Performance through innovation

Cash flow and dividend growth targets achieved in 2011 and renewed for 2012
Strategy roll-out in all markets

• **Consolidated turnover:**	**€1,113 m**	**+29%**
• **Funds from operations (FFO)[1]:**	**€13.1 /share**	**+12%**
• **Net Asset Value, going concern[2]:**	**€147.2 /share**	**+6%**
• **Loan to value is improving:**	**51.2%**	**-200bp**
• **Dividend proposed, with option for payment in shares[3]:**	**€9.0 /share**	**+13%**
• **2012 FFO and dividend growth targets > +10%**		

Paris, March 5, 2012, 6:00 pm. The Supervisory Board, meeting today, examined the consolidated accounts for the year 2011, presented by Management. The consolidated accounts have been audited. The certification report will be issued once procedures required in order to publish the annual financial report have been executed.

Altarea Cogedim marries the recurrent income of a retail property company with the added value of a developer active in the three main real-estate markets (Retail, Residential and Office).

Thanks to this complementary strategy, all financial indicators are up in 2011, notably Funds from Operations, which grew by more than 10% for the 8th consecutive year since the Altarea Cogedim group went public, despite challenging conditions.

" In contrast with the international economic and financial situation, 2011 was another year of acceleration for our businesses overall. We confirmed our positions and the strength of our business model, which enables us to combine recurrence and added value under optimized risk conditions. We also continued to implement our strategic plan in our core activities. In Retail, we continued to concentrate our asset base on regional shopping centers and large retail parks with the Family Village® concept. Also, with the acquisition of RueDuCommerce we became the first multi-channel property company, by integrating e-commerce into our revenue model. In Residential, we continued to gain share in spite of a down market. Lastly, we reinforced our investment potential in Office property to position ourselves for the coming new cycle. In each of its markets Altarea Cogedim has staked out a differentiating competitive position based on innovation, brand image and technology. It is this positioning which drives our financial performance and which will enable us to generate funds from operations and dividend growth of over 10% in 2012."

Alain Taravella, President and Founder of Altarea Cogedim

[1] *Net result before changes in fair value and non cash expenses*
[2] *Fully diluted going-concern NAV net of financial instruments and non-SIIC taxation*
[3] *Proposed to the General Meeting of Shareholders scheduled for May 25, 2012*

BUSINESS IN 2011 AND TRENDS FOR 2012

RETAIL: pursue asset focus strategy and develop a multi-channel model

In euros Millions	2011	2010	Variation
Assets	3,310	3,250	+1.8%
Group share	2,618	2,602	+0.6%
Capitalization rate[4]	6,21%	6,35%	-14bps
Net rents received	148.8	152.1	-2.2%

The Group's investment strategy focuses on **developing large shopping centers in Ile-de-France (Greater Paris Region) and the PACA Region (Provence and the French Riviera)**, developing retail parks throughout France under the Family Village concept, and restructuring and extending current centers. The strategy aims to **concentrate the asset base on 30 to 35 centers** over the next 3-4 years (vs. about fifty currently), with an average **unit size of over €100 Million**. Through aggressive asset management (investment, restructuring, disposals), the average asset unit size has increased by +12% over the year: it is now €67.5 Million vs. €60.2 Million in 2010.

Continuation of the asset refocus plan initiated in 2009 has left the asset portfolio value unchanged at €2.6 Billion (in group share). Rents generated were €148.8 Million, slightly down 2.2% compared to 2010, as openings of shopping centers, acquisitions and rents increase almost offset the impact from disposals.

Summary of changes in completed property	GLA Area Group Share	Value (€ Million) Group Share
TOTAL as of December 31, 2010	***670,876***	***2,602***
Openings	17,529	36
Disposals	(38,558)	(121)
Like for like		101
Sub-total	(21,029)	16
TOTAL as of December 31, 2010	***649,847***	***2,618***
incl. France	*534,544*	*2,068*
incl. international	*115,304*	*550*

Tenants'revenues in asset base properties increased by +0.5%, like for like[5], compared to a decline in the national index of 0.8% (source: CNCC). The Retail Parks owned and managed by Altarea Cogedim achieved superior performance yet again this year as compared to all other models, adding +2.2% (like for like). This performance demonstrates that the model is in tune with the expectations of the tenants but also of consumers, who benefit from a competitive price offering along with ease of purchase and a quality environment which combines sustainability, special events and leisure activities.

Investment in 2011 totaled €127 Million[6] and mainly included investment in the Villeneuve-La-Garenne shopping center and the extension phase of the Family Village in Nîmes Costières.

The Group executed €121 Million[7] worth of asset disposals in 2011. These were smaller centers, well-located in city centers, which Altarea Cogedim will continue to manage.

The Group's investment pipeline is €815 Million[8], with yield forecasted at 8.9%.

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[4] The capitalization rate equals net rent over appraised value net of duty
[5] Cumulative revenues of merchants, like-for-like area
[6] Group share (€150 M for 100%)
[7] Group share (€132 Million for 100%)
[8] Group share (€1,414 Million for 100%)

Acquisition of RueduCommerce

In order to serve consumers' new spending habits as exemplified in the surge in e-commerce, Altarea Cogedim has positioned itself as the 1st multi-channel property company by launching a friendly public tender offer in December 2011 on RueduCommerce, a French e-commerce company.

This multi-channel positioning has three objectives:

- to enter the fast-growing e-commerce market (+22%),
- to bring RueduCommerce's advantages to Altarea Cogedim's bricks-and-mortar shopping centers as well as to its residential sales business aimed at individual buyers
- while assisting RueDuCommerce in developing its online shopping mall, with medium-term target business revenues in the order of one billion euros.

Beyond the technological synergies and the means allocated, the Group intends to **implement real change at every level of organization, in order to become the 1st multi-channel property company**.

RueduCommerce, with revenues of €384 Million and 6 to 8 million single visitors per month, is one of the highest-volume e-commerce sites in France. After starting as a distributor of technical products it became the first site to successfully launch an online marketplace in France. In 2011 the marketplace's merchants generated sales of €95 Million (up +39%), with average commissions of 8.0% vs. 7.3% in 2010. RueduCommerce has maintained its position as one of France's largest distributors of technical products, with sales of €289 Million in 2011 and market share estimated at 10% to 13%.

As the acquisition closed at the very end of 2011, RueduCommerce did not contribute to the Group's P&L in 2011.

RESIDENTIAL: continued growth and gains in market share

In euros Millions	2011	2010	variation
Reservations w/o Laennec	1,153	1,009	+ 14%
Reservations incl. Laennec	*1,205*	*1,289*	*- 6%*
Backlog[9]	1,620	1,395	+16%
Offer plus portfolio	3,621	2,498	+45%

With €1,205 Million in signed reservations in 2011 and 4,197 residential units sold, **Cogedim continued to gain market share and now represents 5.5% of the domestic new residential market** in value, after doubling its market share since 2007.

Market share was won entirely through organic growth. It is the result of the Group's strategy:

- **Brand capital** and the relentless pursuit of product quality

- Positioning as a **developer of exceptional properties** (Laennec program in the 7th arrondissement of Paris launched in 2010, Nouvelle Vague program on the banks of the Seine launched in 2011)

- A **broader range** of products including mid- and entry levels

- **Product innovation** (launch of the first Résidences Cogedim Club for seniors, …)

[9] Backlog is comprised of sales before tax of notarized transactions to be accounted for by the completion method and retail and block sale reservations not yet formalized with a notary

- A **multi-channel organization** with innovative distribution channels close to our customers, whether they be owner-occupiers, private investors or institutions (sales force, websites for clients and for sponsors, tablet apps, client relationship management tools,…)

Revenues for 2011 showed significant growth, from €577 Million to €822 Million, a 42% increase, with **net operating income improving substantially at 10.5%**[10] vs. 9.1% the previous year…

Backlog is €1,620 Million, up 16%, **equivalent to 24 months' revenues**.

In addition to the backlog, the Group's potential business is over €3.6 Billion including tax, equivalent to 3 years' of operations thanks to the residential pipeline, which includes both properties for sale[11] and future offer[12].

OFFICE: a transition year

	2011	2010	Variation
Deliveries (in sqm net floor area)	170,000	71,000	+139%
Take up (in € Million, with tax)	131	332	-61%
Backlog (in € Million. before tax)	157	194	-16%

Altarea Cogedim is a major factor in office property, both as a developer (off-plan or under development contract) and as a service provider, as development manager under mandate. Its strategy is based on market-leading technology skills.

A large number of programs were delivered in the course of the year: 7 office buildings totaling **approximately 170,000 sqm**, including 86,600 sqm for Tour First, the largest HQE® (High Environmental Quality) site in France, awarded the Pierre d'Or, a MIPIM Award and the SIMI First Prize.

Altarea Cogedim **has all the resources needed to respond to an uptick in demand for new programs, as well as for refurbishments,** as witnessed by the signing of the forward lease agreement for the future headquarters of Mercedes-Benz France, which will aim for the NF-HQE® and the BREEAM "Excellent" certifications.

Lastly, with the AltaFund office fund, which closed in 2011 with total equity commitments of €600 Million, the Group has forged a powerful investment tool to seize high value-added opportunities with managed risk.

[10] Net property income is calculated net of accrued interest costs, after advertising and sales fees and expenses
[11] Properties for sale represent units currently available for sale, expressed as revenue including tax
[12] The future offer consists of projects under contract (through a preliminary sales agreement) not yet launched, expressed as revenue including tax.

ANALYSIS OF CONSOLIDATED EARNINGS AND FINANCIAL POSITION

In euros Millions	2011	2010	Variation
Consolidated turnover	1,113.0	863.6	+29%
Retail	135.4	139.7	-3%
Residential	86.1	52.5	+64%
Office	0.1	8.1	NA
Other	(1.7)	(2.5)	NA
Operating cash flow	219.9	197.8	+11%
Funding from Operations (FFO) (Group share)	134.3	119.8	+12%
FFO per share (Group share)	€13.1	€11.7	+12%
Net IFRS earnings (Group share)	88.2	146.1	NA

NAV	1,498.4	1,417.4	+6%
NAV in € per share[13]	€147.2	€139.3	+6%
LTV	51.2%	53.2%	-2.0 pts

Sharp increase in Funds from Operations per share at +12%, thanks to strong growth in Residential

As of December 31, 2011 Group funds from Operations were up by +11%, to €220 Million.

Growth was spearheaded by Residential (Operating cash Flow +64%) as a result of gains in market share over the last three years, Retail dropped by 3% due to the impact on rents of the arbitrage/disposals policy, which has not yet been offset by the rents which will be produced by assets currently under development. The contribution of Office is flat because of the reduced number of new projects in 2011.

Consequently, funds from operations were €140.4 Million, up by 15% compared to 2010, and the **Group's share of funds from operations, was €13.1 per share, an increase of +12% from 2010.**

NAV up nearly + 6%, to 147.2 euros per share

Variation of going-concern NAV	€ per share
Going-concern NAV as of December 31, 2010	**139.3**
Dividend	-8.0
FFO	+13.1
Variation in asset values	+11.8
Variation values of financial instruments	-7.8
Other	-1.2
Going-concern NAV as of December 31, 2011	**147.2**

On December 31, 2011, Altarea Cogedim's totally diluted, going-concern **NAV** (reappraised Net Asset Value), **was up by +5.7%, at €147.2 per share**, net of dividend distribution of €8.0 per share.

NAV advanced thanks to gains in funds from operations, in the value of retail assets (capitalization rate compression of -14bp), and in the value of Cogedim.

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13 *Fully diluted going-concern NAV* net of financial instruments and non-SIIC taxation

Solid financial position

At the end of 2011, the Group held €348 Million in cash and equivalent.

Net financial borrowing for Altarea Cogedim Group was just about static at €2,108 Million at the end of 2011. Average interest cost was 3.6% in 2011 vs. 3.7% in 2010.

The Group Consolidated LTV Ratio showed a 200 bp decline, to 51,2% at December 31, 2011, while ICR coverage improved slightly, to x2.8.

2011 DIVIDEND UP +12.5% TO €9 PER SHARE

At the next General Meeting of Shareholders to be held next May 25, the Group will propose the **payment of a dividend of €9 per share, an increase of +12.5% with respect to 2010,** in line with commitments made last year. Shareholders will have the option of choosing payment of the dividend in shares of Altarea Cogedim. These new shares will be issued at a 10% discount to the average share price over the 20 trading days preceding the General Meeting.

OUTLOOK FOR 2012

Thanks to its competitive position and to the highly predictable quality of its earnings, and assuming equivalent economic conditions, **Altarea Cogedim is forecasting an increase of at least 10% of funds from operations and dividend in 2012.**

Next events in 2012

- Q1 2012 Revenues: May 3
- Shareholders' General Meeting: May 25

Group financial communications are released after trading.

See the full 2011 Annual Report at www.altareacogedim.com

About Altarea Cogedim - FR0000033219 - ALTA

Listed in compartment A of NYSE Euronext Paris (SRD Long Only), Altarea Cogedim is a significant participant in the real-estate markets. As both a retail property investor and a developer, it is the only group in the 3 main property markets: retail, residential, office. For each it has the complete skill-set required to design, develop, sell and manage bespoke real-estate products. By acquiring French web merchant RueduCommerce on December 31, 2012, Altarea Cogedim became the 1st multi-channel retail property company.

As of year end 2012, Altarea Cogedim owned investment assets comprised of shopping centers worth 2.6 Million euros with a market capitalization of 1.2 Billion euros.

ALTAREA COGEDIM CONTACTS

Eric Dumas, Chief Financial Officer

edumas@altareacogedim.com, tel: + 33 1 44 95 51 42

Nathalie Bardin, Head of Communications

nbardin@altareacogedim.com, tel: +33 1 56 26 25 36

CITIGATE DEWE ROGERSON CONTACTS

Yoann Nguyen, Analyst and investor relations

Yoann.nguyen@citigate.fr, tel: + 33 1 53 32 84 76

Servane Tasle, Press Relations

servane.tasle@citigate.fr, tel: + 33 1 53 32 78 94

BUSINESS REVIEW
December 2011

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.

1. 2011 highlights

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

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[14]. At 2011 year end, the portfolio included 49 properties for a total value of €2.618 billion[15] (+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[16].

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[17] and launched two projects representing total investments of €202 million[18] (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[19]. With sales revenue of €384 million[20] 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.

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[21], Cogedim's reservations for new housings rose slightly to reach 4,200 units (+2%).

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

[14] On a Group share basis, that is 22.2% for large retail parks and 47.2% for regional centers and urban entertainment centers.

[15] Rights included, on a Group share basis (€3.310 billion at 100%).

[16] 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%.

[17] Group share for 904,168 sq. ft. (84,000 m²).

[18] Figure on a Group share basis (€318 million at 100%).

[19] After the takeover bid completed on February 21, 2012, Altarea Cogedim held more than 96% of RueduCommerce.

[20] For the 2011 calendar year, of which €289 million from the distribution of products and €95 million generated by the online marketplace.

[21] 103,000 new housings were reserved in 2011, according to the French Ministry of Housing.

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[22], 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[23], 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[24] and Android smartphones have also been developed to maintain permanent contact with existing or potential customers as part of multi-channel distribution strategy.

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[25] as well as the most recently completed transactions[26].

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.

[22] At the time of its acquisition by Altarea in 2007, Cogedim had a 2.5% market share in France in value terms.
[23] Pre-let rate of at least 50% before the acquisition of the land.
[24] 14,000 existing or potential customers have downloaded the Cogedim apps.

[25] 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.
[26] 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".

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1. A multi-channel property company

1.1 Brick-and-mortar retail

1.2 Online retail

1. A multi-channel property company

1.1 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 (27)	Appraisal value (28)	Weighted average capitalisation rate (29)	GLA in sqm	Provisionnal gross rental income	Net investment (30)	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%**

1.2.1 Brick-and-mortar retail: shopping centers in portfolio

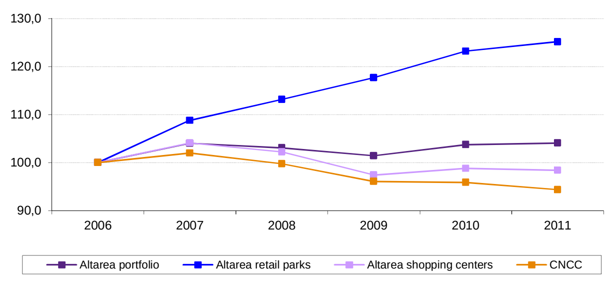
Consumer spending[31]

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)



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[32]. Their property[33] 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	*918%*		*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%*

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[27] Rental values on signed leases at January 1, 2012.
[28] Appraisal value including transfer duties.
[29] The capitalization rate is the net rental yield relative (triple net rent) to the appraisal value excluding transfer duties.
[30] Total budget including interest expense and internal costs.
[31] INSEE and CBRE, PLF 2012 publications.

[32] Retail tenants of the Family Village format are often also present in shopping centers under a specific concept.
[33] Rent + charges including tax.

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[34]

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[34]

€121 million in long-term holdings were sold[35], 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.

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.

[34] Group share
[35] Of which Reims under a preliminary sales agreement whose sale was completed in early January 2012.

Occupancy cost ratio[36]*, bad debt ratio*[37] *and financial vacancy rate*[38 34]

	Retail Parks & Family	Shopping centres	Group S1 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 S1 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	9.0%	18	11.0%
2012	6	3.9%	17	10.4%
2013	5	3.3%	34	21.4%
2014	13	8.3%	35	21.6%
2015	8	5.0%	16	10.0%
2016	9	5.7%	16	9.9%
2017	20	12.6%	8	4.9%
2018	24	15.0%	4	2.2%
2019	19	12.0%	3	1.7%
2020	19	11.8%	3	2.1%
2021	10	6.2%	3	1.8%
2022	5	3.2%	0	0.3%
> 2022	7	4.1%	5	3.0%
Total	**160**	**100.0%**	**160**	**100.0%**

Value of completed properties

At December 31, 2011, the Group share's value[39] of completed properties amounted to €2.618 billion, up marginally from the end of last year (+4.1% like-for-like).

December 31, 2011	Operating shopping centres		
	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**

[36] Ratio of rent and expenses charged to tenants to revenue including VAT generated by the retailer.
[37] 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.
[38] 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.
[39] Including transfer duties.

	GLA sqm	Gross rental income (€m)	Value (€m)
	Group share	Group share	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
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[40]**

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

	Dec 31, 2011	Dec 31, 2010
	Average net cap. rate	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%*

1.2.2 Brick-and-mortar retail: Shopping centers under development[41]

At December 31, 2011 the volume of development projects under contract with Altarea Cogedim **represented projected net investments[42] of approximately €815 million and potential rental income of €73 million representing a projected gross return on investment of 8.9%.**

[40] The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.
[41] Group share of property assets.
[42] Total budget including interest expense and internal costs.

December 31, 2011	Shopping centres under development			
	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[43]. 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.

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	
Nîmes	Family Village	27 500	
Toulouse Occitania - Extension	Regional shopping center	5 500	
Bercy Village - Refurbishment	urban entertainment center	-	
TOTAL		**64 700**	**€ 201.9 m**

** Group share*

In 2011 Altarea Cogedim invested a total of[44] €127 million in its development project portfolio.

Outlook and investment strategy[45]

On the whole, the French market is mature and well supplied[46]. 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[47] 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:

[43] 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.

[44] Change in non-current assets net of changes in payables to suppliers of non-current assets.

[45] Total budget including financial carrying (interest expense) and internal costs.

[46] 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.

[47] The notion of "existing commercial area" is broader than the notion of "existing center".

- 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[48] 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.

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[48] 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 & 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	Gross rental (€ m)	Net invesment (€ m)	Yield	GLA sqm	Gross rental	Net invesment (€ m)	Yield
			Group share	G/S	G/S	G/S	100%	100%	100%	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 Nimes	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%*

1.4 Online retail

1.4.1 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[49]

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.

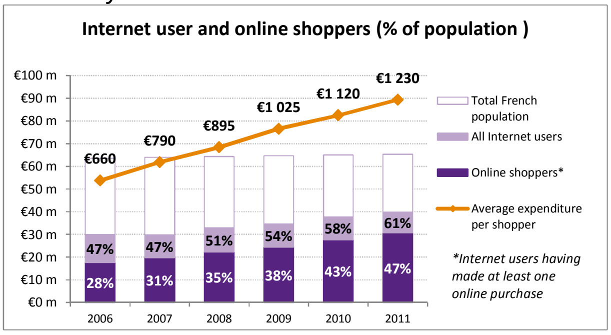
1.4.2 Online retail

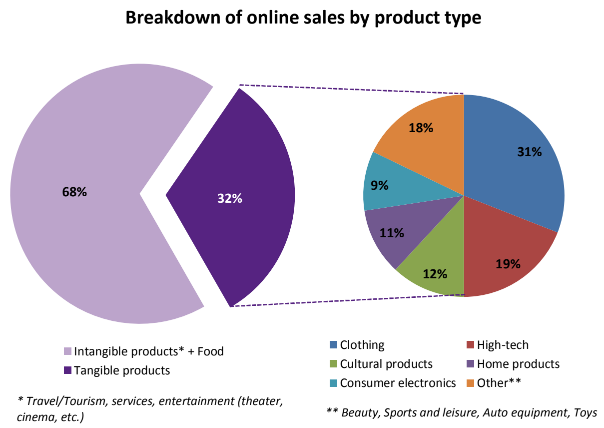
A strong growth market[50]

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[51] (+12% per year since 2006),
- And the average annual shopping basket per buyer (x2 since 2006).

[49] Online sales excl. tax (online marketplace + direct sales)
[50] Data from the French E-commerce and Home Shopping Federation (*Fédération E-commerce et Vente à Distance* or FEVAD), Médiamétrie//NetRatings and Oxatis.
[51] Internet users having made at least one online purchase.

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





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[52] becomes increasingly relevant as the larger sites use and strengthen their capacity to concentrate the offering and traffic.

1.4.3 RueduCommerce

[52] 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.

Founded in 1999, the RueduCommerce Group is one of France's leading e-retailers[53] with sales revenue of €384 million[54] 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[55], 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%*

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 2nd and 3rd "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[56]

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 provisio	**(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.

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

[54] For the 2011 calendar year, of which €289 million from the distribution of products and €95 million generated by the online marketplace.

[55] RueduCommerce is the only online retail site with an ISO 9001 certified after-sales service.

[56] 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,.

2. Residential property development

2.1 Residential property sales in France in 2011

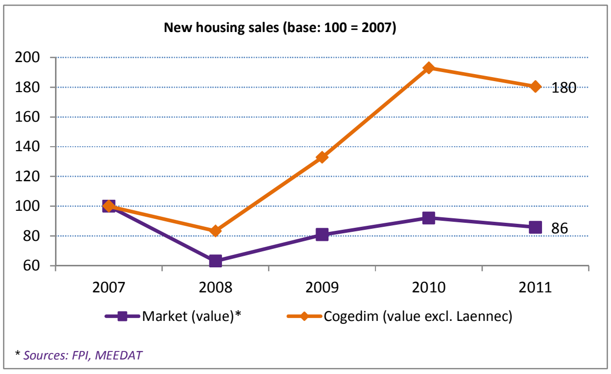
New housing sales in France slowed in 2011 compared with the prior period with 103,000 sales announced by the French Ministry of Housing, down from 115,000 sales last year. This reversal reflects the slump in sales to individuals after a strong contribution in the previous year (-28% for the first nine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

2.2 Altarea Cogedim: a strategy based on brand recognition and innovation

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



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' 7th district, in November 2011 Cogedim put "Nouvelle Vague" on the market: an exceptional development project along the Seine on quai Henri IV in Paris' 4th district, designed by the Berlin architect Finn Geipel of the Lin firm.

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.

2.3 Geographical coverage and distribution channels

Through its 10 subsidiaries[57], 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.

2.4 Sales activity and operating cash flow

Reservations in 2011[58]

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

[57] Ile-de-France (the greater Paris region), Grand-Lyon, Savoies-Léman, Grenoble, Méditerranée, Provence, Midi-Pyrénées, Aquitaine, Atlantique and Languedoc-Roussillon.
[58] Reservations net of cancellations

(€ 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%

The number of units reserved for the Group totaled nearly 4,200[59], 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[60], compared to €254,000[60] in 2010. This increase was due mainly to the higher percentage of reservations in the upscale segment in the Paris Region (29%[60] in 2011 compared with 25% in 2010).

[59] Consolidated Group share
[60] Excluding exceptional developments of Paris 7 Rive Gauche and Nouvelle Vague

The disposal rate[61] 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%**	

Revenue[62]

(€ 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[63] 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.

2.5 Outlook

At the end of 2011, the backlog[64] 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%**		

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[65] and the future offer[66].

(€ 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**

[61] The disposal rate is the ratio between reservations in value terms and the inventory of properties for sale.
[62] 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.
[63] Net property income is calculated after capitalized interest and after marketing fees and advertising expenses

[64] 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.
[65] Properties for sale represent units currently available for sale, expressed as revenue including tax.
[66] The future offer consists of projects under contract (through a preliminary sales agreement) not yet launched, expressed as revenue including tax.

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.

3. 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%.

3.1 Economic environment[67]

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.

3.2 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).

3.3 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.

3.4 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.

[67] CB RICHARD ELLIS data.

3.5 Backlog[68] 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.

[68] 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.

II Consolidated results

1. Results

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**		

1.1.1 Funds from operations: €140.4 million

Funds from operations[69] represents operating cash flow after interest and corporate income tax expenses.

Operating cash flow [70]

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.

[69] FFO

[70] Net rental income from property and the margin on property development after deducting net overhead expenses.

1.1.2 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 [71]	(€13.3 m)
Estimated expenses [72]	(€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.

[71] In 2011: AltaFund for €6.4 million, Urbat for €4.6 million, RueduCommerce for €1.7 million and Foncia for €0.6 million.

[72] Bonus share plans, retirement provisions, amortization of bond issuance costs, allowances for amortization and depreciation and non-current provisions.

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 sahre	**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

<u>Calculation basis</u>

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.

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**

III Financial resources

1. Financial position

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.

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).

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).

1.4 Source of funds

In 2011, Altarea Cogedim signed mortgage financing agreements for €236 million[73] 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).

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. 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%

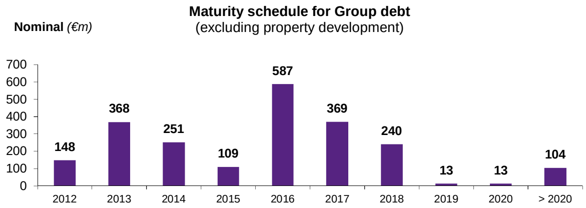
[73] Group share of €138.5 million.

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.



BALANCE SHEET at December 31, 2011

Assets

(In € millions)	31/12/2011	31/12/2010
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	*-*	*6*
o/w bank overdrafts	*5*	*5*
o/w other borrowings and financial liabilities	*19*	*9*
Derivative financial instruments	130	118
Current provisions	-	-
Accounts payable and other operating liabilities	860	791
Tax due	1	3
Amounts due to shareholders	-	-
TOTAL LIABILITIES	**4 643**	**4 444**

Costing-based profitability analysis to December 31, 2011

In millions of euros	2011 Current cash-flow from operations (FFO)	2011 Changes in value, estimated expenses and transaction costs	2011 Total	2010 Current cash-flow 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	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**