of securities conferring the right to vote at General Meetings either immediately or in the future, as well as the number of securities held and any restrictions attached thereto.

The shares are indivisible for the 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 equity 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 equity owned either directly, indirectly or in concert.

Any shares or securities that have not been disclosed in accordance with these requirements will be disqualified for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more Shareholders separately or together holding at least one percent (1%) of the company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

6.2.2. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

(a) Provisions of the Articles of Association regarding alterations to the share capital and the respective rights of various classes of shares

The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law and they do not provide for any special classes of shares.

(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 8.8 to the consolidated financial statements (Section 3 of this Registration document) provides detailed information on:

- stock option plans;
- share warrants in issue;
- free shares plans;
- employee share offers;
- information on treasury shares.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the tables below set out all authorities granted by extraordinary resolution of the Shareholders and their use during the past financial year. Each new authority granted to the Board of Managers supersedes and cancels all previous authorities granted for the same purpose.

A — Authorities granted by the combined general meeting of May 28, 2010 that remained valid until the combined general meeting of June 17, 2011

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date	Use in 2011
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	12th resolution	07/28/2012	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer.	13th resolution	07/28/2012	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement.	14th resolution	07/28/2012	None
Authority granted to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	15th resolution	07/28/2012	None
Option of increasing the amount of an issue in case of oversubscription	16th resolution	07/28/2012	None
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	17th resolution	07/28/2012	None
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea Group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million.	18th resolution	11/28/2011	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	19th resolution	07/28/2012	None
Setting aggregate ceiling of authorities to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	20th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	21st resolution	07/28/2012	None

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million.	10th resolution	11/28/2011
Authority to reduce the share capital by canceling shares purchased under the buyback program	11th resolution	07/28/2012

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2011 are detailed in paragraph d) below on the share buyback program.

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date	Use in 2011
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	22nd resolution	07/28/2012	None

All above authorities were cancelled at the combined general meeting of June 17, 2011.

B —Authorities granted by the combined general meeting of June 17, 2011

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date	Use in 2011
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	7th resolution	08/17/2013	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer.	8th resolution	08/17/2013	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement.	9th resolution	08/17/2013	None
Authority granted to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	10th resolution	08/17/2013	None
Option of increasing the amount of an issue in case of oversubscription	11th resolution	08/17/2013	None
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	12th resolution	08/17/2013	None
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea Group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million.	13th resolution	12/17/2012	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	14th resolution	08/17/2013	None
Setting aggregate ceiling of authorities to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	15th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	16th resolution	08/17/2013	None

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million.	5th resolution	12/17/2012
Authority to reduce the share capital by canceling shares purchased under the buyback program	6th resolution	08/17/2013

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2011 are detailed in paragraph d) below on the share buyback program.

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date	Use in 2011
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	17th resolution	08/17/2013	None
Free shares plans	18th resolution	08/17/2014	1,413 free shares
Stock option plans (existing shares)	19th resolution	08/17/2014	None
Stock option plans (new shares)	20th resolution	08/17/2014	None
Ceiling applicable to share issues reserved for employees and executives of the Group: 350,000 shares	21st resolution	Applies to each authority	1,413

The above authorities will be cancelled at the combined general meeting on May 25, 2012 through the adoption of resolutions on the same authorities.

C — Grants of authority proposed for approval at the next Combined Meeting of Shareholders on May 25, 2012

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	8th resolution	07/25/2014
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer.	9th resolution	07/25/2014
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement.	10th resolution	07/25/2014
Authority granted to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	11th resolution	07/25/2014
Option of increasing the amount of an issue in case of oversubscription	12th resolution	07/25/2014
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	13th resolution	07/25/2014
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea Group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million.	14th resolution	11/25/2013
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	15th resolution	07/25/2014
Setting aggregate ceiling of authorities to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	16th resolution	Applies to each authority
Authority to increase the share capital by capitalizing reserves	17th resolution	07/25/2014

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million.	6th resolution	11/25/2013
Authority to reduce the share capital by canceling shares purchased under the buyback program	7th resolution	07/25/2014

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	18th resolution	07/25/2014

d) Share buyback program

At the Annual General Meeting of June 17, 2011, the Shareholders authorized the company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a maximum limit of €100 million, at a maximum price of €200 per share.

Pursuant to this authority, the Board of Managers decided to implement a share buyback program for the following purposes in order of precedence: (1) to make a market in or to provide liquidity for the company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the *Autorité des marchés financiers*; (2) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the *Autorité des marchés financiers*; (3) to hold the shares for allocation to employees and/or corporate officers under a stock option plan, a stock grant plan or an employee share ownership plan; (4) to award the shares to the holders of negotiable securities convertible into shares of the company upon the exercise of the rights attached to such securities, in accordance with the regulations in force; (5) to cancel the shares purchased, where applicable; (6) to implement any market practice that may be recognized by the *Autorité des marchés financiers.*

A description of the share buyback program 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 2011:

Month	Number of shares bought	Number of shares sold	Price at end of month	Balance — Treasury shares
January	3,196	2,763	140.00	140,822
February	3,323	490	133.00	143,655
March	3,800	6,758	145.50	140,697
April	5,177	1,423	145.98	144,451
May	6,773	1,934	146.00	149,290
June	10,520	2,874	142.10	156,936
July	3,072	3,895	135.98	131,183
August	10,298	3,906	125.50	137,575
September	44,305	5,199	130.20	165,681
October	9,222	4,233	129.99	168,170
November	5,800	2,820	115.00	171,150
December	43,560	1,830	120.50	212,880

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 2,282 shares at December 31, 2011. The line item "Shares intended for allotment", which corresponds to purpose (3), comprised 210,598 shares at December 31, 2011.

In accordance with the information set out in paragraph (c) above relating to authorities involving the share capital, D (ii), at the Ordinary General Meeting held to approve the 2011 accounts, the Shareholders will be asked to renew, on the same terms and conditions as the authorities granted by the AGM of June 17, 2011, the authority to buy back shares up to a maximum of 10% of the shares comprising the share capital and up to the same aggregate amount of €100 million for the same maximum price of €200 per share. The purpose of this authority is the same as in the previous year, i.e. (i) to make a market in or to provide liquidity for the company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the *Autorité des marchés financiers*; (ii) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the *Autorité des marchés financiers*; (iii) to hold the shares for allocation to employees and/or corporate officers under a stock option plan, a stock grant plan or an employee share ownership plan; (iv) to allocate shares to the holders of negotiable securities convertible into shares of the company upon the exercise of the rights attached to such securities, in accordance with the regulations in force; (v) to cancel the shares purchased under the share buyback program; (vi) to implement any market practice that may be recognized by the *Autorité des marchés financiers*.

As was the case last year, the Shareholders will be asked to authorize that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocs of shares. As was the case in previous years, you will be asked to expressly authorize the buyback of shares from Shareholders that are corporate officers, but under stricter conditions than those applying to buybacks of shares from ordinary Shareholders: such transactions make take place with Shareholders who are corporate officers on condition that they are carried out 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 price will be equal to the latest stock market price.

(e) Securities giving access to equity

Details are provided in Note 8.8. to the consolidated financial statements (Section 3 of this Registration document).

(f) Pledges over shares

At December 31, 2011, 3,787,958 registered shares representing 37.21% 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	Transaction amount	Share premium	Total share capital	Total number of shares	Per value per share
Merger by absorption of Altarea SA (12/24/2004)	5,137,671	€ 78,510,252	€ 8,574,096	€ 84,410,252	5,523,764	At par
New share issue upon exercise of warrants (05/27/2005)	231,000	€14,171,506.85	€ 10,641,528.34	€ 87,939,932	5,754,764	At par
Employee share offer (07/21/2005)	6,740	€ 522,147.80	€ 419,151.80	€ 88,042,928	5,761,504	At par
Capital increase upon exercise of share warrants (12/09/2005)	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 (12/14/2005)	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 (07/25/2006)	1,200,000	€ 150,000,000	€ 131,664,000	€ 123,521,178	8,083,379	At par
Capital decrease by cancellation of treasury shares (07/25/2006)	200,000	€ 7,616,000	(€ 4,560,000)	€ 120,465,178	7,883,379	At par
Employee share offer (07/25/2006)	5,000	€ 476,100	€ 399,700	€ 120,541,578	7,888,379	At par
Employee share offer (07/10/2007)	3,318	€ 466,676.70	€ 415,977.66	€120,592,277.04	7,891,697	At par
New share issue restricted to Opus Investment (12/24/2007)	65,000	€ 14,300,000	€ 13,306,800	€121,585,477.04	7,956,697	At par
Employee share offer (12/24/2007)	4,350	€ 718,402.50	€ 651,934.50	€121,651,945.04	7,961,047	At par
Merger by absorption of Altafinance (05/26/2008)	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 (07/08/2008)	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 (06/26/2009)	31,850	€ 3,954,542	€ 3,467,874	€156,335,956.78	10,230,941	At par
Capital reduction by cancellation of treasury shares held (06/26/2009)	52,124	€ 1,984,881.92	(€ 1,188,427.20)	€155,539,502.06	10,178,817	At par

(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 December 31, 2011 and December 31, 2010 can be found in Note 13 to the consolidated financial statements (Section 3 of this Registration document). The breakdown at December 31, 2008 can also be found in the 2008 Registration document, which is incorporated in this Registration document by reference. The voting rights disclosed in Note 13 are actual voting rights that can be exercised in General Meetings at December 31, 2010, rather than theoretical voting rights which include those attached to treasury shares. Consequently, the table below reproduces the information provided in the notes to the financial statements and shows the corresponding number of theoretical voting rights.

Ownership at December 31, 2011

Shareholder	Number of shares	% of share capital and theoretical voting rights	Number of actual voting rights at General Meetings	% of actual voting rights at General Meetings
Controlled by Alain Taravella	4,635,065	45.54	4,635,065	46.51
Controlled by Jacques Nicolet	336,960	3.31	336,960	3.38
CONTROLLED BY FOUNDERS	4,972,025	48.85	4,972,025	49.89
Predica	1,693,920	16.64	1,693,920	17.00
ABP	789,234	7.75	789,234	7.92
FDR	1,228,046	12.06	1,228,046	12.32
Treasury shares	212,880	2.09	0	0.00
Free float	1,282,712	12.61	1,282,712	12.87
TOTAL	**10,178,817**	**100.00**	**9,965,937**	**100.00**

The 10 existing general partner (*commandité*) shares with a par value of €100 are held by Altafi 2, whose registered office is at 8 avenue Delcassé, 75008 Paris, registration number 501 290 506 RCS Paris.

	12/31/2011	12/31/2011	12/31/2010	12/31/2010	12/31/2009	12/31/2009
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
CONTROLED BY A. TARAVELLA	*4,635,065*	*45.54*	*4,882,720*	*47.97*	*5,003,518*	*49.16*
CONTROLLED BY J. NICOLET	*336,960*	*3.31*	*633,081*	*6.22*	*666,781*	*6.55*
CONTROLLED BY FOUNDERS	4,972,025	48.85	5,515,801	54.19	5,670,299	55.71
PREDICA	1,693,920	16.64	1,194,354	11.73	1,194,354	11.73
APG	789,234	7.75	789,234	7.75	789,234	7.75
FDR	1,228,046	12.06	1,228,046	12.06	1,228,046	12.06
TREASURY SHARES	212,880	2.09	140,389	1.38	48,504	0.48
FREE FLOAT	1,282,712	12.61	1,310,993	12.88	1,248,380	12.26
TOTAL	**10,178,817**	**100.00**	**10,178,817**	**100.00**	**10,178,817**	**100.00**

For reporting requirements relative to threshold crossings, founders' shareholdings are classified at the level of each sub-group acting in concert.

(i) Control of the company and Shareholders' agreements

The company is majority controlled directly and indirectly by the group of founders comprising Alain Taravella, Altafinance 2 and Alta Patrimoine, which he and his family control, and by Jacques Nicolet and the companies Ecodime and JN Holding, which he controls.

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.

As of the date of this document, the company was aware of the following Shareholders' agreements:

Description	Date	Validity [1]	Signatories	Commitments
Shareholders' Agreement	06/26/2007	10	Mr. Taravella, Mr. Nicolet, Altafinance, and Predica	Right of pre-emption in favor of the other Shareholders should Predica decide to sell more than 2% of the share capital or shares representing €30 million to a non-affiliate
Shareholders' Agreement	12/24/2007	5	Mr. Taravella and Opus Investment	Opus has right of pre-emption in favor of Mr. Taravella. Mr. Taravella approves any sale of share warrants. Undertaking by Opus to sell the warrants to Mr. Taravella should Mr. de Gournay cease to be a corporate officer and employee of Altarea
Shareholders' Agreement	05/26/2008	10	Mr. Taravella, Mr. Nicolet, Altafinance 2, JN Holding and Foncière des Régions	Same as agreement of 06/26/2007 with Predica. FDR represented on the Supervisory Board by 2 members if >10% of the share capital and by 1 member if >5%. Undertaking to maintain the company's SIIC status and undertaking by Mr. Taravella to conduct all business in Retail property sector through Altarea
Shareholders' Agreement	06/12/2008	10	Mr. Taravella, Mr. Nicolet, Altafinance 2, JN Holding and ABP Fund	ABP Fund has the right to appoint one member to sit on the Supervisory Board and the Board's special committees (number of seats consistent on percentage interest). Undertaking to use best efforts to maintain the company's SIIC status and to increase its free float
Dutreil agreements	07/21/2008 and 11/03/2009		Mr. Taravella, his family, Alta Patrimoine and Altafinance 2	Undertakings to hold shares
Dutreil agreement	12/22/2011		Altafinance 2, Opus Investment, Christian de Gournay, Altafi 2 and Jacques Nicolet	Undertakings to hold shares

(1) Number of years from date of execution.

(j) Trading in Altarea shares in 2011 by executive officers or persons closely related to them

1 — PURCHASE OF SHARES

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date or period	Number of securities	Unit price	Transaction total
Mr. Dominique Rongier	Supervisory Board member	Ordinary shares	Acquisition by DBLP & Associés	03/17/2011	40	€142.00	€ 5,680.00
Mr. Dominique Rongier	Supervisory Board member	Ordinary shares	Acquisition by DBLP & Associés	04/04/2011	60	€147.00	€ 8,820.00
Mr. Jacques Nicolet	Supervisory Board President	Ordinary shares	Acquisition by JN Holding	01/06/2011	50,000	€139.00	€6,950,000.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/10/2011	2.000	€117.99	€ 235,990.60
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/10/2011	2.000	€118.95	€ 237,904.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/11/2011	2.000	€119.95	€ 239,900.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/12/2011	428	€120.48	€ 51,568.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/16/2011	368	€121.00	€ 44,528.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/17/2011	275	€123.63	€ 34,000.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/22/2011	527	€123.75	€ 65,219.73
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/23/2011	8	€124.00	€ 992.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/26/2011	1,624	€123.78	€ 201,029.11
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/29/2011	1,566	€123.99	€ 194,180.87

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date or period	Number of securities	Unit price	Transaction total
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	08/30/2011	634	€ 123.99	€ 78,613.59
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/02/2011	1,194	€ 129.84	€ 155,029.56
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/05/2011	806	€ 129.53	€ 104,398.12
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/12/2011	45	€ 117.99	€ 5,309.62
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Acquisition by Ecodime	09/13/2011	4,166	€ 120.00	€ 499,920.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/13/2011	2,578	€ 119.77	€ 308,778.66
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/14/2011	365	€ 118.94	€ 43,412.29
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/15/2011	315	€ 119.77	€ 37,727.01
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/16/2011	394	€121.653	€ 47,931.28
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Acquisition by Mr. Jacques Nicolet	09/21/2011	15,500	€ 125.76	€ 1,949,237.50
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/22/2011	281	€ 130.93	€ 36,790.29
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Acquisition by Mr. Jacques Nicolet	09/23/2011	4,035	€ 136.50	€ 550,777.50
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	09/23/2011	719	€ 130.16	€ 93,587.84
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Acquisition by Ecodime	11/21/2011	8,550	€ 117.00	€ 1,000,350.00
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	11/29/2011	30,000	€ 114.90	€ 3,447,000.00
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	11/29/2011	18,550	€ 116.00	€ 2,151,800.00
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	11/29/2011	41,450	€ 114.90	€ 4,762,605.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	11/30/2011	73	€ 114.99	€ 8,394.29
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/01/2011	34	€ 115.06	€ 3,911.99
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/01/2011	141	€ 115.10	€ 16,229.10
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/02/2011	133	€ 116.25	€ 15,460.99
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/05/2011	73	€ 119.03	€ 8,689.46
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/06/2011	619	€ 120.46	€ 74,566.72
Mr. Alain Taravella	Co-Manager	Ordinary shares	Acquisition by Altafinance 2 [1]	12/12/2011	500	€ 120.64	€ 60,319.30
Mr. Alain Taravella	Supervisory Board member	Ordinary shares	Acquisition by Altapatrimoine [1]	12/15/2011	20,000	€ 119.75	€ 2,395,000
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	12/16/2011	229,500	€ 115.00	€26,392,500.00
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	12/16/2011	175,000	€ 115.00	€20,125,000.00
Mr. Alain Taravella	General Partner	Ordinary shares	Acquisition by Altafi 2 [1]	12/20/2011	10	€ 118.01	€ 1,180.10

2 — SALE OF SHARES

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/19/2011	1,151	€ 146.22	€168,301.52
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/20/2011	4,552	€ 146.00	€664,592.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/23/2011	403	€ 146.05	€ 58,859.76
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/24/2011	357	€ 146.40	€ 52,264.80
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/27/2011	118	€ 146.00	€ 17,228.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/30/2011	306	€ 146.00	€ 44,676.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	05/31/2011	1,718	€ 146.00	€250,828.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/01/2011	4,062	€ 146.40	€594,697.11
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/02/2011	523	€ 146.60	€ 76,671.80
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/03/2011	289	€ 146.60	€ 42,367.40
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/06/2011	931	€ 146.60	€136,484.60
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/07/2011	4,184	€ 146.01	€610,914.21
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/08/2011	5,050	€146.599	€740,324.95
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/09/2011	2,000	€ 147.00	€294,000.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/10/2011	2,328	€ 147.57	€343,542.96
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/13/2011	454	€ 148.00	€ 67,192.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/14/2011	1,380	€148.058	€204,320.04
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/15/2011	967	€ 148.50	€143,599.50
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/16/2011	791	€ 148.50	€117,463.50
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/17/2011	174	€ 148.50	€ 25,839.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/20/2011	262	€ 148.50	€ 38,907.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/21/2011	195	€ 148.50	€ 28,957.50

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/22/2011	509	€147.58	€ 75,119.24
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/23/2011	15	€147.57	€ 2,213.49
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/24/2011	530	€147.50	€ 78,175.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/27/2011	463	€147.50	€ 68,292.50
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	06/28/2011	893	€147.50	€ 131,367.44
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	09/21/2011	15,500	€125.76	€ 1,949,237.50
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Ecodime	09/23/2011	4,035	€136.50	€ 550,777.50
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	11/21/2011	8,550	€117.00	€ 1,000,350.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	11/29/2011	30,000	€114.90	€ 3,447,000.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	11/29/2011	18,550	€116.00	€ 2,151,800.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	11/29/2011	41,450	€114.90	€ 4,762,605.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Ecodime	12/07/2011	183	€125.00	€ 22,875.00
Mr. Alain Taravella	Supervisory Board member	Ordinary shares	Sale by Alta Patrimoine [1]	12/14/2011	38,000	€118.50	€ 4,503,000.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Sale by Altafinance 2 [1]	12/15/2011	20,000	€119.75	€ 2,395,000.00
Mr. Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [2]	12/16/2011	175,000	€115.00	€20,125,000.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Sale by Altafinance 2 [1]	12/16/2011	229,500	€115.00	€26,392,500.00
Mr. Alain Taravella	Co-Manager	Ordinary shares	Sale by Altafinance 2 [1]	12/20/2011	10	€118.01	€ 1,180.10

[1] Controlled by Alain Taravella

[2] Controlled by Jacques Nicolet

6.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE INTO EQUITY

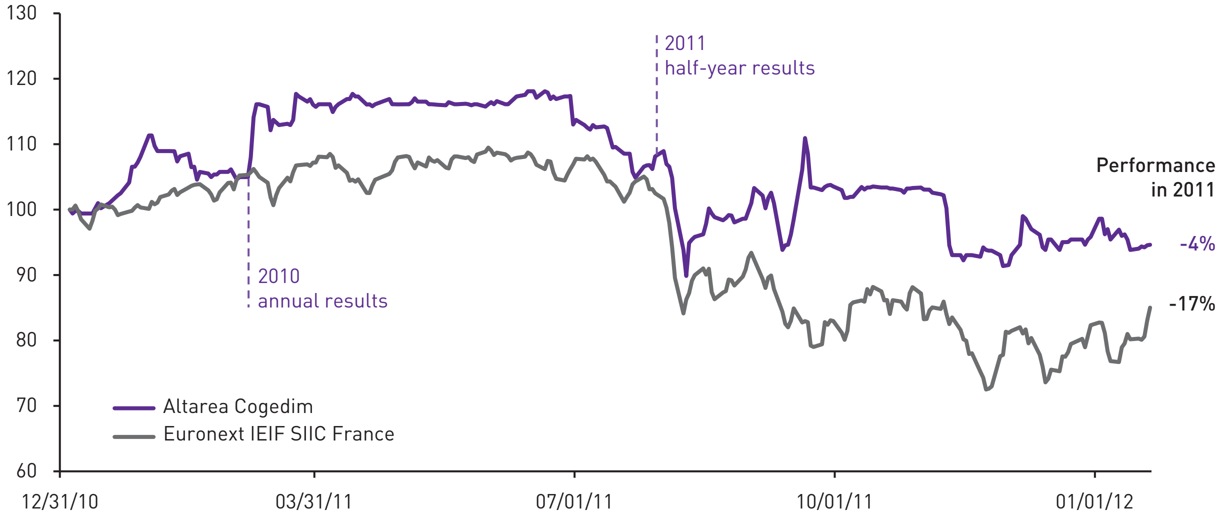
Altarea has not issued any non-equity financial instruments other than those convertible into equity.

6.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/Altarea					
Market					**Compartment A — NYSE Euronext**
Securities exchange					**Paris**
	2007	**2008**	**2009**	**2010**	**2011**
Market capitalization	1,885,255,540.07	1,346,280,012.00	1,091,302,737.00	1,272,352,125.00	1,226,547,449
Number of shares traded	101,736.00	30,816.00	69,062.00	160,896.00	366,875
Average price (€)	211.42	189.33	110.00	115.29	133.70
Value of shares traded (€)	21,509,449.00	5,834,393.00	7,596,820.00	18,550,102.00	49,051,188
Price:					
Highest	251.00	238.00	133.00	128.00	148.50
Lowest	149.00	118.00	100.00	103.00	111
Latest	236.81	132.00	107.00	125.00	120.50

	High	**Low**	**Latest**	**Number of shares traded**	**Value of shares traded (€)**
February 2012	130.99	118	128.51	115,688	14,867,065
January 2012	124.49	117.50	118.90	179,695	21,365,736
December 2011	126	115	120.50	9,027	1,087,754
November 2011	129.98	111	115	17,135	1,970,525
October 2011	130.20	127	129.99	15,027	1,953,360
September 2011	140	116	130.20	83,066	10,815,193
August 2011	137.50	112	125.50	34,449	4,323,350
July 2011	143.50	131	135.98	20,488	2,785,958
June 2011	148.50	139.59	142.10	33,522	4,763,476
May 2011	147.50	145.45	146	46,895	6,846,670
April 2011	148	142.50	145.98	12,171	1,776,723
March 2011	148.50	131	145.50	42,697	6,212,414
February 2011	141	140	133	15,316	2,037,028
January 2011	141.40	124.50	140	37,082	5,191,480
December 2010	127.99	124.00	125.00	12,080	1,510,000.00
November 2010	128.00	123.50	127.00	13,440	1,706,880.00
October 2010	128.00	120.00	125.00	21,018	2,627,250.00
September 2010	120.00	109.00	120.00	28,884	3,466,080.00

Altarea share price trend over 18 months



6.4. DIVIDEND POLICY

(A) DIVIDENDS PAID OVER THE PAST FIVE FISCAL YEARS

Fiscal year ended	Dividend per share	Dividend eligible for tax relief [1]
12/31/2006	€4.00	€4.00
12/31/2007	€6.00	€6.00
12/31/2008	€7.00	€7.00
12/31/2009	€7.20	€7.20
12/31/2010	€8.00	€8.00

(1) Individual shareholders resident in France are eligible for 40% tax relief on these dividends as of January 1, 2006.

(B) DIVIDEND DISTRIBUTION POLICY

A dividend of €9.00 per share for 2010 will be proposed at the Annual General Meeting on May 25, 2012. This is an increase of 12.50% on the previous 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).

6.5. RECENT EVENTS AND LITIGATION

Recent events and litigation are discussed in Section 3 of this Registration document, in Notes 14.2 and 16 to the consolidated financial statements. The company and several of its subsidiaries have received tax reassessment notices dated December 21, 2011 from the French tax authorities (Note 9.7 to the consolidated financial statements), which the company is challenging and which were not provisioned for in the accounts at December 31, 2011.

6.6. INFORMATION THAT CAN AFFECT ALTAREA'S BUSINESSES OR PROFITABILITY

The company is not dependent on its customers.

In the Shopping Center Property Division, the ten largest tenants managed by Altarea accounted for 24.37% of total rental income (excl. tax) in 2011. No single tenant accounted for more than 10% of the rental income.

The ten largest customers in Altarea's residential and Office property business accounted for 20.11% of total revenue (excl. tax) in 2011. No single customer accounted for more than 10%.

6.7. COMPETITIVE ENVIRONMENT

The sections of this Registration document containing the company description and management report (Sections 1 and 2) provide detailed, quantitative information on Altarea's businesses and services, along with their trends, competitive landscape, and earnings. The management report also discusses the macroeconomic factors and business cycles affecting the shopping center and Residential property markets.

The company's main competitors are as follows:

- In the shopping center sector, the ten largest property companies not including the Altarea Cogedim Group are [1] Unibail-Rodamco, Gecina, Klepierre, Foncière des Régions, Icade, Mercialys, Société Foncière Lyonnaise, Silic, FDL, and Foncière des Murs and the five largest pan-European property companies are Corio, Hammerson, Segro, Wereldhave, and Cofinimmo;
- In the Residential property development sector, the ten largest companies not including the Altarea Cogedim Group are [2] Bouygues Immobilier, Nexity, Icade, Kaufman & Broad, BNP Paribas Immobilier, Vinci Immobilier, Promogim, Akerys, and Bouwfonds Marignan Immobilier;
- In the Office property development sector, the ten other largest companies, not including the Altarea Cogedim Group, are [2] Lazard Groupe, Icade, Pitch Promotion, BNP Paribas Immobilier, Sodearif, Vinci Immobilier, Bouygues Immobilier, Eiffage Immobilier, and Cardinal;
- In the e-commerce sector [3], the main competitors are non-specialized retailers (Cdiscount, Amazon, Mistergooddeal), specialists (Pixmania, LDLC, Grosbill) and traditional distributors (Fnac, Darty, Surcouf).

6.8. 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 materialize. Internal control and risk management procedures are detailed in the Chairman's report on internal control, which is reproduced in full in Section 8 of this document, and more particularly in Sub-section 8.3.

In this area, the company abides by the provisions of the Code of Conduct of Listed Property Investment Companies.

(1) Leading French SIIC property companies at 15 November 2010 by market capitalisation — Institut de l'Épargne Immobilière et Foncière.

(2) In revenues – La Lettre du patrimoine immobilier — 2011, pages 12 and 14.

(3) Rue du Commerce Registration Document, filed on July 18, 2011, pages 50 to 53.

6.8.1. RISKS INHERENT IN THE OPERATIONS OF ALTAREA COGEDIM

Risks related to trends in the property market and to the business climate

Altarea operates in several sectors of the property market, mainly commercial property (mostly shopping centers, and more recently e-commerce) 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 adopted aim to limit the negative consequences should one of these risks materialize. However, a prolonged deterioration of economic conditions or abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate could have a negative impact on the group's businesses, asset values, earnings, development projects, and investments.

Property development risks

There are a number of risks related to property development, including:

- risks related to obtaining building permits or permits for commercial operations, and to administrative proceedings that could delay property development projects;
- risk of inability to meet construction schedules owing to delays due to archaeological excavation, soil typology, decontamination, etc., the risk of construction cost overruns, contractor business failures, the inability of contractors and service providers to adapt to new standards (e.g. on energy consumption) and the risk of ensuing potential litigation with construction companies;
- commercial risk, which is related mainly to the possibility that products developed will not be consistent with demand, or to the extended length of time required to structure certain operations; this risk is mitigated through pre-letting.
- competition risk, which may in particular affect the acquisition of commercial land / shopping centers, product sales prices, or the availability of subcontractors.

Risks related to the company's businesses and assets

Risks related to assets in operation and to the shopping center development business include:

- risks related to letting and re-letting of space in shopping centers, in particular in a more challenging economic climate;
- risks related to property portfolio management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.);
- risks related to the operation of shopping centers (natural or technological risks, accidental damages, closure of a center by the government, etc.), which are covered mainly by adequate insurance policies and by the application of stringent measures for monitoring health and safety issues in centers under operation and ensuring compliance with the applicable regulations.

Risk of tenant and buyer insolvency

Altarea's ability to collect rental income depends on the solvency of its tenants. Altarea checks the creditworthiness of potential tenants and their brand appeal prior to entering into any lease agreement However, it may occur that tenants do not pay their rent on time or that they default on their rental payments, which may impact Altarea's operating income. This could be the case if the current economic situation were to worsen into a full-blown recession as this would have a significant impact on consumer behavior and create difficulties for tenant stores and retailers. However, rents are relatively unscathed as tenants fear eviction and the loss of their business.

In Residential property, a deterioration in consumer solvency would mainly impact demand for Residential property in the marketing stage. Once the residential unit has been marketed, Cogedim holds a seller's lien on the property and the keys are not handed over until the buyer has paid the balance of the selling price. Thus risks relating to the company's ability to collect sums due from its customers mainly entail extending payment terms and therefore optimizing working capital requirement.

Risk related to the appraisal of property assets

The valuation of Altarea's portfolio of commercial property is linked to many exogenous factors (economic conditions, commercial property market, interest rates, etc.) as well as endogenous factors (shopping centers return on investment and performance) that may vary appreciably.

The Group arranges for its property to be appraised twice a year by independent appraisers. The form of appraisal work and the methods used to appraise the assets are described in paragraph 7.3.3.1. (c) Risks related to the company's businesses and assets, in the Chairman's report on internal control. The sensitivity of the property portfolio's value is analyzed in Note 8.3 to the consolidated financial statements (Section 3 of the Registration document) on Investment properties and assets held for sale.

The condensed reports of the company's appraisers are reproduced in full below.

ICADE Expertise

SUMMARY REPORT – Altarea – December 2011

1. Background of appraisal engagement

☐General framework

The Altarea Cogedim Group periodically commissions appraisals of the market value of all of its property assets so as to deliver a valuation of all of its properties certified by Independent Appraisers to the financial market every six months (at June 30 and December 31 of each year). Against this backdrop, Icade Expertise was commissioned to value part of the properties located in mainland France, under their terms of an agreement between the Parties for the years 2009 to 2011.
Icade Expertise, a subsidiary of Icade Conseil, declares that it has carried out its engagement independently of any capital or financial ties, and that it has the necessary expertise to value the relevant property assets in keeping with professional practices.
Icade Expertise certifies that it has no conflicts of interest in this engagement.
The engagement is consistent with the AMF's recommendation, published on February 8, 2010, on the data that listed companies should provide concerning the values and risks associated with their property assets.

☐Current engagement

Icade Expertise's December 2011 engagement was to appraise the value of the sites, to include partial interior and exterior inspections of part of the property portfolio, and to determine market values as of December 31, 2011, taking into account occupancy conditions.
The scope of the properties appraised encompassed the following, based on Altarea's classification:

- 5 Retail Parks,
- 12 shopping centers,
- 4 other sites.

It is hereby noted that where the principal is the lessee under the terms of a finance lease agreement, the Appraiser only values the assets underlying the agreement and not the finance lease agreement itself. Likewise, where a property asset is held by an ad hoc company, the value of the property is estimated based on the assumed sale of the underlying property asset, not of the company.

2. Terms and conditions of performance

☐Research elements

This engagement was carried out on the basis of the documents and information provided to us, which are assumed to be accurate and to encompass all information and documents in the possession of the Principal, to the Principal's knowledge, and that are liable to have a material impact on the market value of the property.

☐Guidelines and standards

Due diligence and the valuations were carried out in compliance with:

■In France:

- The recommendations of the Barthès de Ruyter report on the valuation of property portfolios of listed and publicly held companies published in February 2000;
- The *Charte de l'Expertise en Evaluation Immobilière* (property appraisal charter);
- The principles set out by the code of conduct applicable to SIIC companies.

■Internationally, standards recognized alternatively or accumulatively:

- The "European Valuation Standards" published by the European Group of Valuers' Association (TEGoVA), known as "The Blue Book", and
- The standards contained in the Red Book of The Royal Institution of Chartered Surveyors (RICS) published in its "Appraisal and Valuation Manual".

☐Valuation methodology

The valuations are based on generally accepted valuation methodologies for this class of asset, and particularly income approaches:
■income capitalization approach,
■discounted cash flow analysis.
The market comparison approach was used only to cross-check the values of certain properties.

3. Total market value at December 31, 2011

The total market value is the sum of the unit values of each property.
Market value at 100% **€919,210,000** Including fees and transfer duties
Market value based on ownership interest **€848,435,000** Including fees and transfer duties
This value is understood to be in a stable market, with no notable alterations to the properties between the date of the appraisals and the value date.

Executed in Paris, December 13, 2011

This summary report is an integral part of the overall work carried out under the terms of the appraisal engagement.

Coralie COUVRET
Chairman

DTZ

SUMMARY REPORT – Altarea – December 2011

1. Background of appraisal engagement

➢ **General framework**

The Altarea Cogedim Group periodically commissions appraisals of the market value of all of its property assets so as to deliver a valuation of all of its properties certified by Independent Appraisers to the financial market every six months (at June 30 and December 31 of each year).

Against this backdrop, DTZ Eurexi was commissioned to value part of the properties located in mainland France, under their terms of an agreement between the Parties for the years 2009 to 2011.

DTZ Eurexi, a subsidiary of DTZ, declares that it has carried out its engagement independently of any capital or financial ties, and that it has the necessary expertise to value the relevant property assets in keeping with professional practices.

DTZ Eurexi certifies that it has no conflicts of interest in this engagement.

The engagement is consistent with the AMF's recommendation, published on February 8, 2010, on the data that listed companies should provide concerning the values and risks associated with their property assets.

➢ **Current engagement**

- DTZ Eurexi's December 2011 engagement was to appraise the value of the sites, to include partial interior and exterior inspections of part of the property portfolio, and to determine market values as of 31 December 2011, taking into account occupancy conditions;
- The scope of the properties appraised encompassed the 29 properties in operation, broken down as follows, in accordance with Altarea's cllasification:
  - 8 Retail Parks,
  - 14 shopping centers,
  - 5 other sites.
  - 1 parcel of land,
  - 1 office building.

It is hereby noted that where the principal is the lessee under the terms of a finance lease agreement, the Appraiser only values the assets underlying the agreement and not the finance lease agreement itself. Likewise, where a property asset is held by an ad hoc company, the value of the property is estimated based on the assumed sale of the underlying property asset, not of the company.

2. Terms and conditions of performance

➢ **Research elements**

This engagement was carried out on the basis of the documents and information provided to us, which are assumed to be accurate and to encompass all information, and documents in the possession of the Principal, to the Principal's knowledge, and that are liable to have a material impact on the market value of the property.

➢ **Guidelines and standards**

Due diligence and the valuations were carried out in compliance with:

- **In France:**
  - The recommendations of the Barthès de Ruyter report on the valuation of property portfolios of listed and publicly held companies published in February 2000;
  - The *Charte de l'Expertise en Evaluation Immobilière* (property appraisal charter);
  - The principles set out by the code of conduct applicable to SIIC companies.
- **Internationally, standards recognized alternatively or accumulatively:**
  - The "European Valuation Standards" published by the European Group of Valuers' Association (TEGoVA), known as "The Blue Book", and
  - The standards contained in the Red Book of The Royal Institution of Chartered Surveyors (RICS) published in its "Appraisal and Valuation Manual".

➢ **Valuation methodologies**

The valuations are based on generally accepted valuation methodologies for this class of asset, and particularly income approaches:

- income capitalization approach,
- discounted cash flow analysis.

The market comparison approach was used only to cross-check the values of certain properties.

3. Total market value at December 31, 2011

The total market value is the sum of the unit values of each property.

Market value at 100%	**€1,802,025,349** including fees and transfer duties
Market value based on ownership interest	**€1,240,816,366** including fees and transfer duties

Executed in Paris, February 23, 2012

This summary report is an integral part of the overall work carried out under the terms of the appraisal agreement.

Jean-Philippe Carmarans, MRICS
Chief Executive Officer

CBRE VALUATION

SUMMARY REPORT – Listed Company
ALTAREA GROUP

1. Background of appraisal engagement

General framework

On May 6, 2009, Altarea Group, with registered offices located at 8 avenue Déclassé75008 Paris, represented by Gilles Boissonnet (hereinafter the "Principal") and CBRE Valuation, with registered offices located at 145/151 rue de Courcelles 75017 Paris, represented by Ms. Catherine Hamon (hereinafter the "Appraiser") jointly determined the contractual framework (hereinafter the "Contract") covering the engagement of the Appraiser, which is to draw up the half-yearly valuation (at June 30 and December 31) of the assets (property or business franchises) held by the Principal and described below, in accordance with the principles set out by the SIIC Code of Conduct and the "AMF recommendation on the data listed companies should provide concerning the values and risks associated with their property assets" published on February 8, 2009.

CBRE Valuation is a SAS with share capital of €1,434,704 and is wholly-owned by the CBRE Holding Group. CBRE Valuation is a member of AFREXIM (French Association of Property Appraisal Companies) and participates in the annual quality control assessment. It abides by the Property Appraisal's Charter drawn up in 1998, which sets out the general terms and conditions for engaging in the profession of property appraisal and guidelines for professional conduct, particularly with respect to the appraiser's independence. Compliance with the rules of confidentiality and professional conduct is verified by external auditors on a regular basis.

As such, CBRE Valuation declares that there exists no conflict of interest, either with the Client or with the property assets covered by the engagement.

Current engagement

The engagement covered in the present summary report entailed updating, without visits, the appraisal values determined in June 2009 for the assets described below as of December 31, 2011.

We have updated these values under the terms and conditions stipulated by the Contract in order to determine the market value of each property in as-is condition and on the basis of the applicable rental situation at December 31, 2011.

The property portfolio covered by the engagement comprises three assets or rights that are broken down by property use as follows:

- Sec Arembault: building (offices) located in Lille and with a surface of 13,143 ft² (1,331 m²),
- L'Aubette Tourisme: building and business (vacation resort) located in Strasbourg, 57 rooms,
- Hotel Renaissance: Business (hotel) located in Paris, 17th district, 118 rooms.

All assets are owned outright or on co-ownership by the Principal; they consist of real property (existing buildings) or business goodwill.

The engagement called for production of a deliverable, i.e. the updated valuation report, which contains the description of the engagement, a valuation sheet for each property and a chart summarizing the valuation of each asset. This report was sent to Altarea Group on December 31, 2011.

2. Terms and conditions of performance

Research elements

This engagement was carried out on the basis of documents and information provided to us, which are assumed to be accurate and to encompass all information and documents in the possession of the Principal, to the Principal's knowledge, and that are liable to have a material impact on the market value of the property. A list of the documents requested and provided appears in the report sent to Altarea Group by the Appraiser on December 31, 2011.

Guidelines and standards

Due diligence and the valuations were carried out in compliance with:

- In France:
  - The recommendations of the Barthès de Ruyter report on the valuation of property portfolios of listed and publicly held companies published in February 2000;
  - *The Charte de l'Expertise en Evaluation Immobilière* (property appraisal charter);
  - The principles set out by the code of conduct applicable to SIIC companies.
- Internationally, standards recognized alternatively or accumulatively:
  - The "European Valuation Standards" published by the European Group of Valuers' Association (TEGoVA), known as "The Blue Book", and
  - The standards contained in the Red Book of The Royal Institution of Chartered Surveyors (RICS) published in its "Appraisal and Valuation Manual".
  - International Valuation Standards (IVS)

Valuation methodologies

We used the following methods to value the three property assets:

income capitalization approach (capitalization of rental income from the property)

discounted cash flow (DCF) method

The note on methodology included in the report submitted by the Appraiser in June 2009 provides details on the application of these approaches, especially and where applicable, with respect to treatment of vacant premises, major work (current and projected) residual constructible area and property under development.

3. Total market value at December 31, 2011

The total market value is the sum of the unit values of each property. This value is understood to be in a stable market, with no notable alterations to the properties between the date of the appraisals and the value date.

Market value at 100%	€22,058,000 including fees and transfer duties
Market value at 100%	€21,139,000 excluding fees and transfer duties

CBRE VALUATION
Executed in Paris on 12/31/2011
Abdallah Ould Brahim –MRICS-
Director

This summary report is an integral part of the overall work carried out under the terms of the appraisal agreement.

RETAIL VALUATION ITALIA RVI

Altarea Italia Srl
Via Crocefisso, 27
20122 Milan – Italy

Attn:
Mr. Olivier Segaricci
Mr. Gabriele Guggieri

Milan, December 15, 2011

CERTIFICATE OF VALUE

Further to your engagement letter of January 25, 2011, we are pleased to submit to you our market value assessment at December 31, 2011, of the shopping centers in the *portfolio of Altarea Italia*. Specifically:

Name of shopping center	Location
La Corte Lombardia	Bellinzago Lombardo (MI)
Le Due Torri	Stezzano (BG)
La Cittadella	Casale Monferrato (AL)
Le Due Valli	Pinerolo (TO)
Ibleo	Ragusa
Casetta Mattei	Rome

Retail Valuation Italia appraisals are carried out in accordance with principles set down in the Red Book of the Royal Institution of Chartered Surveyors (RICS).

We confirm that we act as external and independent appraisers.

Shopping centers were visited by an appraiser authorized to do so according to rules set down by the RICS. The date and extent of the visit, as well as the name of the visitor are mentioned in the detailed report on each asset.

It should be noted that we were obliged to adopt certain assumptions concerning the property, future commercialization, urbanism, the condition and maintenance of buildings and sites including soil and water contamination, etc. The assumptions we adopted are presented in detail in the report of each asset concerned.

Our appraisal was carried out on the basis of the information that you provided to us. In particular, this information includes surface areas, rent figures and detailed sales figures for shops by business sector. Detailed information on documents provided to us can be found in our report.

To carry out our assessment, we applied:

- The Net Income Capitalization Approach, which consists of taking into consideration actual net rental income (excluding taxes and expenses), as well as potential income on vacant surfaces of the asset to be appraised. In compliance with current practices in our profession, we consider "triple net rents" for retail properties as defined in the property appraisal charter (*Charte de l'expertise en évaluation immobilière*). We then apply to this triple net income a capitalization rate estimated by comparison with the market.
- The discounted cash flow analysis (DCF), which consists of estimating all projected income and expenses corresponding to the asset to be appraised; estimating the "long-term value" at the end of the observation period (generally 10 years) and updating the projected cash flow thus calculated so as to determine the current value of the property.

As a result of our analyses and considering our methods, we estimate the market value of the assets in the portfolio at December 31, 2011 at 100% to be (rounded):

€432,500,000 net
(Four hundred thirty-two million five hundred thousand euros net)

We have retained transfer duties of 4%, for a total rounded gross value of €449,400,000.

This report must be read together with the information contained in the appraisal report drafted for each asset.

It is agreed that this document shall remain confidential and is provided to you for your personal use. No third-party may be responsible for its content or any part thereof. Neither the full text of this document nor any part thereof or any reference thereto may be included in any document, circular or statement without our previous written consent regarding the form and context in which they appear.

Sincerely,

Christopher M. Wicker, BA FRICS
Manager
Retail Valuation Italia Srl

Nadège Ganne
Appraisal Manager
Retail Valuation Italia Srl

Retail Valuation Italia Srl December 31, 2011

This document is the property of RVI and may not be communicated to a third party without the written consent of RVI

6.8.2. LEGAL, REGULATORY, TAX, AND INSURANCE RISKS

Legal and regulatory risks

Altarea must comply with regulations in a variety of areas, including urban planning, construction, leases, operating permits, health and safety, the environment, commercial lease regulations, corporate law and tax law (most notably the tax rules governing SIICs). Changes to any of these regulations could require Altarea to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values, and expenses, and may slow or halt progress on some of the company's property development or marketing activities.

Altarea Cogedim is involved in legal procedures as part of its regular business operations, and is subject to tax or regulatory audits. The company recognizes a provision whenever a risk is identified and its cost can be reasonably estimated.

Litigation risk

As of the date of this Registration document, and as stated in Note 14.2 to the consolidated financial statements (Section 3), Litigation and claims, no significant new litigation issues arose in 2011 other than those for which provisions were set aside or that the company has challenged.

Other provisions are presented in Note 8.10 to the consolidated financial statements.

Tax risks related to SIIC status

Altarea has elected to adopt tax treatment as an SIIC under Article 208 C of the French General Tax Code, which exempts it from French corporate income tax providing that it meets certain conditions and obligations, particularly pertaining to dividend distributions. If Altarea fails to meet these criteria it will be required to pay corporate income tax under French common law for the fiscal years in which it does not meet these criteria, which would have a negative impact on its earnings.

In addition, if one or more Shareholders acting in concert were to attain an ownership threshold of 60% of the share capital or voting rights, this would also result in loss of SIIC status. This is why Altarea's Articles of Association cap voting right ownership at 60%.

Altarea could be liable for an additional income tax charge if it pays an exempt dividend to a Shareholder that is not subject to French corporate income tax (or an equivalent tax) and that owns at least 10% of Altarea's shares, and if Altarea cannot pass the charge on to this Shareholder. Altarea's Articles of Association state explicitly that Shareholders must pay this charge, but Altarea may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the Shareholder becomes insolvent before the payment is made.

Finally, Altarea is subject to changes in existing tax laws.

Risk related to the cost and availability of insurance coverage

Altarea believes that the type and amount of insurance coverage it and its subsidiaries have is consistent with 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.

6.8.3. SOCIAL AND ENVIRONMENTAL RISKS

Health and public safety risks (asbestos, legionella, lead, classified facilities, etc.)

Altarea's assets could be exposed to health and safety risks such as those related to asbestos, legionella, 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.

Social and environmental risks

Employee-related risks

Like all companies, Altarea Cogedim is potentially exposed to employee-related risks, primarily owing to its rapid growth, including employees' ability to abide by all new regulations and professional restrictions, their willingness to participate in building the company's profits, the scope of information provided on the Group's strategy guidelines, projects and major trends, and tapping the best talents. These factors influence the level of employee motivation, which is essential in sustaining the company's growth momentum.

Environmental risks

As an operator that builds, operates and manages property complexes, the Altarea Cogedim Group is exposed to certain environmental risks mainly relating to the new thermal and environmental regulations set out in the Grenelle Act and in its various implementing decrees, as they apply to all of the Group's new projects. The Group is also affected by the environmental objectives of Grenelle 2 relating to improvements in the energy and environmental performance of existing buildings. To meet these challenges, in 2010 the Group initiated a progress-based approach to anticipate the new energy and environmental regulations for all of its new production and implement an accurate reporting system regarding the energy and environmental performance of its property portfolio (see paragraph 7.3.3.4. (b) Social and environmental risks in the Chairman's report on internal control).

6.8.4. RISKS RELATED TO ALTAREA'S FINANCING POLICY AND FINANCIAL CAPACITY

Liquidity risk — Borrowing capacity — Compliance with bank covenants

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. The company may not always have the desired access to the capital markets or be able to obtain financing under favorable conditions. This situation could result from a crisis in the bond or equity markets, a serious deterioration in the property market, or any change in Altarea's businesses, financial position, or Shareholder structure that affects investors' perception of the group's credit quality or attractiveness as an investment.

Altarea does not feel it has a significant exposure to liquidity risk as of the date of this Registration document.

Furthermore, under the terms of loan agreements between Altarea and its financial partners, Altarea must meet certain commitments or obligations in its capacity as borrower. These commitments and obligations are in reference to the disclosure of financial, accounting, legal and operational information and estimates, as well as to compliance with covenants defined specifically in each agreement. Failure to meet these commitments or obligations could result either in an event of default or an event of potential default that would mainly entail prepayment of all or part of the outstanding amounts. This situation could produce an unfavorable impact on the company's business and financial condition.

Note 11 to the consolidated financial statements (Section 3 of this Registration document) provides information on the Group's cash position and sets out the main financial covenants to be respected by Altarea and its subsidiaries.

At December 31, 2011 and at the date of this Registration document, all covenants were met by the relevant company or companies.

Interest rate and hedging risk

Note 11 to the consolidated financial statements (Section 3 of this Registration document) shows an analysis of sensitivity to interest rate risk across the entire portfolio of variable-rate financial liabilities and derivative financial instruments.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty. Altarea mitigates this risk by using only major financial institutions as counterparties.

Equity risk

Altarea does not feel it has any material exposure to equity risk as of December 31, 2011.

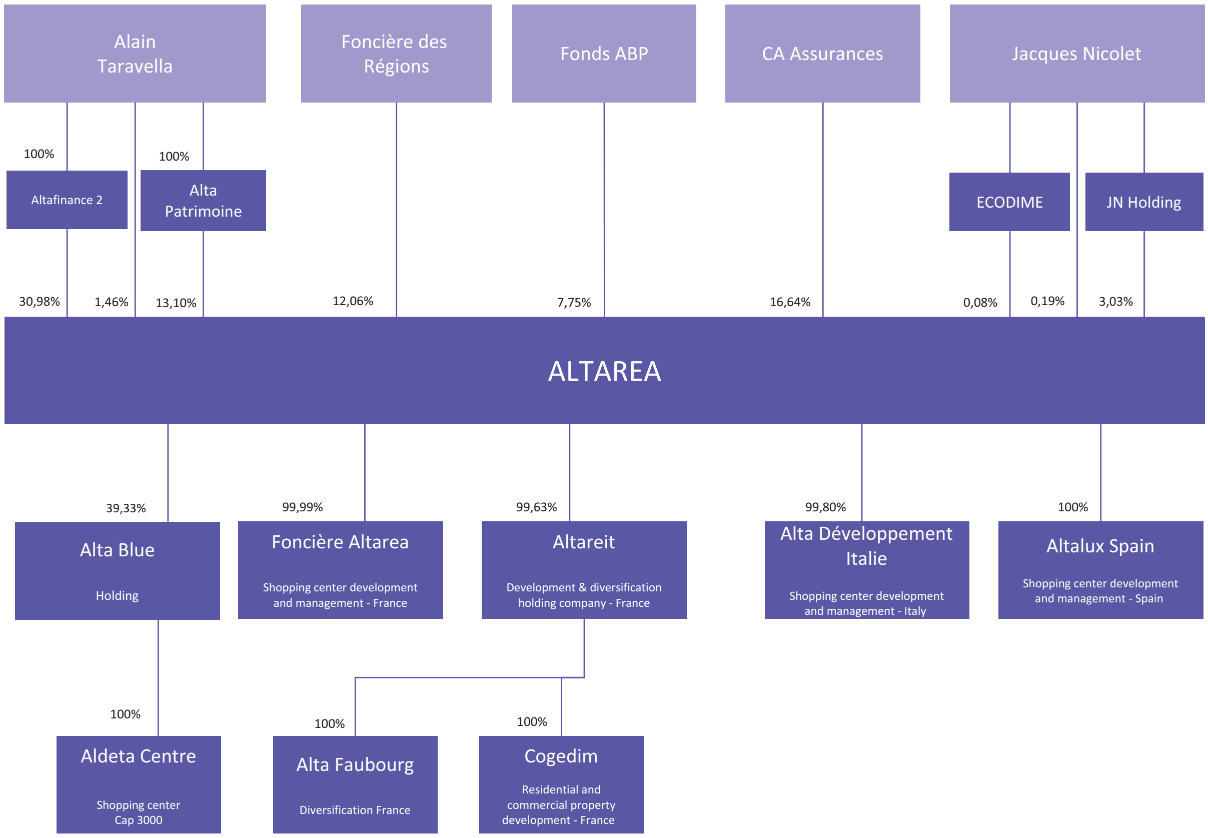
Currency risk

At the date of this Registration document, Altarea generates almost all of its revenue in the Eurozone and pays almost all of its expenses (investments and capital expenditures) in euros. Altarea is therefore not exposed to currency risk.

6.8.5. CONFLICTS OF INTEREST RISK

Altarea has entered into partnerships or protocol agreements with other organizations, mostly for the purposes of carrying out joint property development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

6.9. SIMPLIFIED ORGANIZATION CHART AT DECEMBER 31, 2010



The ABP fund holds its equity investment in Altarea through APG, which it controls.

Altarea centralizes the Group's cash surpluses. Note 11 to the consolidated financial statements in Section 3 of this Registration document, Financial instruments and market risks, provides information on the main banking covenants

The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The offices held by the senior executives and corporate officers of Altarea in the company's subsidiaries are listed in Section 6 of this document.

6.10. HISTORY AND DEVELOPMENT OF THE COMPANY

1994: Altarea is founded by Alain Taravella and Jacques Nicolet.

1995: Acquisition of control in Gerec, a company specializing in shopping center development created in 1973. Altarea wins contest sponsored by the city of Le Havre for development of Espace Coty.

1996: Altarea wins contest sponsored by the city of Roubaix for development of Espace Grand'Rue. Completion of a residential building in Asnières. Acquisition of control in Espace Aménagement, the Retail property management arm of Foncière Rallye.

1997: Launch of Bercy Village.

1999: Opening of Espace Coty in Le Havre.

2000: Completion of Bercy Village.

2001: Start-up of operations in Italy with the creation of Altarea Italia.

2002: Shopping center openings: Espace Jaurès in Brest, Espace Grand'Rue in Roubaix, Côté Seine in Argenteuil, Boutiques Gare du Nord in Paris. Start of Retail Parks business with the creation of Compagnie Retail Park. Funds managed by Morgan Stanley acquire 20% stake in Altarea.

2003: Altarea wins contests for development of Carré de Soie (Vaulx-en-Velin/Villeurbanne), Porte Jeune (Mulhouse), L'Aubette (Strasbourg). Altarea Italia enters into partnership agreement for development of a shopping center in Rome (Casetta Mattei Center). Completion of 117 residential units in Argenteuil.

2004: Start of operations in Spain with the creation of Altarea España. Acquisition of Imaffine and merger of Altarea into Imaffine. Altarea is listed on Eurolist by Euronext Paris. Completion of Tanneurs in Lille.

2005: The Altarea Group elects for SIIC tax treatment. Opening of Casetta Mattei center in Rome.

2006: Acquisition of property assets of Bail Investissement Foncière. Equity investment in RosEvroDevelopment (Russian property company).

2007: Acquisition of Cogedim. Structures adapted to SIIC 4 regime; Altarea converted to *société en commandite par actions*. The Group becomes the largest Shareholder, alongside the government, with a 34% stake in Semmaris (*Société d'économie mixte d'aménagement et de gestion du marché d'intérêt national de la région parisienne*), which manages the Rungis *Marché d'Intérêt National* (MIN), the world's largest food wholesaling market measured by volume, with revenue of €7.5 million, under a concession contract that expires in 2034. Five shopping centers opened in France and in Italy. Shareholder structure simplified by merging Altafinance and Altarea.

2008: €375 million share issue; ABP pension fund acquires a stake in Altarea. Reorganization by business line, with the spin-off of the property development and diversification companies to Altareit, a company listed on the Eurolist by NYSE Euronext Paris.

2009: Rebirth of a legendary site: Salle Wagram. Altarea Cogedim takes on the challenge of ecology and sustainable development: Altarea Cogedim receives one of the three HQE (high environmental quality) Commerce certifications for its Okabe shopping center in Le Kremlin-Bicêtre. NF Logement — HQE® certification approach applied to all residential projects.

2010: Acquisition of Cap 3000 regional shopping center in Nice. Altarea Cogedim breaks ground on development of the former Laennec hospital site by creating a new "city neighborhood" in the 7th arrondissement in downtown Paris. Altarea Cogedim invests in renewable energy by acquiring a stake in 8 minutes 33.

2011: In partnership with the ABP fund and Predica, the Altarea Group creates Alta Fund, a commercial property investment vehicle with equity of €600 million. The Group submits a public offer on the shares of e-commerce operator RueDuCommerce, and on December 29, 2011 announces it has acquired more than one-third of that company's capital through Altacom. The Group now holds 80% of RueDuCommerce's capital; the remaining 20% is held by the operator's founders.

2012: Following the reopening of the takeover bid, the Group acquires 96.5% of RueDuCommerce's capital and voting rights.

6.11. RESEARCH AND DEVELOPMENT

On December 6, 2010, the Group created a Department of Studies and Forecasting within its Property Investment Division for shopping centers, with five employees. The department provides concrete assistance by providing information needed on essential changes to be made to the property portfolio through operational guidance on retail trends. It is responsible for studies on project potential and procedures for obtaining business permits (CDAC, SCOT, etc.) and for interfacing with the relevant staff (Development, Valuations, Operations, Legal, Marketing, etc.) with the support of the Head of Studies and a research officer. The Department of Studies and Forecasting also coordinates economic and competition analysis of the property portfolio.

7 CORPORATE GOVERNANCE

The report of the Chairman of the Supervisory Board (see Section 7) sets out the composition and practices of the Supervisory Board and its Special Committees, and the restrictions on the powers of the Managers. This Section supplements the Chairman's report and, where applicable, the notes to the consolidated financial statements concerning the company's Executive Management.

7.1. COMPOSITION AND PRACTICES OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Altarea is a *société en commandite par actions* (partnership limited by shares).

It is managed and run by a Board of Managers. The Supervisory Board is responsible for ongoing control over the company's management.

7.1.1. BOARD OF MANAGERS

a) Composition

The Managers are Alain Taravella and the company Altafinance 2 (until January 2, 2012), of which Alain Taravella is the Chairman. Since January 2, 2012, Alain Taravella and the company Altafi 2 have managed the company.

Alain Taravella

Alain Taravella was appointed Co-Manager on June 26, 2007 for a term of ten years. He is a French citizen, born in Falaise (14) in 1948. He is a graduate of HEC. From 1975 to 1994, Mr. Taravella held various positions within the Pierre & Vacances Group, of which he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has managed ever since.

OFFICES CURRENTLY HELD BY MR. ALAIN TARAVELLA

Co-Manager of SCA	Chairman of SAS	Chairman and Director of foreign companies	Chairman and Supervisory Board member	Chairman and Chief Executive Officer of SA
Altarea [1] Altareit [1] [2]	Altafinance 2 Alta Patrimoine Altafi 2 Altafi 3 Altafi 4 Alta Pat 1	Altarea Inc. [2] [3] Altarea Italia SRL [2] [3] Altarea España [2] [3] Altarag Srl [2] [3]	Cogedim (SAS) [2] Altarea France (SNC) [2]	Aldeta [2]

Mr. Taravella also sits on the Board of Directors of SEMMARIS as legal representative of Altarea, on the Board of Directors of Altacom as permanent representative of Alta Penthièvre, and on the Board of Directors of RueDuCommerce [1] as representative of Altacom. He is also the representative of Alta Patrimoine, which manages Matignon Toulon Grand Ciel SCI, ATI SNC and Altarea Commerce SNC.

Altarea is Chairman of the following companies: Alta Blue [2], Alta Développement Italie [2], Alta Rungis [2], Alta Delcassé [2]; and Co-Manager of the following companies: Alta Spain Castellana BV [2] [3], Alta Spain Archibald BV [2] [3], Altalux Spain [2] [3], Altalux Italy [2] [3].

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman and Chief Executive Officer of Altarea in its previous legal form as a *société anonyme*

Chairman of the SAS Gerec [2], Foncière Altarea [2], Altafi, Altapar, Altafinance.

Chairman and Supervisory Board member of Altarea France [2] in its previous legal form as a *société anonyme*

Supervisory Board member, Restauration Bercy [2]

Representative of Altarea, Chairman of the companies Alta Développement Espagne [2] and Alta Développement Russie [2]

Administrator of the foreign company SSF III Zhivago Holding Ltd [2] [3].

As of December, 31, 2011, to the Company's knowledge, Mr. Taravella owns 4,635,065 shares in Altarea, directly or indirectly through Altafinance 2 and Alta Patrimoine, which he and members of his family control.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

Altafinance 2

Altafinance 2 is a *société par actions simplifiée* (simplified limited liability company) with share capital of €435,500,000, owned by Mr. 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.

On January 2, 2012, Altafinance 2 resigned from its position of Manager. Altafi 2 (see below) was appointed Manager starting on that date.

As of December 31, 2011, to the Company's knowledge, Altafinance 2 directly owns 3,153,835 shares in Altarea.

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 (*associés-commandités*).

A Manager may be a natural or legal person.

The age limit for Managers who are natural persons is 75. In the case of Managers that are legal entities, this age limit also applies to any of the entities' 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 compensation 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 requiring the approval or recommendation of the Supervisory Board or of the collective body of Shareholders.

c) Powers (Article 13 of the Articles of Association)

The Managers shall have the broadest 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 authorize 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.

7.1.2. GENERAL PARTNER

a) Identity

Altafi 2 is a *société par actions simplifiée* (simplified limited liability company) with share capital of €435,500,000, owned by Mr. 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 501,290,506 RCS PARIS.

Alain Taravella is the Chairman of Altafi 2. His term of office is indefinite.

Since January 2, 2012, Altafi 2 has been Co-Manager of Altarea.

As of December 31, 2011, to the Company's knowledge, Altafi 2 owns 10 shares in Altarea.

b) Appointment and termination of office (Article 24)

General Partners are appointed by Extraordinary General Meetings of the Shareholders upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

7.1.3. SUPERVISORY BOARD

Information on the appointment and termination of office of members of the Supervisory Board, their powers, the dates of their appointment and the dates of expiry of their terms of office, is set out in Section 6 containing the Chairman's report on the company's internal control system. This paragraph contains the identity of the members of the Supervisory Board and offices held in other companies.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings of the Shareholders. Shareholders with the status of General Partners (Altafi 2 on the date of this document assuming that this company is a Shareholder) may not take part in the vote on the relevant resolutions.

At this time, the Supervisory Board does not comprise any representative elected by the employees or any member other than the members listed below and who are also listed in Section 6 containing the Chairman's report on internal controls.

Jacques Nicolet — Chairman

Jacques Nicolet, a French citizen, was born in Monaco in 1956. From 1984 to 1994, he served successively as Program Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a *société en commandite par actions*, Chairman of the Supervisory Board.

CURRENT OFFICES HELD BY JACQUES NICOLET

Chairman of the Supervisory Board of SCA	Supervisory Board member	Chairman of SAS	Co-Manager / Manager	Chairman and/or Director of foreign companies
Altarea [1] Altareit [1][2]	Altarea France [2] (SNC) Cogedim (SAS) [2]	JN Holding JN Investissement	Damejane, 14 rue des Saussaies, JN Participations	SA Productions de Monte-Carlo [3], Altarea Italia SRL [2] [3], Altarea España [2] [3], Altarag Srl [2] [3]

Permanent representative of ALTA RUNGIS [2] on the Board of Directors of SEMMARIS.

(1) *Listed companies.*

(2) *Companies directly or indirectly controlled by Altarea.*

(3) *Foreign companies.*

JN Holding is Chairman of JN Automotive (which in turn is Chairman of OAK Invest, JN Properties and Immobilière Damejane); JN Investissement is Chairman of OAK Racing and Director of ABM Holding.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Senior Executive Vice-President and Director of Altarea in its previous legal form of a *société anonyme*

Chairman of the Board of Directors and Chief Executive Officer of Sillon SA [2]

Chairman of SAS Les Halles du Beffroi [2], Rouret Investissement, JN Investissement and Cogedim (Compagnie Altarea Habitation) [2]

Chairman of the Supervisory Board (and previously Chief Executive Officer) of Altafinance SAS

Executive Manager, Saulnier Racing SARL

Administrator of the foreign company SSF III Zhivago Holding Ltd [2] [3]

Representative of JN Investissement, Executive Manager of SNC Cap Sud Est.

As of December 31, 2011, to the Company's knowledge, Mr. Nicolet owns 336,960 shares in Altarea, directly or indirectly through JN Holding and Ecodime, which he controls.

Gautier Taravella — Member

Gautier Taravella, a French citizen, was born in Maisons-Laffitte (78) in 1980. Mr. Taravella was appointed as Director on June 26, 2007. His term of office will expire at the end of the General Meeting called to vote on the 2012 financial statements. Gautier Taravella is the son of Alain Taravella.

CURRENT OFFICES HELD BY GAUTIER TARAVELLA:
Member of the Supervisory Board, Altarea [1]

Chief Executive Officer, Altafinance 2.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Member of the Supervisory Board of Altafinance SAS.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

As of December 31, 2011, to the Company's knowledge, Gautier Taravella owns 53,157 shares in Altarea in his own name.

Matthieu Taravella — Member

Matthieu Taravella, a French citizen, was born in Paris (16th arrondissement) in 1978. Mr. Taravella was appointed as Director on June 26, 2007. His term of office will expire at the end of the General Meeting called to vote on the 2012 financial statements. Matthieu Taravella is also a Director and Corporate Secretary of Altarea Inc. He is the son of Alain Taravella.

CURRENT OFFICES HELD BY MATTHIEU TARAVELLA:
Member of the Supervisory Board of Altarea SCA [1]

Chief Executive Officer, Altafinance 2

Director/Vice-President of Altarea Inc. [2] [3].

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Member of the Supervisory Board of Altafinance SAS.

As of December 31, 2011, to the Company's knowledge, Matthieu Taravella owns 53,417 shares in Altarea in his own name.

Altarea Commerce — 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, Mr. Alain Taravella.

Altarea Commerce is a member of the Supervisory Board of Altarea and does not hold any other offices.

As of December 31, 2011, to the Company's knowledge, Altarea Commerce owns 1 share in Altarea.

Alta Patrimoine — Member

In accordance with current legislation, which does not require the appointment of a permanent representative, Altarea 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 Mr. Alain Taravella.

OTHER OFFICES HELD BY ALTA PATRIMOINE:
Member of the Supervisory Board, Altarea

Manager, Matignon Toulon Grand Ciel SCI, ATI SNC and Altarea Commerce SNC

As of January 16, 2012, Alta Patrimoine is also Supervisory Board member of Altareit.

As of December 31, 2011, to the Company's knowledge, Alta Patrimoine owns 1,333,020 shares in Altarea.

Predica — Crédit Agricole Assurances — Member

Its Permanent Representative is Mr. Émeric Servin.

Émeric Servin

Mr. Servin, a French citizen, was born in 1949 in Versailles (78). He has a degree in law, a master's degree in public law, and a postgraduate degree in Finance from the HEC business school.

CURRENT OFFICES HELD BY ÉMERIC SERVIN

Chairman of the Board of Directors	Permanent representative of Predica	Director	Manager and Co-Manager of SCI	Chairman of the Supervisory Board
Francimmo Hôtels SA Resico SAS OPCI Bureaux OPCI Commerces OPCI Iris Invest OPCI Camp Invest OPCI Messidor	Member of the Board of Directors of Altarea [1], Foncière des Murs [1], Lion SCPI and Ofelia Member of the Board of Directors of Régions Dynamique, Foncière Développement Logements [1], OPCI CAA Commerces [2]	of the subsidiaries of Foncière Hypersud: Alcala, Vigo and Grece Foncière Hypersud SA Aldeta [2]	SCI Le Village Victor Hugo, 140 SCI IMEFA, SCI FEDER, SCI Carpe Diem, SCI Montparnasse Contentin SCI Euromarseille 1, SCI Euromarseille 2, SCI Dalhia	SCPI Unipierre Assurance

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Chairman of the Board of Directors, B. Immobilier SA and Foncière Hypersud SA

Representative of Predica on the Board of Directors of OPCI France Régions Dynamique

As of December 31, 2011, to the Company's knowledge, Predica owns 1,693,920 shares in Altarea.

To the company's knowledge, Émeric Servin does not hold any shares in Altarea in his own name.

Ms. Françoise Debrus — Member — Chairperson of the Audit Committee

Françoise Debrus, a French citizen, is a graduate of the *École nationale du génie rural des eaux et des forêts* and of the *Institut national agronomique* Paris-Grignon. Between 1984 and 1987, she was head of the economic and agricultural production department of the Ministry of Agriculture and Forestry. She joined Crédit Agricole group in 1987, first as 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 of financial management at Unicredit. In 1997, she was appointed head of the debt collection/lending department of the Finance Division of Crédit Agricole SA. In 2001, she became head of finance and tax at the Fédération Nationale du Crédit Agricole (FNCA). In 2005, she was appointed Chief Financial Officer of the Caisse régionale d'Île-de-France, and since March 2, 2009, she has been with Crédit Agricole Assurances as Head of Investments.

CURRENT OFFICES HELD BY MS. DEBRUS:
Member of the Supervisory Board of Altarea [1], Foncière Développement Logement [1], Foncière des Murs [1].

Permanent representative of Predica, as member of the Supervisory Board of Foncière Paris France SA and as Director of Eurosic [1] and Crédit Agricole Immo. Promotion.

Director of Ramsay Santé.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Director of Socadif and CAAM's Portfolio Stratégie SICAV

Permanent representative of Predica, Director of Foncière des Régions

Ms Debrus does not hold any other offices.

As of December 31, 2011, to the Company's knowledge, Françoise Debrus owns 1 share in Altarea in her own name.

Foncière des Régions — Member

The company's permanent representative is Mr. Olivier Estève.

Mr. Olivier Estève

Olivier Estève, a French citizen, was born in 1964. He holds an engineering degree from the ESTP public works college (1989). After a career with Bouygues Bâtiments (Screg Bâtiment) as a commercial engineer and then as Director of Development, Olivier Estève joined Foncière des Régions group as a member of the Management Board in charge of Property Management.

CURRENT OFFICES HELD BY OLIVIER ESTEVE

Permanent Representative of Foncière des Régions, Member of the Supervisory Board	Chairman of the Board of Directors	Senior Executive Vice-President	Director of SA	Chairman of the Supervisory Board	Supervisory Board member	Chairman of SAS	Director of foreign companies [3]
Altarea [1]	Urbis Park, BP 3000, Office CB 21	Foncière des Régions [1]	Urbis Park, BP 3000, Office CB 21	Foncière Europe Logistique [1]	Foncière des Murs [1]	FDR 8 GFR Services Foncière des Régions Développement	Ulysse Trefonds SA, Beni Stabili SpA (2), Iris Trefonds SA and Sunparks Trefonds

Executive Manager of: GFR Ravinelle, Euromarseille Invest, SCI Euromarseille 1, SCI Euromarseille 2, FDR 4 , FDR 5, FDR 6, FDR 7, SNC Latecoere, SNC Late, BGA Transactions, 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- 110 rue des Troenes, SARL du 11 rue Victor Leroy, Telimob Paris SARL, SCI Imefa 127, SCI Atlantis, SCI 11 place de l'Europe, EURL Languedoc 34, SCI Pompidou Metz, SNC Palmer Plage, SNC Palmer Transactions, SNC Foncière Palmer, SCI Palmer Montpellier, SCI Dual Center

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Member of the Management Board of Foncière des Régions [1]

Chairman of the Board of Directors of SPM — Maintenance

Chairman and Chief Executive Officer of Urbis Park

Chairman of SAS Urbis Park Services

Manager of Bionne, Telimob Pivot, Financière Palmer, Akama, Telimob Est, Telimob Nord, Telimob Ouest, Telimob Paca, Telimob Rhône Alpes, Telimob Sud Ouest, Imefa, SARL du 23.37 rue Diderot, FDR Logements, SARL du 96 avenue de Prades

Permanent Representative of Foncière des Régions as Member of the Supervisory Board of Foncière Europe Logistique and Foncière des Murs [1] and as Member of the Board of Directors of Altapar.

Permanent Representative of Coetlosquet, Director of Foncière des Logements.

Director of the foreign companies: Immobilière Batibail [3] and Benelux SA [3]

As of December 31, 2011, to the Company's knowledge, Société Foncière des Régions owns 1,228,046 shares in Altarea.

To the company's knowledge, Olivier Estève does not hold any shares in Altarea in his own name.

FDR 3 — Member

The company's permanent representative is Mr. Christophe Kullmann.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

Christophe Kullmann

Christophe Kullmann, a French citizen, was born in Metz on October, 15, 1965. He holds a DEA graduate degree in management. Mr. Kullmann served as Chief Financial Officer of Immobilière Batibail until that company was merged with Gecina in 1999. He was then appointed Deputy CFO of the new entity. In 2000, he was named Corporate Secretary of Batipart. Since 2001, Mr. Kullmann has been Chairman of the Management Board of Foncière des Régions. He is also Chairman of the Supervisory Board of Foncière des Murs and member of the Supervisory Board of Foncière Europe Logistique. Mr. Kullmann is an executive officer of EPRA.

CURRENT OFFICES HELD BY CHRISTOPHE KULLMAN

Permanent representative of FDR 3 on the Supervisory Board	Chief Executive Officer	Chairman / Member of the Supervisory Board	Chairman of SAS	Director
Altarea [1]	Foncière des Régions [1]	Foncière des Murs [1] Foncière Europe Logistique [1] IMMEO [3]	FDR 2 FDR 3	FSIF (professional association), Beni Stabili SpA [3], Foncière Développement Logements IPD, IEIF

Manager: GFR Kleber

Permanent Representative of Urbis Park, Director of BP 3000.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of the Management Board of Foncière des Régions [1]

Permanent representative of Foncière des Régions [1], Director of Primabail, permanent representative of Parcs GFR, Director of BP 3000

Supervisory Board member: Foncière Développement Logements, Altarea

Alternate Director: Immobilière Batibail Benelux SA.

Director: Batipart, Parcs GFR, Altapar, Altarea [1], GFR Property, Electron

Chairman of SAS: FDR 1, GFR Services

Manager: FDR 5, FDR Deutschland [3]

FDR 3 resigned from its position as Supervisory Board member on February 2, 2012. At its March 5, 2012 meeting, the Supervisory Board decided not to appoint a replacement.

As of December 31, 2011, to the Company's knowledge, FDR 3 owns 1 share in Altarea.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

To the company's knowledge, Mr. Christophe Kullmann does not hold any shares in Altarea in his own name.

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 company is not listed. It is a foreign company and is not part of the Altarea Group.

The Directors of Opus Investment BV are Severijn van der Veen and Christian de Gournay.

Opus Investment BV does not hold any other offices.

As of December 31, 2011, to the Company's knowledge, Opus Investment BV owns 83,572 shares in Altarea.

JN Holding — Member

The company's permanent representative is Mr. Olivier Dubreuil.

Olivier Dubreuil

Olivier Dubreuil, a French citizen, was born on December 27, 1955 in Marseilles (13). He has a degree from the ESCP Europe business school, and, among other posts, was head of the Raw Materials Department of Usinor, and then Arcelor. Until 2009, he was General Manager of Arcelor-Mittal Purchasing.

CURRENT OFFICES HELD BY OLIVIER DUBREUIL

Chairman	Vice-Chairman	Vice-Chairman and Supervisory Board member	Director	Supervisory Board member
Atic Services, Ovet Holding [3], Ovet BV [3] and Dubreuil Conseil SASU	HP COMPOSITES Italie [3]	EMO [3] , EKOM [3],	Manufrance [3]	Altarea [1], Altareit [1] [2] and CFNR

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of CFL Cargo [3]

As of December 31, 2011, to the Company's knowledge, JN Holding owns 308,926 shares in Altarea.

To the company's knowledge, Olivier Dubreuil does not hold any shares in Altarea in his own name.

APG (ABP Fund) — Member

The company's permanent representative is Alain Dassas.

Alain Dassas

Alain Dassas, a French citizen, is a graduate of the ESCP Europe business school and holds a Master's in Econometrics and a Master's in management science from Stanford University. Mr. Dassas began his career with Chase Manhattan Bank in 1973. In 1983, he joined Renault Group, where he successively served as Head of the representative office in New York, Head of banking relationships and financial markets, Finance Director of Renault Crédit International, Head of Financial Operations and Head of Financial Services. In 2003, Mr. Dassas was appointed a member of the Renault Group Executive Committee, then Chairman of Renault F1 Team. In 2007, Mr. Dassas was named a member of the Executive Committee of Nissan Motor Company in Tokyo. Since 2010, Mr. Dassas has acted as a consultant for the Renault Group and as Chief Financial Officer of Segula Technologies.

OFFICES CURRENTLY HELD BY MR. ALAIN DASSAS

Director: Strategic Initiatives (London) [3]

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of Renault Samsung (Pusan-Korea), Segula Technologies (Paris), Renault Finance (Lausanne) (3), and Hardware Infogérance (Paris).

As of December 31, 2011, to the Company's knowledge, APG owns 789,234 shares in Altarea.

To the company's knowledge, Alain Dassas does not hold any shares in Altarea in his own name.

Dominique Rongier

Dominique Rongier, a French citizen, graduated from the HEC business school in 1967. He served in succession as Auditor with Arthur Andersen (1969-1976), Chief Financial Officer of Brémond — Pierre & Vacances Group (1976-1983), and Chief Financial Officer of Brossette SA Group (1983-1987). In 1987, he designed and set up a holding structure for Carrefour Group, and from 1988 to 1990, he was Corporate Secretary of Bélier, a member of the Havas-Eurocom network, before becoming Chief Financial Officer of the holding company Oros Communication, which holds majority interests in the communications sector, from 1991 to 1993. Since September 1993, Dominique Rongier has been an independent consultant with DBLP & Associés SARL, of which he is manager and majority shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of DMB & B France Group (French subsidiaries of the US advertising group D'Arcy) for more than two years. Until March, 31, 2009, Mr. Rongier was Chairman of a software publishing company specializing in sports and health.

CURRENT OFFICES HELD BY DOMINIQUE RONGIER

Supervisory Board member	Altarea SCA [1]
Supervisory Board member	Altareit SCA [1]
Director	SA Search Partners
Manager	DBLP & Associés, Centralis

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:
Chairman of Enora Technologies SAS.

As of December 31, 2010, to the Company's knowledge, Dominique Rongier owns 10 shares in Altarea in his own name.

ATI

In accordance with current legislation, which does not require the appointment of a permanent representative, ATI is represented at meetings of the Supervisory Board by any ad hoc representative.

ATI is a *société en nom collectif* (general partnership) with capital of €10,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 498 496 520 RCS Paris. Its manager is Alta Patrimoine SAS, whose Chairman is Alain Taravella.

ATI does not hold any other offices.

As of December 31, 2011, to the Company's knowledge, ATI owns 1 share in Altarea.

Altafi 3

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.

The Chairman of Altafi 3 is Alain Taravella.

Altafi 3 is member of the Supervisory Board of Altarea and General Partner of Altareit [1] [2].

As of December 31, 2011, to the Company's knowledge, Altafi 3 owns 1 share in Altarea.

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

7.2. COMPENSATION

7.2.1. 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.

7.2.1.1. Management

The Managers' compensation 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 December 31, 2012 in accordance with the provisions of Articles 14.1 to 14.3 below. With effect from January 1, 2013, the Management's compensation 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 compensation amongst themselves.

14.1. A fixed annual compensation of €2,000,000 before tax which will be revised on January 1 each year and for the first time on January 1, 2008 based on changes in the Syntec index, the reference index being the latest known Syntec index on July 1, 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 January 1, 2008. The fixed annual compensation will be payable monthly no later than fifteen days after presentation of the corresponding invoice.

14.2. A variable compensation based on a percentage of (i) the value of investments made, and of (ii) 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 program. A partial payment will be made when works start on the basis of 40% of the total projected compensation. The balance will be calculated when the asset is put into operation, based on its initial appraisal value less the partial compensation already paid.

b) In the case of a property acquisition, the gross acquisition amount appearing in the notarized 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.

It is specified that the variable compensation shall not apply to investments made in respect of transactions committed to or approved by the company's Investment Committee prior to July 1, 2007. Nor shall 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 compensation will be paid directly to the Managers by the subsidiary.

The variable compensation 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 compensation may be paid to the Managers in respect of their office unless previously approved by the Ordinary General Meeting of Shareholders with the prior unanimous agreement of the General Partners.

The Managers are also entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the company.

The compensation to which the Managers are entitled shall be invoiced directly to Altarea or its subsidiaries. In the latter case, the portion of compensation received by the Manager which is attributable economically to Altarea shall be deducted from the compensation to be paid by Altarea."
The first method of fixing the compensation of the Managers, currently contained in Articles 14.1 to 14.3 of the Articles of Association and involving fixed and variable compensation, is destined to change fundamentally with effect from January 1, 2013. The Managers' compensation 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 May 20, 2009, which decided to amend Article 14 of the Articles of Association in order to introduce this new method of fixing the Managers' compensation, also introduced a Managers' Compensation Committee. This committee will be formed no later than December 31, 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' compensation, in order to enable it to formulate opinions for the General Meeting responsible for fixing the Managers' compensation with effect from December 31, 2012.

7.2.1.2. Supervisory Board

Supervisory Board

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the 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 interests.

The General Meeting held to approve the 2008 accounts, which took place on May 20, 2009, decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for every subsequent year until the Ordinary General Meeting adopts a new decision. This compensation, which has been unchanged since 2008, is therefore expected to remain the same for the year 2012, unless the General Meeting decides otherwise.

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 compensation from the company accordingly.

After Altarea was converted 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 rules of procedure, 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 March 31, 2008, Altafinance, a company controlled by Alain Taravella, received the fixed and variable compensation fixed by Article 14 of the Articles of Association in its capacity as Co-Manager. Jacques Nicolet did not then receive any direct compensation in respect of his functions as Chairman of the Supervisory Board of Altarea. He was, however, remunerated by Altafinance (see tables below) in his official capacity.

With effect from March 31, 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 compensation 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 March 17, 2008, the Supervisory Board consequently decided that its Chairman would receive gross annual compensation, including social security contributions, of up to €440,000, in consideration in particular of his duties as Chairman of the Investment Committee. For subsequent years, compensation paid to the Chairman will be revised on January 1 of each year and based on changes in the Syntec index, the reference index being the latest known Syntec index on January 1, 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 January 1, 2009.

Alain Taravella, as the Co-Manager and controlling Shareholder of Altafinance 2, informed the Supervisory Board that the Management Board would accept a reduction of its fixed compensation to take account of the fact that it was no longer responsible for the compensation of Jacques Nicolet, which was now directly paid by Altarea. The Supervisory Board consequently decided that Jacques Nicolet's compensation would be paid to him by Altarea, and for the first time in respect of 2008, subject to the following conditions precedent, 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 compensation 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 compensation as provided by Article 14, paragraph 1 of the Articles of Association, by an amount equal to the gross compensation including social security contributions effectively allocated to Jacques Nicolet, insofar and for as long as Jacques Nicolet receives compensation in his capacity as Chairman of the Supervisory Board. It is therefore important to note that the compensation of the Chairman of the Supervisory Board is indirectly borne by the Managers.

Members

At its meeting of March 7, 2011, the Supervisory Board, "having noted that incentives to effective participation in the Board's work are a positive measure for corporate governance", decided to grant directors' fees of €1,500 to its members who are natural persons and to the permanent representatives of legal entities for each attendance at a meeting of the Board or its Special Committees, as of January 1, 2011.

7.2.1.3. General Partners

Article 32 paragraph 5 of the Articles of Association provides that "The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid."

7.2.2. INFORMATION ON COMPENSATION

Application of the AFEP/MEDEF recommendations

As described in the report of the Chairman of the Supervisory Board on internal controls (see 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 a *société en commandite par actions* and with the company's Articles of Association.

The information provided below complies with the AMF's recommendations regarding disclosures on executive compensation in the annual Registration document (the "Recommendations"), published on December 20, 2010 and February 9, 2012.

The company's **executive management** consists of a Board of Managers comprising two Co-Managers. Since March 31, 2008 and until December 31, 2011, the Board of Managers comprised Alain Taravella and Altafinance 2, of which Alain Taravella is the Chairman and which is controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code.

The compensation of the Board of Managers is fixed by the Articles of Association and is allocated to it as **a lump sum**.

The non-executive corporate officers are the Supervisory Board Members.

Lastly, the General Partner receives a bonus dividend of 1.5% of the annual dividend. This amounted to €1,099,312.24 euros in respect of 2009 and €1,204,611.36 euros in respect of 2010.

Note: Figures appearing in the tables below are in thousands of euros.

Table 1

Summary of compensation, stock options and shares awarded to the executive officers

In € thousands	FY 2011	FY 2010
1. Altafinance 2 – Co-Executive Manager		
Compensation due in respect of the year (itemized in Table 2)	5,325	7,342
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALTAFINANCE 2	**5,325**	**7,342**
2. Alain Taravella – Co-Manager		
Compensation due in respect of the year (itemized in Table 2)	0	0
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALAIN TARAVELLA	**0**	**0**

Comments:

- 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 30% of the voting rights on December 31, 2011, and no other Shareholder held a greater percentage, whether directly or indirectly. Consequently, Alain Taravella is remunerated by Altafinance 2 in respect of his office as Chairman. He received €260,000 in this capacity in respect of 2011 and €270,472 in respect of 2010.
- The amounts given in the above tables include all the compensation 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 summarizing the compensation of the executive officers

1. Name and position of executive officer:	FY 2011		FY 2010	
In € thousands	**Amount due [1]**	**Amount paid**	**Amount due [1]**	**Amount paid**
Altafinance 2 — Co-Executive Manager				
Fixed compensation	1,697	1,697	1,670	2,082
Variable compensation	3,628	3,392	5,672	6,053
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**5,325**	**5,089**	**7,342**	**8,135**

(1) The amounts paid include not only compensation due in respect of the current year but also the balance of any compensation due in respect of the previous year, which is why the amounts may be lower or higher than the amounts due appearing in the table.

2. Name and position of executive officer:	FY 2011		FY 2010	
In € thousands	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Alain Taravella — Co-Manager				
Fixed compensation	0	0	0	0
Variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fees [1]	7.5	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**7.5**	**0**	**0**	**0**

(1) Paid by Aldeta, controlled by Altarea.

The figures above include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries.

The variable compensation of the Board of Managers is calculated by applying the rules fixed by the Articles of Association and set out in paragraph 7.2.1.1. above.

Table 3

Table of directors' fees and other compensation received by the non-executive directors and, where applicable, by their permanent representatives

Non-executive directors	**FY 2011 (in € thousands)**	**FY 2010 (in € thousands)**
Jacques Nicolet, Chairman of the Supervisory Board		
Directors' fees [4]	7.5	0
Other compensation [1]	246	262
Matthieu Taravella, Supervisory Board member		
Directors' fees	4.5	0
Other compensation [2]	65	61
Gautier Taravella, Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Altarea Commerce [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Altarea Patrimoine [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
JN Holding [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	7.5	10

Non-executive directors	FY 2011 (in € thousands)	FY 2010 (in € thousands)
Olivier Dubreuil [4], Permanent representative of JN Holding, Supervisory Board member		
Directors' fees	7.5	10
Other compensation	0	0
Opus Investment BV [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
APG [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Alain Dassas, Permanent representative of APG, Supervisory Board member		
Directors' fees	6	0
Other compensation	0	0
Predica — Crédit Agricole Assurances [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Émeric Servin [4] Permanent representative of Predica, Supervisory Board member		
Directors' fees	10.5	0
Other compensation	0	0
Foncière des Régions [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Olivier Estève, Permanent representative of Foncière des Régions, Supervisory Board member		
Directors' fees	7.5	0
Other compensation	0	0
Françoise Debrus, Supervisory Board member		
Directors' fees	7.5	0
Other compensation	0	0
FDR 3 [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Christophe Kullmann, Permanent representative of FDR 3, Supervisory Board member		
Directors' fees	4.5	0
Other compensation	0	0
Dominique Rongier [4], Supervisory Board member		
Directors' fees	10.5	10
Other compensation	0	0
ATI [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Altafi 3 [3], Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
TOTAL Non-executive directors	**377**	**343 [5]**

(1) The compensation paid to Jacques Nicolet, Chairman of the Supervisory Board, with effect from 2008, is deducted from the fixed compensation of the Board of Managers.

(2) Gross annual salary paid by Altarea France, a subsidiary of Altarea, pursuant to an employment contract. Matthieu Taravella is Director of Development and a salaried employee. This contract was terminated on February 17, 2012 and Matthieu Taravella is no longer an employee of Altarea or of any of its subsidiaries.

(3) No compensation 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.

(4) This compensation includes directors' fees granted not only by Altarea but also by its subsidiaries.

(5) Last year, the company declared K€333, which did not include payments by subsidiaries to the permanent representatives of legal entities.

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, by the company or by any other Group company.

Table 6

Performance shares allocated to corporate officers

No performance shares were allocated to the corporate officers during the financial year by the company or by any other Group company.

Table 7

Performance shares allocated to corporate officers and vested during the year

No performance shares were allocated to the corporate officers during previous financial years by the company or by any other Group company.

Table 8

History of stock option grants

No stock options have been granted to the corporate officers by the company or by any other Group company.

Table 9

Stock options granted to and exercised by the top ten employees excluding corporate officers and options exercised thereby

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 corporate officers, were exercised as follows:

In respect of the plan dated November 23, 2004, 9,240 options were exercised at a unit exercise price of €32.90;
and in respect of the plan dated January 4, 2005, 3,000 options were exercised at a unit exercise price of €38.25.

During 2011, no stock options granted to the top ten employees excluding corporate officers were exercised.

Table 10

Employment contracts, pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive officers

None.

It is hereby specified that the company has made no commitments vis-à-vis its corporate officers with respect to any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

7.3. ABSENCE OF CONFLICTS OF INTEREST

No conflicts of interest have been detected at the level of the company's administrative, management and supervisory bodies, or at the level of its executive management, between the duties of those bodies and any other potential duties they might have.

7.4. ABSENCE OF IMPROPER CONTROL

7.4.1. NATURE OF CONTROL OVER THE COMPANY

The founders of the company (Alain Taravella, his family and the companies Altafinance 2 and Alta Patrimoine that he controls) and Jacques Nicolet together with JN Holding, which he controls, act in concert. As at December 31, 2011, the founders collectively held 48.85% of the capital and theoretical voting rights of the company and 49.89% of the actual voting rights (those that could effectively be cast at General Meetings taking into account treasury shares stripped of their voting rights).

7.4.2. MEASURES PREVENTING IMPROPER CONTROL

The Chairman's report on internal control (Section 7) states that, where governance is concerned: the Supervisory Board examines substantial investments and disinvestments; there are four independent members of the Supervisory Board on the Audit Committee.

7.4.3. ABSENCE OF IMPROPER CONTROL

Measures have been adopted to prevent any improper control. The company is controlled as described above; however, the company considers that there is no risk that control could be exercised in an improper way.

7.5. CONVICTIONS, BANKRUPTCIES, PROSECUTIONS

The undersigned hereby represents and warrants that to his knowledge, no 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

7.6. LEGAL AND ARBITRATION PROCEEDINGS

In the past twelve months, the company has not been involved in any proceedings that are liable to have a material impact on the Group's financial position or profitability.

7.7. ABSENCE OF MATERIAL CHANGES IN THE COMPANY'S FINANCIAL OR BUSINESS SITUATION

In the past twelve months, there have been no material changes in the company's financial or business situation.

7.8. SENIOR MANAGEMENT

1/ Operational Executive Committee:
The Group's operational management is organized around its three business lines, with responsibility for each assigned to a Senior Executive Vice-President.

- Gilles Boissonnet, in charge of Retail property in France;
- Christian de Gournay, in charge of Residential Property, Regions and Institutional Relations;
- Stéphane Theuriau, in charge of Office Property and Private Equity.

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.

2/ Strategic Committee:
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 in charge of Italy;
- Éric Dumas, Chief Financial Officer of the Group;
- Albert Malaquin, Senior Executive Vice-President of Altarea France;
- Patrick Mazières, Financial Director of Cogedim;
- Philippe Mauro, Group General Secretary.

3/ The Executive Management Committee, which is made up of the Group's principal executives, which meets as a select committee or in plenary session.

This organization does not replace the operational committees of the various subsidiaries. See the Chairman's report on internal control in Section 7 below.

7.9. COMPLIANCE WITH CORPORATE GOVERNANCE REGIME

In accordance with Article 16.4 of Annex I of Regulation EC 809/2004 implementing EC Directive 2003/71/EC, the undersigned hereby declares and warrants that the company complies with the corporate governance regime applicable in France as set out in the law on commercial companies and subsequent legal instruments.

Alain Taravella
Manager

8 REPORT ON INTERNAL CONTROLS FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

8.1. DILIGENCE PERFORMED — FRAMEWORK AND REFERENCE CODE

The Chairman of the Supervisory Board prepared this report. The Corporate Secretary and the Group's financial management also participated. Section 3 on procedures for internal controls and risk management was prepared by the Group's head of internal control. The controls and improvements undertaken in 2011, particularly in asset management and for an audit of a call for funds from residential-property buyers, were presented to the Audit Committee on February 2, 2012. The financial and operating managers of the property-investment segments of shopping centers, residential property and offices reviewed and updated the developments relating to the procedures and risks inherent in their business lines. This report was then delivered to and examined by the Audit Committee on March 2, 2012. It has been distributed to Supervisory Board members and presented to the Board, which approved the report at its meeting of March 5, 2012.

The Chairman of the Supervisory Board used the following documents as a basis for this report:

- The "reference framework" contained in the AMF's report of July 22, 2010, on risk management and internal control systems;
- The July 22, 2010, update to the final report on audit committees, by the working group chaired by Mr. Poupart-Lafarge, prepared in conjunction with the AMF;
- The AMF's report of July 12, 2010, on corporate governance and executive compensation;
- The December 20, 2010, update to the AMF guide to preparing registration documents;
- The AMF's recommendations of December 2, 2010, published with its report on social and environmental-responsibility information published by listed companies;
- The AMF's recommendation of February 9, 2012, on corporate governance and executive compensation of companies that apply the AFEP/MEDEF code;
- Summary presentation of guidelines contained in AMF annual reports.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the company declares that it has based its corporate governance code on the Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), published by the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF), which sets out the principles of corporate governance resulting from the consolidation of the AFEP and MEDEF reports. The company has adopted principles of the AFEP-MEDEF Code, which it applies where the provisions are compatible with the legal form of a partnership limited by shares (*société en commandite par actions*). Because the company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, cannot be applied to partnerships limited by shares. In partnerships limited by shares, the financial statements are approved by Management, not by a collegiate body. The Supervisory Board is responsible for overseeing the company's management on a continual basis, but it is not involved in company management. Article 17.1 of the company's Articles of Association states that the Supervisory Board has the right to be provided the same documents by the managers as those made available to the Statutory Auditors. Moreover, the Articles of Association assign greater powers to the Supervisory Board than those ascribed by law (e.g., for investment reviews). In addition, the company assigns greater powers to the shareholders than those required by law or as recommended by the AFEP-MEDEF Code, particularly as regards the determination of managers' compensation. This compensation is determined by the Articles of Association as adopted by the Annual General Meeting of May, 26, 2007. No other compensation may be paid to executive officers unless previously approved by the Ordinary General Meeting of Shareholders with the prior unanimous consent of the General Partners. As from January 1, 2013, Managers' compensation shall be determined by the Ordinary General Meeting of Shareholders for successive periods of three years on the proposal of the General Partners and after consultation with the Supervisory Board. Because of its legal form, the company is therefore unable to apply the following sections of the AFEP-MEDEF Code: the Board of Directors: collegiate body, the separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer, the Board of Directors and business strategy, the Board of Directors and the General Meeting of Shareholders, the composition of the Board of Directors; key guidelines, the presentation of specific categories, the term of office of directors, the selection and appointment committee. Finally, the section of the AFEP-MEDEF Code concerning the Compensation Committee will not enter into force until January 1, 2013, as explained above in paragraph 2.8. on the Supervisory Board's special committees.

8.2. PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

8.2.1. SCOPE AND POWERS (ARTICLE 17 OF THE ARTICLES OF ASSOCIATION)

The Supervisory Board is responsible for overseeing the company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions and dividend payment procedure (in cash or in shares) to be proposed to the Annual General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the Annual General Meeting for the appointment of new statutory auditors. It appoints an appraiser for the company's property portfolio, renews or terminates the appraiser's term of office, 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 receive the management report and full-year financial statements. The Supervisory Board draws up a report describing any proposed capital increase or reduction and submits it to the shareholders. The Supervisory Board can convene an Ordinary or Extraordinary General Meeting of Shareholders according to the procedures set out by French law, if the Board deems it necessary and after informing the Manager(s) 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 by Management before any important decisions are made concerning: (i) investments of more than €15 million; (ii) divestments of more than €15 million; (iii) commitments of more than €15 million; and (iv) loans of more than €15 million.

Lastly, the Board reviews the report on corporate social and environmental responsibility and the report on the comparative situation of general employment conditions and employee training. These reports are drawn up by the Managers. This review took place for the first time at the Board meeting on March 7, 2011.

8.2.2. COMPOSITION OF THE SUPERVISORY BOARD

(a) Members

As of the date of this report, the Supervisory Board comprised the 14 following members:

Name or company name	Offices held	Permanent Representative (1)	Term expires on (2)
Mr. Jacques Nicolet	Chairman	-	2013
Mr. Matthieu Taravella	Member	-	2013
Mr. Gautier Taravella	Member	-	2013
Altarea Commerce	Member	No	2013
Alta Patrimoine	Member	No	2013
APG	Member	Mr. Alain Dassas	2013
Crédit Agricole Assurances	Member	Mr. Émeric Servin	2013
Ms. Françoise Debrus	Member	-	2013
Foncière des Régions	Member	Mr. Olivier Estève	2013
JN Holding	Member	Mr. Olivier Dubreuil	2013
Opus Investment	Member	No	2013
Mr. Dominique Rongier	Member	-	2015
ATI	Member	No	2015
Altafi 3	Member	No	2015

(1) Legal persons that have not appointed a Permanent Representative are represented at meetings either by their legal representative or by a representative specifically designated thereby.

(2) Year of Ordinary Annual Shareholders' Meeting.

(b) Gender equality on the Board

Both men and women are represented on the Supervisory Board. Consequently, the company is in compliance with (i) the provisions of the law on balanced representation of men and women on Boards of Directors and Supervisory Boards, and on professional equality; and (ii) the AFEP/MEDEF recommendation of April 19, 2010, on increasing the representation of women on company boards and amending Article 6.3 of the AFEP-MEDEF Code.

(c) 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, in contrast with the policies in force for French joint-stock companies (*sociétés anonymes*). Legal entities are represented at Board meetings by their legal representative, 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.

(d) Offices held in other companies

A list of the offices held by Supervisory Board members outside Altarea is provided in the appendix of the management report, to which this report is attached, and in the company's registration document.

(e) Compensation

PRINCIPLES

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Ordinary General Meeting of Shareholders and maintained until otherwise decided. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the company's interest.

DECISION BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of May 20, 2009, allocated total compensation of €600,000 to Supervisory Board members in respect of 2009, the same amount as in prior years. This amount, payable in respect of 2009, will remain unchanged for future years until it is modified by an AGM decision.

PAYMENTS

At its meeting on March 17, 2008, the Supervisory Board decided that its Chairman would receive gross annual compensation, including social-security contributions, of up to €440,000, mainly in consideration for his duties as Chairman of the Investment Committee, in accordance with the Committee's rules of procedure. For subsequent years, it was planned that compensation paid to the Chairman would be revised every year on January 1 on the basis of changes in the Syntec index, with the benchmark index being the latest-known Syntec index on January 1, 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 January 1, 2009. This decision was taken subject to approval of sufficient total compensation by the Ordinary General Meeting of Shareholders. Management 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 paragraph 1 of the Articles of Association. The Supervisory Board therefore decided to pay its Chairman, subject to obtaining confirmation of the Managers' renunciation. This commitment was confirmed in a letter dated May 26, 2008.

At its meeting of March 7, 2011, the Supervisory Board decided to grant individual members and permanent representatives of legal entities an allowance of €1,500 per Board meeting or Board committee meeting, effective January 1, 2011. The Board made this decision in acknowledgement that corporate governance would be improved by the effective participation in Board work.

A detailed breakdown of compensation is provided in an appendix to the management report to which this report is attached.

(f) Independent members

SELECTION OF INDEPENDENCE CRITERIA

At its meeting on August 31, 2009, the Supervisory Board unanimously voted, on the Chairman's recommendation, to adopt the independence criteria stated in Articles 8.4 and 8.5 of the AFEP-MEDEF Code of Corporate Governance, namely:

- an independent Board member may not hold any of the following positions in the company, the parent company or any consolidated entities: employee, corporate officer, close family member of a corporate officer, customer, supplier, investment banker or significant financier, 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 member is independent, and whether there may be any potential conflicts of interest."

These criteria are made public each year by their inclusion in this report.

APPLICATION OF THE INDEPENDENCE CRITERIA TO SUPERVISORY BOARD MEMBERS

The Board annually reviews the status of its members in terms of the independence criteria adopted.

The latest review of the status of Board members was carried out by the Supervisory Board at its meeting of March 5, 2012. On the basis of the independence criteria it had adopted, the Board deemed unreservedly that Dominique Rongier and Alain Dassas qualified as independent members. The Board also reviewed the qualifications as independent members of Françoise Debrus, given the offices she holds within Crédit

Agricole Assurances, and of Olivier Estève, Representative of Foncière des Régions, insofar as these two companies hold more than 10% of the company's share capital and voting rights. The Supervisory Board found no conflicts of interest in this respect.

Consequently, the following Supervisory Board members who sit on the Audit Committee are deemed to be independent members: Françoise Debrus, Alain Dassas, Olivier Estève and Dominique Rongier.

8.2.3. FREQUENCY OF MEETINGS

The Supervisory Board met three times in 2011. Only one member was neither present nor represented at the meetings, and the attendance rate in person or by proxy was 98.33%.

8.2.4. MEETING NOTICES

The Articles of Association stipulate that Supervisory Board members can be called to meetings through a letter sent by regular mail or by any electronic means. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be called at least one week before the meeting date, except under urgent circumstances.

8.2.5. INFORMATION

Under French law, the company's Managers must give Supervisory Board members the same documents as those given to the Statutory Auditors.

8.2.6. MEETING LOCATION — MANAGEMENT ATTENDANCE

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, discuss business developments and present any investment or divestment plans. Managers also answer all questions from Board members, 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 Supervisory Board members are present. Resolutions are passed by a majority of the Board members present or represented who are allowed to vote. A Board member in attendance can represent no more than one absent Board member and must provide proof of proxy. The Chairman casts the deciding vote in the case of a tie.

8.2.7. RULES OF PROCEDURE

The Supervisory Board does not currently have rules of procedure. Articles 16 and 17 of the Articles of Association describe the organization of meetings and the powers granted to the Supervisory Board. There are detailed rules of procedure for the Audit Committee, the Investment Committee and the Board's special committees.

8.2.8. SPECIAL COMMITTEES

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to special committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of partnerships limited by shares.

The Supervisory Board currently has two special committees, an Audit Committee and an Investment Committee.

It has also created a Management Compensation Committee, which will be effective as of January 1, 2013, the date on which Management compensation will no longer be set by the Articles of Association but by the Ordinary General Meeting of Shareholders.

The Chairmen of the special committees are all Supervisory Board members, and report on the committees' work at Supervisory Board meetings.

INVESTMENT COMMITTEE

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members (pursuant to a Supervisory Board decision on March 7, 2011, amending the Investment Committee's rules of procedure):

- Mr. Jacques Nicolet;
- Mr. Alain Dassas, representing the APG Fund;
- Mr. Emeric Servin, representing Crédit Agricole Assurances;
- Mr. Olivier Estève, representing Foncière des Régions;
- Mr. Christian de Gournay;
- Mr. Eric Dumas;
- Mr. Philippe Mauro.

The Committee is chaired by Jacques Nicolet. Operations managers interested in the investment opportunities discussed at an Investment Committee meeting also attend the meeting.

Proceedings — Minutes

Investment Committee opinions are adopted by a majority of members present. The Chairman has a double vote, in case of a tie. A report on the opinions is then drafted and signed by Committee members at the same meeting. The company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meetings may be delivered any means (e.g., post, fax or email).

Responsibilities

The Investment Committee advises the Supervisory Board on investment and divestment decisions for amounts of between €15 million and €100 million, under the following conditions:

a) Investment and divestment opportunities for amounts 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, especially in urgent situations, which is ratified at the next Investment Committee meeting.

b) Investment and divestment opportunities for amounts of between €50 million and €100 million are presented to the Investment Committee before any final decision is made.

c) For transactions initiated by the Cogedim subsidiary, the €15 million threshold is understood to be:
   - before entering into any bilateral sales agreements for real estate of more than €15 million;
   - before signing any deeds for real estate of more than €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, is more than €15 million.

d) Investments and divestments of:
   - less than €15 million do not require a Supervisory Board opinion; and
   - more than €100 million must be submitted to the Supervisory Board for approval.

   These limits are adjusted annually on the basis of the Syntec index.

e) The disposal of investment property and equity interests in companies owning investment property, within the aforementioned limits.

f) The above limits are calculated as a percentage of the Group's equity interests and exclude tax.

Committee work

The Investment Committee did not meet in 2011 because all investment and divestment opportunities had been reviewed by the plenary Supervisory Board as required by Article 17.6 of the Articles of Association (see 2.2.(e) and 2.9).

AUDIT COMMITTEE

Members

Audit Committee members are appointed by the Supervisory Board on the basis of their industry experience and knowledge of the company. On March 7, 2011, the Supervisory Board decided to update its rules of procedure to take into account changes in its composition and the Poupart-Lafarge report of July 22, 2010, on audit committees.

The Audit Committee currently comprises the following members:

- Ms. Françoise Debrus
- Mr. Matthieu Taravella
- Mr. Alain Dassas
- Mr. Olivier Estève
- Mr. Dominique Rongier

Françoise Debrus continues to serve as Chairperson of the Audit Committee. She was again appointed by the Supervisory Board because of her experience in the real-estate sector at Crédit Agricole Assurances.

Skills and experience of the Audit Committee members relevant to the Committee's responsibilities:

- Françoise Debrus, Chairperson of the Committee and independent member, has worked as head of internal audit and of financial management at Unicredit; head of debt collection and lending in the finance department of Crédit Agricole SA; head of finance and taxation at the Fédération Nationale du Crédit Agricole; chief financial officer at the Caisse Régionale d'Île-de-France; and investment director at Crédit Agricole Assurances.
- Alain Dassas, independent member, was head of banking relations and financial markets at Renault; finance director at Renault Crédit International; and head of financial operations and financial services at Renault.
- Dominique Rongier, independent member, was an auditor at Arthur Andersen, chief financial officier of the Brémond–Pierre & Vacances Group, chief financial officer of Brossette SA, and chief financial officer of the holding company Oros Communication.
- Olivier Estève, independent member, was director of development at Screg Bâtiment. He is on the Management Board of Foncière des Régions Group, where he is in charge of property management.
- Matthieu Taravella is director of development for the shopping-centers-property division of Altarea Cogedim Group.

Members meeting the criteria set forth in Article L. 823-19 of the French Commercial Code

The Audit Committee currently comprises four independent members. Consequently, the company meets the requirement under French law that an audit committee must have at least one independent member. The company also complies with 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.

Proceedings — Minutes

A quorum is reached when at least half of the Committee members are present. Committee resolutions are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. The Audit Committee decides if minutes of its meetings are necessary, in which case they are drafted by the Chairman, who also submits a report to the Supervisory Board on the annual and half-year financial statements.

Frequency of meetings

The Audit Committee meets when convened by the Chairman, on dates set according to the company's schedule for approving the half-year and full-year financial statements, and may meet at other times of the year if necessary. Notices of meetings may be delivered by any means (e.g., post, fax, email). The Group's financial management distributes the required documentation before the meeting.

During the 2011 financial year, the Committee met twice:

on March 3, 2011, the Committee reviewed the annual financial statements for the year ended December 31, 2010, and attended the corporate secretary's presentation on risk management and internal controls;

on July 27, 2011, the Committee met to review the half-year financial statements.

Responsibilities

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee is responsible for the following:

- Monitoring the preparation of the company's financial information. The Committee reviews this information and verifies that any significant events or material transactions are reflected in the company's financial statements. In the event of a failure in this process, the Committee ascertains that corrective measures have been applied.
- Ensuring that the company's systems for internal controls, internal audits and risk management are working effectively. The Committee's review scope includes risks that are reflected in the financial statements (including information contained in the notes), as well as risks identified by the internal-control systems instituted by Management and that are liable to produce an impact on the financial statements. The Committee may be asked to consider the potential impact on financial and accounting information of a significant unidentified risk that may be brought to its attention or that it may have identified in the performance of its work, and it may decide to monitor the other main risks identified by Management and/or the Corporate Secretary. If the Committee identifies any failures, it ascertains that appropriate action plans have been implemented and follow-up measures taken. The company's internal-control and risk-management systems are based on guidelines drawn up by the AMF and updated on July 22, 2010, to take into account the report of the working group chaired by Olivier Poupart-Lafarge. The Committee familiarizes itself with the Supervisory Board Chairman's report on internal-control and risk-management procedures and, where applicable, formulates observations on matters within its scope.
- Monitoring the statutory audit of the company's individual and consolidated financial statements by the statutory auditors. The Committee reviews the main risks and uncertainties identified by the statutory auditors in the individual and consolidated financial statements, including the half-year financial statements. The Committee also reviews the auditors' approach and any difficulties encountered in performing their mission.
- Ensuring that the company's statutory auditors are independent. The Committee ensures that the budget for statutory auditors' fees is in keeping with their mission and ascertains that the co-audit is effective. Each year the Statutory Auditors provide (i) a statement of independence; (ii) the total amount of fees paid to the Statutory Auditors by companies controlled by the company (or the company that controls it), in respect of services not related directly to the statutory-audit engagement; and (iii) information on services rendered that are related directly to the statutory-audit mission.
- Ensuring that the company's operations comply with all applicable laws and regulations.

The Audit Committee maintains working relationships with the company's executive management, managers, internal controllers, internal auditors and statutory auditors. It may ask the statutory auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit Committee may also ask a company employee to attend a meeting, in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful.

The Audit Committee must be consulted for the following:

- Statutory Auditor appointments. Under Article 17.4 of the Articles of Association, the Supervisory Board is required to submit a list of candidates for appointment as statutory auditors at the Annual General Meeting. The Audit Committee issues guidelines on the statutory auditors

- any significant changes in accounting methods and principles that may seem likely or necessary;
- approval of the half-year and full-year financial statements.

The Audit Committee ensures that the company has taken the appropriate measures, including protection of documents, files and systems, to operate as a going concern and to protect the company against fraud and malice.

MANAGEMENT COMPENSATION COMMITTEE

On May 20, 2009, the Extraordinary General Meeting voted to create a Management Compensation Committee, and added for this purpose a second paragraph to Article 18 of the Articles of Association concerning the Board's special committees.

The same Extraordinary General Meeting amended Article 14 of the Articles of Association concerning Management compensation, so that as of January 1, 2013, the Annual General Meeting will set Managers' compensation for successive three-year periods on the basis of a proposal from the General Partners and after consulting with the Supervisory Board.

Therefore the Management Compensation Committee will be operational by early 2013 at the latest, when the Ordinary General Meeting of Shareholders will be held to hear the Supervisory Board's opinion and to set Managers' compensation for the first time.

Committee members (Article 18 of the Articles of Association)
The Management Compensation Committee shall be composed of Supervisory Board members.

All members of the Management Compensation Committee shall be independent of company Management.

Responsibilities (Article 18 of the Articles of Association)
The Management Compensation Committee shall submit proposals for Managers' compensation to the Supervisory Board.

8.2.9. SUPERVISORY BOARD MEETINGS AND WORK IN 2011

The Altarea Supervisory Board held the following meetings in 2011:

- On March 7, 2011: Review of the financial statements for the year ended December 31, 2010. Appropriation of earnings submitted to the AGM. Authority granted to Managers to effect capital increases or reductions. Preparation of the Supervisory Board's report to the Annual General Meeting. Approval of the Supervisory Board Chairman's report on the company's internal controls. Favorable recommendation to Management for guarantees, pledges and endorsements totaling €150 million given to the company's subsidiaries. Corporate governance: annual review of the Supervisory Board's functioning and work methods, amendment of the Audit Committee's rules of procedure (composition, independent members and harmonization with the Poupart-whose nominations the Supervisory Board will submit to the General Meeting on the basis of a tender procedure.
  Lafarge Report). Directors' fees. Annual debate on company policy to promote equal opportunities and equal pay, in accordance with new provisions of Article L. 226-9-1 of the French Commercial Code.
- On August 29, 2011, to review the half-year financial statements for the period ended June 30, 2011. Recommendation on investment projects.
- On October 19, 2011: Review of the Group's business strategy. Recommendation on proposed investments and divestments. Recommendation on a proposed guarantee for a subsidiary.

8.2.10. MINUTES OF THE MEETINGS

The minutes of Supervisory Board meetings are recorded in a special registry and signed by the meeting Chairman and secretary, or by a majority of Board members present.

8.2.11. ASSESSMENT OF THE BOARD'S AND SPECIAL COMMITTEES' WORK

At the meeting of March 5, 2012, the Supervisory Board reviewed its operating practices and work methods. The company believes that the operating practices of the Supervisory Board are appropriate and that no formal assessment procedures are necessary.

8.3. INTERNAL CONTROLS AND RISK MANAGEMENT

In accordance with Article L. 225-37 of the French Commercial Code, the following sections describe the principal measures that the company took in **2011** and has taken in **2012** to enhance its internal controls, with the aim of strengthening it internal control processes.

8.3.1. OBJECTIVES OF INTERNAL CONTROLS AND RISK MANAGEMENT

8.3.1.1. Objectives of internal controls and risk management

The purpose of the internal control system is to ensure:

- compliance with laws and regulations;
- proper observance of instructions issued by Management;
- effective functioning of the company's internal procedures, particularly those intended to protect its assets
- reliability of the company's financial information.

The internal control system is based on a risk-management system that aims to identify the main risks to be controlled in order to: safeguard the company's value, assets and reputation; shore up its decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

8.3.1.2. Objectives 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, with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union on July 19, 2002, through Regulation (EC) No. 1606/2002 of the European Parliament and of the Council.

8.3.1.3. Limits inherent to internal control and risk-management 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 such risks will be completely eliminated.

Additionally, the scope for the application of the company's internal controls is that of the Altarea Cogedim Group, i.e., Altarea and all companies that it controls, as defined by the provisions of Article L. 233-3-I of the French Commercial Code, except for property-development joint ventures that are managed by a commercial partner.

8.3.2. GENERAL ORGANIZATIONAL STRUCTURE OF RISK-MANAGEMENT AND INTERNAL CONTROL PROCEDURES

8.3.2.1. Internal-control environment

Internal control is based on the code of conduct and integrity set out by the governance bodies and disseminated to all employees.

Each new employee receives a copy of the Altarea Cogedim Group's Code of Conduct when he or she is hired.

This Code of Conduct outlines Altarea Cogedim Group'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 to inspire employees in their day-to-day activities and help them deal with issues related to ethics, professional conduct and conflicts of interest in an unambiguous and coherent manner.

In accordance with AMF Guideline No. 2010-07 of November 3, 2010 ("Guide to preventing insider misconduct by executives of listed companies," paragraphs 2.2.2., 2.2.4. and 2.2.5.), the Group's Code of Conduct:

- formally states the obligations placed on executives and employees who may have access to inside information;
- calls for the appointment of a compliance officer and defines his or her role;
- defines "closed periods" during which the relevant persons must abstain from trading in Altarea and Altareit shares.

The Code of Conduct also defines the applicable rules for benefits granted to Group employees for the purchase of Cogedim housing.

The Code of Conduct may be viewed on the Group intranet site under "the Group."

8.3.2.2. Participants in the internal control system

(a) Management

In 2011, company Management was responsible for setting up the company's internal controls. Management ensures that the company has the internal control procedures and measures in place to manage the risks related to its business operations.

In the performance of its responsibilities, Management has also implemented an Executive Committee, which is composed of the heads of each Group business line (retail, residential, offices), a Strategy Committee and Executive Management Committees. These committees are not directly involved in the general organization of internal controls; however, they may express their views on topics pertaining to Group internal controls, as was the case for risk mapping.

(b) Supervisory Board

The Supervisory Board plays a significant role in the company's internal control system as part of its general duties of ongoing oversight of company management (see paragraph 2., Preparation and organization of the Board's work).

(c) Audit Committee

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee's duties and responsibilities are described in paragraph 2.8., Special committees.

(d) Corporate Secretary

Internal control procedures are coordinated by the Corporate Secretary, who reports to Management. These controls are performed mainly within the various subsidiaries.

In the office of the Corporate Secretary, the internal control function is handled by one full-time employee (internal-control officer) and three employees who carry out internal-control assignments on a part-time basis (the Corporate Secretary, a legal officer and an executive assistant), representing approximately two full-time-equivalent employees. An annual budget of €150,000 (excluding personnel costs) is allocated to this function and is used primarily to commission outside firms for internal-audit or control missions.

The Corporate Secretary's main responsibilities are to:

- ensure that the Supervisory Board committees (Audit Committee and Investment Committee) follow rules of procedure and operating practices;
- identify the operating committees of Altarea and its subsidiaries;
- identify and assist the business lines in identifying risks related to:
  - the business operations of Altarea's subsidiaries in France and other countries,
  - Altarea's status as a listed company,
- draw up general and specific procedures (corporate officers, powers, etc.) or assist the business lines in doing so;
- review the rules applying to the company's operating commitments, and compile existing procedures and standardize them if needed;
- carry out all checks for compliance with internal control procedures.

The Corporate Secretary also works with some of the subsidiaries, mainly Cogedim, with the person in charge of risk control and commitments relating to property-development transactions, and Altarea France, with the Property Legal Department.

(e) Company employees

Each employee of the Altarea Cogedim Group is responsible for submitting recommendations on updating the internal control system. Operations managers are responsible for ascertaining that processes are adequate for accomplishing their assigned objectives.

(f) External consultants

The Group hires specialized firms to perform audits and provide advice or assistance.

In 2011, KPMG, Soparex, Artimon and Bessé provided support to Altarea Cogedim teams on issues relating to risk management, internal controls and internal audits.

8.3.2.3. Components of internal controls and risk management

The internal control system consists of five closely related components.

(a) Organization

The Altarea Cogedim Group's internal control system is based on:

- an organizational structure comprising three business lines and an administrative division, with a system of powers and delegation of powers;
- a definition of the duties and responsibilities of the governance bodies (see paragraph 2., Preparation and organization of the Board's work);
- information systems (see paragraph 3.3.2., Risks related to the preparation of financial and accounting information (d), for a description of the main business-segment and financial-information systems), procedures and operating methods specific to the activities and goals of each of the Group's business lines;
- a human resources and skills-management system, based on a shared approach revolving around annual interviews.

(b) Dissemination of information

The Group has tools for disseminating information within the Group, including intranet, procedural notes, instructions and reporting timetables.

(c) Risk-management system

In 2010, a risk map was drawn up for the Group's French entities, with the assistance of PricewaterhouseCoopers. The results of this risk-mapping process were presented to the Group Executive Committee on July 5, 2010, and to the Audit Committee on August 27, 2010.

In 2011, after preparation of the risk-mapping process, the internal-controls unit focused on the major identified risks, such as the organizational structure of Asset Management and the quality of completions in regions other than Paris.

A project to update the risk map is planned for 2012, mainly because of consolidation of the Rue Du Commerce Group.

(d) Proportionate control activities

The procedures and controls instituted to cover the Altarea Cogedim Group's main risks are described in paragraph 3.3., Risks covered.

(e) Oversight of internal-control system

The internal-control unit, which falls under the Corporate Secretary's responsibility, has utilized the analysis of risks identified through risk mapping (falling within the scope of internal controls) for the preparation of its 2011-2012 action plan. Other sources, such as reports of external auditors and summaries of internal-control review work, are analyzed and taken into consideration in defining actions to be taken.

8.3.3. RISKS COVERED

The main risks covered are the following:
- risks inherent in the operations of Altarea Cogedim (risks related to trends in the property market and the economy, property-development risks, risks related to the company's property business and assets);
- risks related to the preparation of financial and accounting information;
- legal, regulatory, tax and insurance risks;
- social and environmental risks;
- risks related to Altarea Cogedim's financing policy and financial capacity;
- other risks.

8.3.3.1. Risks inherent to the activities of Altarea Cogedim

(a) Risks related to trends in the property market and the economy

The Altarea Cogedim Group's positions in various segments of the real-estate market (shopping centers, residential property, office property) and now in the e-commerce market, whose business cycles are independent of those of property markets, allow the Group to optimize its risk/return exposure. Moreover, management and executive management closely monitor trends in the property market and the economy; the strategy and policies that they implement are designed to anticipate and mitigate those risks.

(b) Property-development risks

1 — SHOPPING-CENTER DEVELOPMENT

(i) France

These risks are controlled by the Investment Committee, a Special Committee of the Supervisory Board (see section 2.8.) and by the following special committees:
- Development, Operations and Planning Committee: This committee meets weekly. It works with the subsidiary's management to set operating targets for property-development projects, oversee construction work, approve initial budgets and make any revisions thereto. One meeting per month is chaired by Group Management and addresses the most strategic projects.
- Coordination and Sales Committee: This committee helps Management set sales targets for each project. Pre-letting mitigates marketing risk.
- Executive Committee of Altarea France: This committee meets monthly. It comprises the members of the Management Board of Altarea France and the subsidiary's key operating managers. It addresses all issues relating to the subsidiary (development, operations, letting, valuations).

The Research Department coordinates economic and competitive analyses of the portfolio and provides operational guidance to Altarea France staff on commercial and business trends in the sector so as to adjust the products developed to meet market needs.

Property-development risks are also monitored through a number of procedures and reports:
- Investment reviews: operating and finance managers track approved investments monthly through a system of checks and approvals for each business; Altarea France's Executive Management then approves expenditures on the basis of previous controls.
- Since 2009, a quarterly report has been drawn up for each project under development or in progress, showing commitments and expenditures to date and the balance to be invested.
- Procedures for approving operating budgets on a half-yearly basis: procedures for reconciling invoices for work with the accounting department and for determining financial expenses on the basis of market conditions. Review of schedules. This procedure, which became fully operational in 2010, includes the closing of budgets and timetables for ongoing projects by the subsidiary's Executive Management.

Applications for government authorizations (building permits, departmental committee on retail development) are subject to preliminary review by a specialized law firm.

(ii) Italy and Spain

New investments in Italy and Spain are reviewed by the Group Investment Committee.

- Various committees (property development, construction, management/resale and finance) have been formed **in Italy**. The Finance Committee meets monthly and the other committees meet every two weeks with a set agenda; minutes are drafted after each meeting. In 2011, a model for organizational structure, management and control in Italy was adopted and implemented in accordance with Italian decree 231/2001. This model provides for the establishment of an oversight unit, composed of a lawyer and a certified public accountant, to monitor the model's enforcement and relevance.
- **In Spain**, new property developments have been discontinued.

In addition, Altarea Managers hold monthly meetings with the subsidiaries' Management teams; minutes are not necessarily drafted for each of these meetings.

2 — RESIDENTIAL-PROPERTY DEVELOPMENT

The main risks relating to property-development transactions concern Cogedim's property-development business, for which the processes implemented are detailed below.

In residential property, a guide to best practices compiles the practices applicable during the key stages of a residential-property-construction program. The purpose of this guide is to define the role of all Cogedim *Résidence* and Cogedim *en Régions* staff involved in residential property, to improve and standardize practices and to facilitate interaction with partner functions. The guide is available on the intranet and is circulated to all relevant staff members.

The following systems aim to cover the risks relating to property-development transactions:

(i) Cogedim Commitment Committee: Cogedim's Commitment Committee reviews all property-development projects that constitute a commitment for the company, at all key stages: the closing of a sales agreement for land, the launching of the marketing campaign, the purchase of the land and the beginning of construction. 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 construction costs. The Commitment Committee is composed of members of the Management Board, the Chief Financial Officer, the Sales Manager, the Contracts Manager and the Commitments Manager.
In addition to the procedures of the Commitment Committees, and with the help of subsidiaries' financial controllers, the Commitments Manager is involved in all issues concerning the company that do not fall directly within the remit of the Commitment Committee, and can obtain disclosure on any proposed agreements, sales agreements or specific contracts. The Commitment Manager is also kept informed of changes in major development projects and the risks they may present in terms of, for example, the amounts involved or the legal arrangements. The Commitment Manager works with the Group's Corporate Secretary with regard to internal-control issues.

(ii) Cogedim Contracts Department: As soon as the sales agreement for the land has been signed, this department validates the construction costs used in budget forecasts for development projects. Costs are updated as the product is defined. The Contracts Department is also responsible for assessing companies prior to the finalization of construction contracts. Contractors are selected through a bidding procedure on the basis of the project specifications. The winning bidder is selected after a comparative analysis of the bids received.

(iii) Sales and marketing procedures: Cogedim has its own marketing tool in the form of a dedicated subsidiary, Cogedim Vente, which ensures sales and marketing and sales administration. The sales and marketing strategy for each development project is defined by the project manager, project leader, sales director and product manager for Cogedim Vente. Cogedim Vente also provides research and opinions for the evaluation of local markets and prices, thereby allowing project managers to incorporate those values in 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 project managers to monitor the progress of the developments for which they are responsible.
In addition, a weekly sales summary shows sales for the week and the monthly total.

(iv) Reports and periodic operating-budget reviews: various reports (reservations and consolidated deeds of sale, portfolio of projects under contract, tracking of projects under development) are sent to the Cogedim General Management Committee, the Corporate Finance Department, the Chairman of the Supervisory Board and Altarea's Management.
Furthermore, as part of the budget process, all operating budgets are updated at least three times per year (reconciliation with the accounting department, marketing and follow-up on operational work, tracking of timetables, etc.).

(v) Building-permit applications: for large projects or projects presenting specific difficulties, building-permit applications are submitted to a specialized law firm, which participates in drafting the application or reviews the completed application.

(vi) Insolvency risk of buyers: Concerning Residential property, Cogedim does not deliver the keys to the dwelling before the buyer has paid the balance of the sale price. The company also holds a seller's lien on the property. However, in order to avoid longer payment times, before signing the final contract of sale, buyers' loan applications are reviewed to verify that approval of their financing has been obtained or that it is under way. In addition, monthly reports on arrears are sent to the operations departments. In 2011, an external consultancy performed an audit of the procedure by which buyers' capital is raised and collected. Beginning in mid-November 2010, the work was carried out in three of Cogedim's regional offices, including the Paris Region. The goal was to strengthen the internal processes for capital calls from buyers, to improve their processing, to increase the reliability of financial information and to anticipate business development. The results of the audit were presented to the Residential Executive Committee on April 21, 2011, and the related guidelines were released in a note to all subsidiaries and financial controllers on May 23, 2011.

OFFICE-PROPERTY DEVELOPMENT

The systems designed to hedge the risks relating to the property-development transactions described above (see § 2., Residential-property development) are also applicable to office-property development.

(c) Risks related to the company's businesses and assets

(i) France

Risks relating to the company's assets and to its operations as a property-investment company are covered by the following procedures:

- The Property Portfolio Committee helps Management set asset-management targets for each property. The Committee relies mainly on work performed by the asset-management team, which was expanded in 2010.
  The creation of an Asset-Management Department continued in 2011. The department comprises five senior executives reporting to the Chief Executive Officer of Altarea France. The asset managers represent (with the portfolio teams) owners at general meetings of co-owners, participate in various internal committees, carry out arbitrage transactions, participate in the property-acquisition process, coordinate any operating and financial reporting for third parties, and measure the financial performance of assets.
  Acquisitions of operating assets are subject to due-diligence procedures carried out with the help of outside consultants, to mitigate risks relating to the valuation and inclusion of these shopping centers in the portfolio.
  The Sales Coordination Committee monitors all re-letting actions on a monthly basis in order to define the terms for lease renewals of the company's properties.

  In addition, Altarea France's Executive Management Committee meets monthly to address matters related to shopping centers under operation.
- Property-portfolio reports: Property-portfolio managers regularly provide the Group Finance Department with financial statements and reports, including forecasts of rental income and noncollectable expenses, data on property vacancies, and changes in headline rents, billed rents and gross rents. Half-yearly property-portfolio reports are also submitted to provide a comprehensive view of business at the company's shopping centers.
- Risk of tenant insolvency: In the property-investment business, in order to anticipate tenant- and buyer-insolvency risk as effectively as possible, the Portfolio Management Department produces systematic reports on payments that are 30, 60 or 90 days in arrears, and holds monthly meetings to review collections. Once a month, a rent-abatement committee reviews solutions for tenants experiencing financial difficulty.

  The creation of a legal-dispute unit in Altaix will simplify management of insolvent tenants and will be used to compile a database for use by both the Portfolio Management and Legal Departments in the rent billing system, as from 2012.
- Insurance of property assets in operation: All property assets in operation are covered by an "everything but" policy from AXA, which includes both damages and civil liability. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years. The budgeted premiums for 2011 amounted to €1,826,016.34 (including tax). This amount includes the Cap 3000 shopping center, for which specific policies were taken out in 2011 (AXA and TOKIO MARINE), including partial additional coverage for market value.
- Safety of shopping centers in operation: Technical and safety checks and inspections carried out by inspection agencies and safety commissions are diligently scheduled and tracked.

  Throughout 2010, the follow-up procedure for safety-commission recommendations in Altarea France was enhanced by a systematic review of reports by the Engineering and Safety Department, with reporting of information upstream commensurate with the qualifications mentioned in the reports.
- Electronic Data Management (EDM): All of the company's original paper documents, such as lease contracts, administrative authorizations and various agreements, have been scanned and the files are stored externally. All of the original documents generated by the company are now secure.

(ii) Italy and Spain

In Italy: the activity of all shopping centers in operation is reviewed by the management and re-letting committees.

Monthly Management reports on these centers are drawn up and sent to the Executive Management of the subsidiary and to Group Management.

In Spain: Altarea España owns a shopping center that it manages for the portfolio. Monthly Management and re-letting reports on this shopping center are sent to the subsidiary's management and to Group Management.

(iii) Changes in property assets

METHODS USED FOR ASSET VALUATION:
In accordance with IAS 40, Altarea has opted for the fair-value model and measures its investment property at fair value whenever this can be determined reliably.

- Investment property in operation is systematically measured at fair value, on the basis of independent appraisals.

At December 31, 2011, the entire portfolio of properties in operation underwent an external appraisal.

- Investment property under development and construction is measured either at cost or at fair value, in accordance with the following rules:
  - property under development before land is purchased and land not yet developed are measured at cost;
  - property under construction is measured at fair value if most of the uncertainties affecting the determination of fair value have been removed or if the project-completion date is in the near future.

At December 31, 2010, 93.1% of the value of the Group's investment property has been measured at fair value by an external appraiser [1].

SELECTION OF APPRAISERS AND FORM OF APPRAISAL WORK
Shopping centers in operation are appraised two times per year.

In 2009, the Audit Committee selected the following firms as appraisers after a call for tenders:

- DTZ Eurexi and Icade Expertise for appraisal of shopping centers and office properties in France;
- CBRE for appraisal of hotels or tangible assets or goodwill.

Retail Valuation Italia was selected in 2011 to appraise assets in Italy, and DTZ Iberica was chosen in 2009 to appraise assets in Spain.

A signed and dated report is provided for each appraised property. The appraisers use two methods [2], discounted cash flow and yield capitalization, in compliance with French and UK standards for property appraisal.

8.3.3.2. Risks related to the preparation of financial and accounting information

(a) Finance committees

The Group Finance Committee meets twice monthly. The Chief Financial Officer sets the agenda of the meeting, where accounting, tax and financial issues are presented to the Executive Management. At these committee meetings, Executive Management defines and sets the financial targets of Altarea Cogedim Group.

The largest subsidiaries, including Cogedim and Altarea France, also have special finance committees that meet monthly.

(b) Accounting and financial organization and principal internal-control procedures

1. ACCOUNTING AND FINANCIAL ORGANIZATION
The accounting and financial staff is structured by division (Group holding, Shopping Center Investment Division France, Italy and Spain, and Property Development Division) so that controls can be carried out at each level.

Within the Property Investment and Property Development Divisions, the main accounting and financial functions are organized with:

- individual company accounts maintained directly by Group employees in each operating subsidiary;
- management controllers in each operating subsidiary.

The Property Development and Property Investment Divisions for Italy have their own consolidation departments.

The Group holding's Corporate Finance Department has access to a Consolidation and Budget Department, which is responsible for the quality and reliability of the preparation of all published or statutory accounting information: consolidated financial statements (IFRS), individual company accounts (French GAAP) and company forecasts (Act of 1984). This department is in charge of coordinating relations with the Statutory Auditors for the entire Group.

At each half-year closing date, the Corporate Finance Department draws up a review of operations that is consistent with the accounting information.

(1) *See paragraph 3.1.7., Accounting principles and methods, for more information on asset-valuation methods; see paragraph 3.1.14.3. for an analysis of investment property on the balance sheet at 12.31.2011.*

(2) *For further information on appraisal methods, see paragraph 3.1.7.9., Accounting principles and methods — Investment property.*

2. PRINCIPAL INTERNAL-CONTROL PROCEDURES

The principal internal-control procedures applied in the preparation of accounting and financial information are the following:

- Formally documented budget tracking and planning process, performed twice a year (in April-May and October-November) with a comparison of actual and budgeted data approved by business-line and Group managers. This process facilitates the preparation and control of half-year and full-year Group financial statements. The budget is presented and provided to the statutory auditors before each period-end.
- A vertical procedure for data reporting from various operating departments upstream (period-end timetables and instructions, quarterly meetings, tracking charts for information sharing), with audits carried out by the operating management controllers (by business for the Property Investment Division and by region for the Property Development Division) before the information is sent to the Corporate Finance Department; and cross-functional control procedures (consistency checks and reconciliations of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.).
- Analysis of material events: Events likely to have a material effect on the financial statements (acquisitions, restructuring, etc.) are modeled with financial software and described in notes written by the Corporate Finance Department or by the business lines. The accountancy applied to complex transactions (heavily structured transactions, complex financing transactions, tax impact on transactions) is systematically presented to the statutory auditors before the financial statements are prepared. These items are then used to document the notes to the consolidated or individual-company financial statements.
- Reporting, key-indicator monitoring and quarterly financial statements:
  - unaudited interim statements (March 31 and September 30) provide analyses of key indicators (revenue and net debt);
  - periodic reporting by the operating subsidiaries to Management and departments in the Property Investment Division (half-year Property Portfolio report, monthly report on shopping-center operations, etc.) and in the Property Development Division for third parties (monthly division report, monthly tracking charts of key business indicators for the subsidiaries).
- Documentation of the period-end closing process:
  - Property Investment Division: a matrix formally documenting the overall internal-control procedures applying to the period-end closing process; summary files for each company, divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial transactions; formal documentation of claims and legal disputes;
  - Property Development Division for third parties: continually updated guidelines for consolidation and accounting procedures; formal documentation of claims and legal disputes;
  - holding: Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; notes to the financial statements, including taxes and off-balance-sheet commitments.
- Audit of the accounts of the French and foreign subsidiaries by means of contractual or statutory audits. The accounting firms retained are in most cases affiliates of firms belonging to the body of statutory auditors that certify the consolidated and individual financial statements of the Group holding, so as to facilitate the flow of information among the audit teams.

(c) Continual enhancements of internal-control procedures

The Group's listing on Euronext prompted Management to continue to introduce operating guidelines and to further strengthen the company's internal-control procedures.

In 2011, the Group liquidity-management information systems were combined and have been effective since January 1, 2012.

In addition, the following measures have been taken:

- use of wire transfers for supplier payments (implemented by the Property Investment Division in 2009) extended to include the Property Development Division;
- increasingly automated processes and improved interface between business and accounting software, for more reliable accounting data;
- proposed combination of the consolidated financial-statement preparation tool between the Property Investment and Property Development Divisions, as decided by the Group's Executive Management.

(d) Information systems

The preparation of accounting and financial information is based on business- and financial-information systems. Manual and automatic controls are carried out to secure the flow and processing of data output by those systems.

(I) RENTAL-PROPERTY SOFTWARE

In 2007, the company's French and Italian operations adopted Altaix software for rental-property management. The automatic transfer of corporate accounting data (from Altaix to Sage) has been in place since 2008. Inputs of supplier invoices and monitoring of commitments made by shopping centers are also automatically transmitted via Altaix to the centralized rental-management system. In 2009, the software was upgraded to Version 5, and a function was added that tracks revenue reported by retailers. In 2010, the interface and reconciliation process between Altaix and SAGE Ligne 1000 accounting software was further automated. The OPI module was installed in Altaix for new development operations, thereby facilitating reconciliation of budget and actual figures. At the end of 2011, Altaix was adopted in Spain.

(II) PRIMPROMO PROPERTY-TRANSACTION SOFTWARE

The Property Development Division uses software that enables it to monitor its property transactions efficiently through each step of the development and sales process. With real-time integration of sales data and daily updates of accounting information and cash-flow positions, this business software provides budget monitoring and management for transactions of the Property Development Division.

Software updates and developments are tracked by a special committee comprising the financial controllers and the division's IT-systems managers.

(III) CORPORATE ACCOUNTING SOFTWARE

The Property Investment Division uses Sage Ligne 1000 accounting software. The Accounting Department performs numerous controls (cut-offs, rent abatements, doubtful accounts, etc.). The Consolidation Department performs the SAGE/SAP BFC reconciliation (net profit, comprehensiveness of consolidated data, etc.).

The Property Development Division uses Comptarel corporate accounting software, which for property transactions incorporates data generated by Primpromo. The Accounting Department reconciles Primpromo/Comptarel data on a monthly basis. Comptarel data are integrated in the SAP BFC consolidation software via the Datalink module. Because of the incorporation of these data, new controls are performed on a quarterly basis by means of reconciliation of the Primpromo data (project budgets, cumulative sales) and budget data (net income).

(IV) ACCOUNT-CONSOLIDATION SOFTWARE

The Property Investment Division and the Property Development Division use SAP BFC account-consolidation software. This software compiles data into a single database, allowing for more reliable integration of management systems and a lower risk of material errors. SAP BFC can be upgraded for compliance with new regulations. A project to combine the accounting-consolidation tool at Group and division levels is under way so as to meet the needs for preparation of the Group's financial statements.

(V) SOFTWARE FOR FINANCIAL PLANNING AND BUDGET REPORTING

SAP BPC software for financial planning and budget reporting has been used by the entire Altarea Group since 2008. This software uses operating data from business systems to generate consolidated-budget data. Estimated consolidated information is compared with actual figures. Any material differences are justified.

(VI) CASH-MANAGEMENT SOFTWARE

In 2011, the Property Investment Division used SAGE 1000 cash-management software, and the Property Development Division used XRT software. The cash-management unit reconciled bank balances and analyzed changes in the cash balance for both divisions on a daily basis.

Data generated by the cash-management software were interfaced with corporate-accounting software applications either automatically or through an automatic accounting-data generator.

The combination of the cash-management information systems at Group level, completed in late 2011, will bring payment-instrument management into compliance with SEPA standards and will facilitate further automation of interfaces between accounting, division and cash-management applications.

Since 2010, IT-system data security has been reinforced, with passwords brought into compliance with customary standards. In addition, user-management procedures have been drawn up for the Primpromo and Altaix business applications and for the main financial applications.

8.3.3.3. Legal, regulatory, tax and insurance risks

(a) Legal and regulatory risks

Because of the nature of their businesses, entities of Altarea Cogedim Group are subject to risks related to regulatory changes.

1. ALTAREA FRANCE, ALTAREA ITALIA AND ALTAREA ESPAÑA

The legal departments of Altarea and its subsidiaries ensure compliance with all applicable regulations and possession of all permits required for doing business. The regulations concern mainly urban planning (business licenses, building permits, etc.), construction and commercial leases. Spain uses an outside law firm. The Corporate Secretary of the Altarea Cogedim Group coordinates the legal departments of all subsidiaries.

2. COGEDIM
Cogedim's operating managers work with specialized outside law firms on a regular basis. In addition, Cogedim occasionally asks for assistance from Altarea's Property Legal Department, particularly for complicated deals.

3. GROUP CORPORATE LEGAL DEPARTMENT
The Chief Financial Officer oversees the Corporate Legal Department, which ensures that Altarea and its main subsidiaries comply with workplace legislation and requirements for listed companies (including its two subsidiaries Altareit and Aldeta).

The Group Corporate Legal Department coordinates the functions of legal secretary for the subsidiaries of Foncière Altarea, Alta Développement Italie, Alta Développement Espagne and the main subsidiaries of Cogedim. Foreign entities, operating companies of the Property Investment Division and Cogedim companies in charge of development projects are monitored by outside firms or by the employees themselves, depending on the regional subsidiary.

Visual Scope, a management software package for holding companies and subsidiaries, was installed in 2009 for the management of all participating interests and mandates of Altarea Cogedim Group. This centralized system automatically defines legal and tax parameters and verifies compliance with applicable regulations. It has been deployed in France, Italy and Spain under the responsibility of the Group Corporate Legal Department.

4. HOGUET LAW
Altarea France, Cogedim Vente and Cogedim Gestion have licenses for property transactions and property management, and are eligible for the guarantees provided by French law.

(b) Litigation risk

Litigation matters arising in the course of the Group's business operations are monitored by Altarea's Legal Departments, operating managers and law firms, in accordance with paragraph (a) relating to legal and regulatory risks. Status reports on legal disputes are updated at period-end, with provisions recognized where necessary.

(c) Tax risks related to SIIC status

The requirements for SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association [3].

Monitoring and oversight of the proportion of property-related operating and management operations in the Group are centralized by the Corporate Finance Department.

(d) Risks related to the cost and availability of insurance coverage

Altarea considers that the type and amount of insurance coverage that it and its subsidiaries have are consistent with industry practices.

Principal insurance coverage is as follows:
- **Operating assets** (see paragraph 3.3.1., Risks inherent in the operations of Altarea Cogedim – (c) Risks related to the company's property businesses and assets);
- **land and buildings purchased before construction work is completed**: the Group took out an insurance policy from AXA for non-owner-occupied property;
- **property under construction**: Altarea has "construction damages" and "all worksite risks" insurance policies with AXA and GAN for property under construction. The Group has a single master policy for "construction damages" and "all worksite risks" for construction projects whose cost is below a defined amount.
- **professional liability**: Altarea and its subsidiaries, including Cogedim, have professional-liability insurance policies with several insurers, including Allianz, CNA, Covea Risk and CGAIM. Estimated premiums for these policies in 2011 totaled €1,066,102.16 (including tax but excluding premium adjustments related to the amount of declared revenue). In 2012, after a civil-liability insurance audit performed in 2011, the civil-liability policies with ALLIANZ, CNA and Covea RISK were regrouped in a single contract with Generali. Only the CGAIM contract was maintained.
- **other insurance**: the company has other insurance policies to cover items such as leased offices, vehicle fleets and computer equipment. It also has a "corporate officers" insurance policy with Chubb.

8.3.3.4. Employee-related and environmental risks

(a) Health and public-safety risks (asbestos, legionella, classified facilities, etc.)

To mitigate these risks, Altarea Cogedim closely follows all applicable public-health and safety regulations and takes a preventive approach to carrying out property inspections and any building work needed for compliance.

(3) See paragraph 5.8.2., Legal, regulatory, tax and insurance risks, under Risk factors.

(b) Employee-related and environmental risks

Employee-related risks

Altarea Cogedim is developing an active training policy through its Group-wide system, half of which is dedicated to its various core businesses. In 2011, training in office skills represented just under 40% of the training budget, because all employees were trained in the new Windows operating system. Internal communication was improved and diversified, with a magazine, intranet, committees composed of the Group's main managers, in-house conferences and an employee convention in March 2011.

Employee-management dialogue is maintained and formally documented with the employee representative bodies, which play an acknowledged role in passing on and exchanging information. Both works councils were reelected in 2011; the voting procedure was uneventful.

The Group has a longstanding policy of profit sharing, through stock grants and profit-sharing plans (the calculation formula was changed in 2011).

In 2011, the Group was able to fill its recruitment needs (146 new permanent hires) through the diversification of its hiring sources and techniques, and by actively promoting internal job mobility and individual accountability. Individual guidance is provided for managers and key jobs. Coaching is also now available for both individuals and teams.

Environmental risks

- As described in the CSR section of the annual report and registration document, in 2010 the Group made a commitment to a 50% improvement in energy consumption, as defined by the applicable thermal regulations (BBC level of energy efficiency), so as to anticipate the new RT 2012 thermal regulations, whose effective dates will be staggered in accordance with project types. Office-property transactions under preparation are calculated twice, to account for future regulatory requirements.
- An energy-consumption and environmental analysis was carried out for nearly all shopping centers owned and managed by Altarea or its subsidiaries.

The Group also introduced green leases for new tenants and renewals, thereby procuring contractual means for obtaining environmental information on retailers' private-use areas, for which data is not regularly accessible.

By combining these two approaches, the Group can take measures to optimize and lower energy consumption and greenhouse gases, in anticipation of energy and environmental requirements to be announced when the next decree on existing buildings is published. The Group's overall progress-based approach is detailed in the CSR section of the registration document.

8.3.3.5. Risks related to Altarea Cogedim's financing policy and financial capacity

(a) Liquidity risk — Borrowing capacity — Compliance with bank covenants

Altarea finances a part of its investments by means of fixed- or floating-rate debt and capital markets. As part of its financing process, the Group must provide guarantees to financial institutions. Altarea manages liquidity risk by keeping track of debt maturities and credit lines and by diversifying its financing sources. The budget process for cash management and projected cash-flow analysis provides a way to anticipate and hedge such risks.

Moreover, the Group monitors its compliance with obligations under credit agreements and with banking covenants [4].

(b) Interest-rate risk and hedging

Altarea Cogedim Group has adopted a prudent approach to managing interest-rate risk. In order to preserve cash flows generated by its operating assets, the company uses fixed-for-floating swaps to hedge interest rates on mortgages underlying its property [5].

(c) Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to counterparty risk. The Group mitigates this risk by limiting its counterparties for hedging transactions to major financial institutions.

8.3.3.6. Other risks

(a) Risks of conflicts of interest

Altarea Cogedim has entered into partnerships or protocol agreements with other investors, mainly for carrying out joint property-development projects. Conflicts of interest could arise in one or more of these partnerships or agreements.

(4) see paragraph 11, "Financial instruments and market risks" in the notes to the consolidated financial statements (Chapter 3.7 of the Registration document)

(5) The financial instruments used are described in paragraph 11 "Financial instruments and market risks" in the notes to the consolidated financial statements (Chapter 3.7 of the Registration document)

(b) IT-system risk

Every Group operating entity (Altarea France, Cogedim, Altarea Italia and Altarea España) has a data-backup system that allows for secure, remote storage of critical data. Cogedim has a business-recovery plan that is tested twice per year. Altarea is implementing a policy of backing up all servers hosted at the head office. Servers hosted externally are backed up by the service providers.

(c) Risk of fraud and money laundering

To mitigate risks of fraud or embezzlement, procedures have been set up for cash management and cash flows to ensure that they are secure and to decrease the risk of fraud (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; separation of functions between the Accounting Department and the Cash-Management Department).

In addition, the number of persons authorized to sign for payments is limited.

As a preventative measure against money laundering, Altarea France has implemented a procedure for the identification of suppliers and clients. Cogedim's Contracts Department is systematically involved in all tender invitations and consultations; it plays a decision-making role in choosing companies and favors working with companies that offer a full range of guarantees.

(d) Risk of workplace safety

In 2010, security and safety at the Group's headquarters on avenue Delcassé in Paris were enhanced with a fire-detection system installed throughout the building and installation of an access-control system with card readers. This preventive measure was designed to limit risks of wrongful entry and to increase data security.

8.3.4. IMPROVEMENTS PLANNED FOR 2012

At the time this report was being prepared, a number of actions were under way for the improvement of internal controls:

Shopping-center investment division:

- Installation of the Altaix collections module: this module will simplify the management of insolvent tenants and will be used to compile an information database for use by both the Portfolio Management and Legal Departments.
- Installation of an ETL (extract, transform and load) tool to improve the traceability of information flow among the various systems.
- Installation in Altaix of a tool for monitoring expenses and leases.
- Installation of: a tool for monitoring management mandates, in order to optimize the invoicing of related fees; a tool for monitoring lessor expenditures; and a tool for monitoring revenues from specialty leasing.

Property Development Division for third parties

- Improved procedure for obtaining energy-efficiency (BBC) certification.
- The approval process for commercial brochures in the Residential Property Division was improved.
- The project for the migration from the Primpromo tool to the standard version was launched in early 2011. The new version allows for the inclusion of full accrual accounting in the tool. This migration will also serve for the review of certain operating procedures for the Primpromo tool.
- Initiation of guidelines for the installation of an electronic-data-management system for the Cogedim Division.

At the Group level

- Project to standardize the tool for preparing the Group's consolidated financial statements.
- Project to review control procedures for safety rules and regulations on construction sites, particularly in shopping centers under redevelopment, and to strengthen the procedures if necessary.
- Reinforced procedures for the monitoring of banking covenants.
- Project to adjust existing procedures of business development for third parties, to better reflect the existence of new stakeholders.

8.3.5. CONSOLIDATION OF RUE DU COMMERCE IN 2012

With the arrival of Rue Du Commerce in the consolidation scope of Altarea Cogedim Group, one of the duties of the Group's internal-controls unit will be to examine the internal-control procedures in place in Rue Du Commerce and to reinforce them if necessary.

8.4. EXECUTIVE MANAGEMENT POWERS

8.4.1. PROCEDURES FOR EXERCISING EXECUTIVE MANAGEMENT POWERS

As a partnership limited by shares, the company is run by Managers *(Gérance)*.

A Manager may be a natural or legal person and may be but is not required to be a General Partner. The first Managers were named in the company's Articles of Association as amended at the time of its transformation into a partnership limited by shares. During the lifetime of the company, any new Manager must be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of shareholders.

8.4.2. LIMITS ON MANAGEMENT POWERS AND INFORMATION PROVIDED TO THE SUPERVISORY BOARD ABOUT THE COMPANY'S FINANCIAL SITUATION, LIQUIDITY AND COMMITMENTS

In accordance with Article 13.4 of the Articles of Association, each Manager has broad powers to act on behalf of the company, within the scope of the company's corporate purpose and subject to the powers explicitly granted to Annual General Meetings or the Supervisory Board by either French law or the Articles of Association.

Article 17.1 of the Articles of Association states that the Supervisory Board has the right to be provided the same documents by Management as those made available to the Statutory Auditors.

8.5. PRINCIPLES AND RULES USED TO DETERMINE COMPENSATION AND BENEFITS PAID TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

8.5.1. MANAGEMENT (GÉRANCE)

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, with the latter calculated as a percentage of the value of completed property developments and any divestments or asset sales performed by the Group.

Any other compensation paid to Managers as a result of their role in the company must receive prior approval by an Annual General Meeting after the unanimous approval from the General Partners, in accordance with Article 14.3 of the Articles of Association.

8.5.2. 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 to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and maintained until decided otherwise. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the company's interest.

8.6. PARTICIPATION IN THE ANNUAL GENERAL MEETING AND INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in Annual General Meetings.

The information stated in Article L. 225-100-3 of the Commercial Code is provided in the appendix to the Management Report to the Annual General Meeting.

The Chairman
of the Supervisory Board

Jacques Nicolet

8.7. STATUTORY AUDITORS' REPORT ON THE SUPERVISORY BOARD CHAIRMAN'S REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.226-10-1 OF THE FRENCH COMMERCIAL CODE

STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE ALTAREA SUPERVISORY BOARD,
PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1
OF THE FRENCH COMMERCIAL CODE
(For the financial year ended December 31, 2011)

To the Shareholders,

In our capacity as **Altarea SCA'**s Statutory Auditors, and in accordance with Article L. 226-10-1 of the French Commercial Code, we hereby present you with our report on the Supervisory Board Chairman's report submitted in accordance with this Article for the financial year ended December 31, 2011.

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, le 2 avril, 2012

The Statutory Auditors

A.A.C.E. Ile-de-France
French member of Grant Thornton International

Patrick Ughetto

ERNST & YOUNG et Autres

Jean-Roch Varon

9 CROSS-REFERENCE TABLES

9.1. CROSS-REFERENCE TABLES OF THE REGISTRATION DOCUMENT, IN ACCORDANCE WITH APPENDIX I OF EC REGULATION 809/2004 OF APRIL 29, 2004

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18.3.	Arrangements relating to change in control	N/A	
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20.	**Financial information concerning the issuer's assets, liabilities, financial position, profits and losses**		
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20.2.	Pro forma financial information	N/A	
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20.6.	Interim and other financial information	N/A	
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20.8.	Legal and arbitration proceedings	3.7. note 14.2 – 7.6.	173 – 301
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21.1.7.	History of changes in capital	6.2.2. (g)	265
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21.2.8.	Specific conditions for changes to capital	N/A	
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23.	**Third party information and statements by experts**	2.1.2.1. – 6.8.1.	81 – 275
24.	**Documents on display**	6.1.4.	257
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9.2. CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT, ARTICLE 222-3 OF THE GENERAL REGULATIONS OF THE AUTORITÉ DES MARCHÉS FINANCIERS (ARTICLE L. 451-1-2 OF THE FRENCH MONETARY AND FINANCIAL CODE)

9.3. HUMAN RESOURCES AND ENVIRONMENTAL INFORMATION

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Sources: P. 18-19: Jean Viard, *Éloge de la Mobilité*. P. 20: *Observatoire des Loisirs des Français*, TNS Sofres, December 2011; *Bilan e-commerce 2011*, French Federation of e-commerce and Distance Selling (FEVAD), January 2012. P. 30-31: CREDOC survey *"Conditions de Vie et Aspirations des Français"*, June 2008. P. 32: Sofres survey, June 2011; Insee, *Comptes Nationaux 1960-2010*. P. 40-41: Jean Viard, *Nouveau Portrait de la France*. P. 42: *Baromètre Attractivité du Site France*, Ernst & Young, 2012. P. 20-51: Result of the annual survey by Ethicity *"Les Français et la Consommation Durable"*, 2011.

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