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Q1 2011 Revenues and business performance

Firm business trends in line with forecasts

Consolidated revenues up 14%

Retail property

- Strong tenant revenues (up 2.3%), especially in large shopping centres and retail parks
- Rental income stable at €40.8 million, with deliveries over the year offsetting the decline related to asset disposals and refurbishments launched in 2010

Residential property

- Net reservations stable at €246 million
- Drop in individual buy-to-let investors offset by owner-occupiers and block sales
- Strong growth in percentage-of-completion revenues to €165 million (up 34%), as well as in all financial indicators

Office property

- Delivery of the “First” high-rise building (87,000 m²), France’s largest HQE® [High Environmental Quality] construction project
 - First closing of Altafund, an office property investment vehicle with €350 million in capital, with a view to raising over €500 million
-

Unaudited figures at 31 March 2011

I. BUSINESS REVIEW

1. RETAIL PROPERTY

Tenant revenues¹

- Retail parks +3.4%
- Shopping centres +1.7%
- **Overall +2.3%**

The retail parks held in the portfolio recorded another very strong revenues increase during the quarter, which demonstrates the relevance of their “mass market” positioning in an environment characterised by highly price sensitive end consumers.

Concerning the shopping centres, the largest assets posted a particularly healthy performance. Cap 3000 was among the top performers, and its commercial potential has proven to be greater than forecast when it was acquired.

Rental income

The combined effect of asset disposals and refurbishments launched in 2010 was offset during the quarter by the deliveries made during 2010 (Okabé, Le Due Torri, Limoges Family Village) and the acquisition of Cap 3000 in June 2010. Rental income was stable at €40.8 million (up 0.5%). The like-for-like growth was almost zero.

2. RESIDENTIAL PROPERTY

Trend in reservations

Net reservations remained stable at €246 million including VAT compared with the first quarter of 2010. This overall trend is mainly due to different factors:

- Momentum in the Paris region (Ile de France), which accounted for 64% of sales (vs. 55% in the first quarter of 2010)
- Growth in the number of owner-occupiers, who accounted for 69% of sales (vs. 42% in the first quarter of 2010) and a corresponding decline in buy-to-let investors
- Recovery in block sales, which accounted for 37% of sales (vs. 23% in the first quarter of 2010)

The introduction of the highly successful PTZ+ (first-time buyer) subsidies partly accounted for the structure of sales during the quarter. This said, the level of reservations remains highly dependent on the pace of marketing launches, especially in the Paris region (Ile de France) where demand remains strong. Outside the Paris region, certain markets slightly slowed down.

Across the country, buyers’ property purchasing power seems to have reached a plateau with the recent rise in mortgage rates, even though these continue to languish at near-record low levels.

The backlog of new residential properties continued to rise, reaching close to €1.4 billion excluding VAT or 28 months at 31 March 2011.

The residential pipeline grew by 12% compared with year-end 2010, representing around 2 years of activity.

¹ Tenants’ like-for-like revenues excluding the impact of extensions

Financial indicators

(€ million)	Q1 2011	Q1 2010	% change
Net reservations (incl. VAT)	246	244	+0.8%
Average price of sold units	€284,000	€225,000	+26.2%
Notarised sales (incl. VAT)	253	206	+22.8%
Percentage-of-completion revenues (excl. VAT)	165	123	+34.1%
Backlog ¹ (excl. VAT)	1,431	1,395	+2.6%

(€ million)	31 Mar. 2011	31 Dec. 2010	% change
Properties for sale	382	403	-5.2%
Future offer (land portfolio)	2,425	2,095	+15.8%
Residential property pipeline ²	2,807	2,498	+12.4%

3. OFFICE PROPERTY

During February 2011, Altarea Cogedim delivered the 87,000 m² “First” high-rise building, the first refurbishment operation on this scale to have received high environmental quality (HQE®) certification [« NF Bâtiments tertiaires - démarche HQE®»] and reached the Very High Energy Efficiency (THPE) level. For the design and construction of the “First” high-rise building, Altarea Cogedim also won the 2009 *Grand Prix National de l'Ingénierie*, as well as the “Best Refurbished Office Building” Award at the 2011 MIPIM.

This delivery was the highlight of the first quarter of 2011 and accounted for the very strong increase in deliveries by comparison with the first quarter of 2010 (nine-fold rise).

Altarea Cogedim Enterprise completed the first closing of Altafund, an office property investment vehicle with €350 million in capital. The funds were raised from top-tier French and international institutional partners. The closing marks the beginning of a six-month period for the Group to find new partners with a view to raising over €500 million. The investment vehicle will acquire land or existing office properties for restructuring and apply its expertise to create high-quality “core” assets with high environmental quality. These new properties will then be earmarked for sale in the medium term.

(€ million)	Q1 2011	Q1 2010
Take-up (incl. VAT)	0	117
Deliveries (net floor area, m ²)	92,000	10,200
Backlog (excl. VAT) ³	178	194
Percentage-of-completion revenues (excl. VAT)	19	23.3

¹The backlog comprises revenues excluding VAT from notarised sales to be recognised according to the percentage-of-completion method and reservations to be notarised. Backlog at 31 December 2010 by comparison with the backlog at 31 March 2011.

²Potential revenues from projects for which an option is held on the land + potential revenues including VAT on properties for sale

³Backlog at 31 December 2010 by comparison with the backlog at 31 March 2011

II - REVENUES AND FINANCIAL POSITION

Altarea Cogedim's consolidated revenues grew by 14% during the first quarter of 2011 compared with the first quarter of 2010, mainly due to growth in residential property development.

In € thousand	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Rental income	40 779	42 828	40 700	40 283	40 585
Services to third parties	3 003	4 428	2 004	2 043	1 956
Shopping centres	43 782	47 257	42 705	42 325	42 540
<i>Property development for third parties</i>					
Revenues	183 578	212 884	145 637	140 095	143 972
Services to third parties	1 611	4 430	3 089	4 443	2 343
Property development for third parties	185 189	217 314	148 725	144 538	146 315
<i>Residential property</i>					
Revenues	164 413	195 121	133 502	126 144	122 644
Services to third parties	353	778	556	1 946	379
Residential property	164 766	195 899	134 058	128 089	123 023
<i>Commercial property</i>					
Revenues	19 165	17 763	12 135	13 952	21 328
Services to third parties	1 257	3 652	2 532	2 497	1 964
Commercial property	20 423	21 415	14 667	16 449	23 292
Recurring activities	228 971	264 571	191 430	186 863	188 856
Revenues	1 432	9 355	2 973	4 586	11 758
Services to third parties	147	873	256	1 108	901
Non-recurring activities	1 579	10 228	3 228	5 694	12 659
Total revenues	230 550	274 799	194 658	192 557	201 515

Financial position

Net bank debt stood at €2,125.3 million at 31 March 2011 compared with €2,054.5 million at 31 December 2010. This €70.8 million increase was driven primarily by growth in residential property.

III - OUTLOOK

"The first quarter of 2011 confirmed the outlook of double-digit growth (assuming economic conditions remain the same) in our earnings, with residential property development providing the driving force this year. The initial benefits of the strategy repositioning in larger shopping centres and retail parks in the retail property segment are now showing up, with the full effect anticipated over the next three to four years. What's more, the group is well-equipped to seize any opportunities arising in the office property segment", said Alain Taravella, Chairman and Founder of Altarea Cogedim.

2011 Investor relations calendar

Publication of interim 2011 results: Friday 29 July (after the market closes)

Annual General Meeting: Friday 17 June

About Altarea Cogedim - FR0000033219 - ALTA

Altarea Cogedim is a leading retail property investment and development group active in all three main property markets: retail, office, and residential. It has the skills and experience to effectively design, develop, sell, and manage customised property assets in each of these markets. The Group's risk exposure is aligned with its long-term vision, and it creates value by designing and building attractive assets and by seizing profitable opportunities in the property sector.

Altarea Cogedim operates in France and Italy and had a property portfolio worth €2.6 billion at 31 December 2010. Altarea is listed in Compartment A of NYSE Euronext Paris with a market capitalisation of €1.3 billion at end-2010.

ALTAREA COGEDIM CONTACTS

Eric Dumas, Chief Financial Officer
dumas.e@altarea.com, +33 1 44 95 51 42

Nathalie Bardin, Group Communications Director
bardin.n@altarea.com, +33 1 56 26 25 36

CITIGATE DEWE ROGERSON CONTACTS

Agnès Villeret, Analyst and Investor Relations
agnes.villeret@citigate.fr, +33 1 53 32 78 95

Aliénor Miens, Press Relations
alienor.miens@citigate.fr, +33 1 53 32 84 77

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