Press release

2013 annual results
Paris, March 6, 2014, 5:45 pm

Excellent prospects

A very solid balance sheet structure

(LTV at 41.7%)

High potential for growth in all businesses

- **Results in line with our objectives**[1]

Consolidated evenue	€1.518 billion	+2%
Operating cash flow	€219 million	-3%
Consolidated FFO	€168 million	+6%
o/w Group share	*€142 million*	*-5%*
EPRA NNNAV	€1.491 billion	+5%
Consolidated shareholders' equity	€1.833 billion	+35%

- **Indicators up in all businesses**

Net rental income for retail	+5% like-for-like in France	
Retail pipeline	€1.6 billion (+17% with >9% returns)	
E-commerce traffic	188 million visits (+4%)	
Housing reservations	€1.016 billion incl. tax	+18%
Office projects under development in 2013	€597 million	+140%

- **Indicators per share: stable NAV, decline in FFO and dividend maintained**

EPRA NNNAV/share[2]	€128.7	-1.6%
FFO Group share/share[2]	€12.7	-11%
Proposed dividend	€10.0	+0%

An option for dividend payment in shares will be proposed at the General Shareholders' Meeting to be held on May 7, 2014[3].

Paris, March 6, 2014, 5:45 pm. Following review by the Supervisory Board, Management approved the 2013 consolidated financial statements. The audit of the consolidated and individual financial statements has been performed and the certification report will be issued shortly.

[1] *The Group chose to apply IFRS consolidation standards 10, 11 and 12 as of January 1, 2013. The 2012 accounts have been restated on this basis to facilitate comparison. Please see the business review for more details.*
[2] *After dilution.*
[3] *Based on a payment in shares corresponding to 90% of the average stock price ex dividend over the 20 trading days preceding the GSM.*

"2013 was an important milestone for our Group. With an LTV ratio of 41.7%, we enjoy significant leeway to continue our journey forward with renewed operational fundamentals.

In retail (86% of fixed capital), we optimized the allocation of our financial resources by focusing on large assets that we control and own along with major institutional investors. At the same time, we have a portfolio of high-yield projects ultimately intended to be maintained in our portfolio under the same conditions. The goal is to foster dynamic value creation to benefit the shareholders who have made a long-term investment in our Group.

In e-commerce (2% of fixed capital), we worked to break down barriers between different distribution channels. We repositioned Rue du Commerce to emphasize its multi-channel capabilities. Significant investments should benefit shopping centers that have made the digital transformation, beginning with our project in Villeneuve-la-Garenne (Qwartz).

In residential (9% of fixed capital), we increased our reservations 18% while the market was at a standstill. Cogedim seized the opportunity presented by the Duflot scheme thanks to the quality of its products. We also managed to create an offering tailored to both individuals – particularly through entry-level programs – and institutional investors, who drove our sales growth. The Group's natural ability to attract and accommodate investors is clearly behind this success. As a result of new products designed in recent years ("Cogedim Club," "New Neighborhoods") and confidence in our operational organization, we foresee strong sales growth, which should boost the Group's FFO as of 2015.

In offices (3% of fixed capital), new projects under development in 2013 represent close to €600 million. We are even more pleased to see that nearly half of these projects were initiated by Altafund, our discretionary fund launched three years ago, at a time when the market seemed definitively frozen. Our Group now ranks among the top French developers of commercial real estate thanks to its comprehensive range of actions that spans from services to investment. This business should be a significant driver of FFO growth in the coming months.

Our long-term vision is guided by the belief that the products and markets of tomorrow will be invented by the companies that best synthesize seemingly contradictory approaches (developer / investor, property company / distributor, physical / online, public / private, etc.). Breaking down the boundaries between these approaches makes it possible to create a different kind of offering, with greater added value. For three years, our Group has been undergoing a profound transformation, and 2014 will be a new year of transition.

More, our group creates close to 15 000 jobs, direct[4] or indirect, and will sustain its involvement in the battle for employment. Surrounded by an experienced, dedicated and entrepreneurial management team, I look to the future with more confidence and resolve than ever, and continue to work towards our goal of strong growth for our Group."

Alain Taravella, Chairman and Founder of Altarea Cogedim

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[4] 1300 direct jobs and 13 000 indirect jobs. Indicators approved by Ernst & Young.

BUSINESS

RETAIL

Shopping centers: a new dynamic

	2013
Assets managed	**€3.973 bil.**
o/w controlled assets[5]	*€3.010 bil.*
o/w jointly controlled assets[6]	*€269 mil.*
o/w assets managed for third parties	*€693 mil.*
Visitor numbers	**+0.1%**
CNCC	*-1.7%*
Tenant revenues	**+0.7%**
CNCC	*-2.1%*
Net rental income[7]	**158.0**
o/w like-for-like France[8]	*+5.0%*
Pipeline[9]	**€1.653 bil.**
o/w share	*€1.090 bil.*
Projected yield	**9.3%**

In France (84% of the portfolio), operational indicators are positive, pointing to solid growth in rents like-for-like (+5%)[7] with a stable occupancy cost ratio of 10.2%. These performances are a result of strategic repositioning in recent years. The portfolio now mainly consists of large assets[10] that will ultimately benefit from the Group's multi-channel strategy. In Italy, performances were affected by the economic situation: rental values were readjusted, which helped maintain financial vacancy below 3%.

Thanks to new projects under development in 2013, the ratio of centers under development to existing assets reached levels not seen since the crisis, both in terms of volume and profitability. Rents in centers under development potentially represent 70% of the existing portfolio[11], which should give a powerful boost to NAV growth while allowing us to maintain our prudent commitment policy. In addition, the Group is working on a new line of local shops to go along with Cogedim Logement's business. The potential of this activity – essentially realized through development – is extremely promising.

Strategic partnership with Allianz on a portfolio of five shopping centers

In December 2013, Altarea Cogedim entered into a long-term partnership with Allianz Group[12] for a portfolio of five "core" shopping centers[13] owned and managed by Altarea Cogedim. This partnership took the form of a 49% minority stake for Allianz in the structures that own these assets, representing a total equity investment of €395 million. Under the terms of this partnership, Altarea Cogedim maintains control[14] and management of the portfolio assets, while at the same time reducing its debt and generating significant financial resources.

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[5] *Fully consolidated.*
[6] *Consolidated by the equity method.*
[7] *-3.3% excluding the full consolidation of Cap 3000.*
[8] *Excluding assets commissioned, acquisitions, divestitures and restructurings, and excluding the impact of changes in consolidation method (IFRS 10 and 11).*
[9] *Full net budget including financial carrying costs of the project and internal costs.*
[10] *44 assets, including 37 in France with an average value of €75 million.*
[11] *€1.090 billion in Group share of economic ownership, for €98 million in potential rents, brought to €2.283 billion in total assets (Group share).*
[12] *Through German insurance companies of Allianz Group.*
[13] *Bercy Village, Toulouse Gramont, Boutiques de la Gare de l'Est, Espace Chanteraines in Gennevilliers, and the Toulon - La Valette development project, representing a total asset value of over €800 million.*
[14] *The five assets continue to be fully consolidated according to IFRS standards 10, 11 and 12.*

Rue du Commerce: ***ma rue, mes boutiques, mes envies***

	12/31/2013	*2012 Change*
Site traffic[15]	**188 million**	*+4.1%*
Business volume	**€429 mil.**	*+1%*
o/w High-tech	€319 mil.	*+1%*
O/w *Galerie Marchande*	€110 mil.	*+2%*
Average ***Galerie*** **commission rate** (% of merchant revenues)	**8.8%**	*Stable*

Rue du Commerce is one of the most visited retail websites among French Internet users, in a maturing market where barriers to entry are continuing to grow.

The site and its *Galerie Marchande* were redesigned and re-defined to better meet consumer expectations. Selection criteria for merchants were raised, which weighed on the quantitative growth of the shopping gallery. Rue du Commerce recruited nearly 340 new merchants, with a growing number of brands from brick-and-mortar retail[16]. E-commerce terminals are being installed in high-foot-traffic areas, in partnership with RELAY France and Gares & Connexions. Rue du Commerce aims to become the "1st digital shopping center." As such, a major investment program is underway that should benefit shopping centers managed by the Group.

RESIDENTIAL: Strong growth in volumes (+18%) spurred by sales to institutional investors

	12/31/2013	12/31/2012	*2012 Change*
Reservations (included taxes)	**€1.016 billion**	**€861 million**	**+18%**
Entry-level and mid-range	€565 million	€477 million	+18.4%
High-end	€339 million	€322 million	+5.3%
Serviced residences	€112 million	€62 million	+80.6%
Individual reservations	€650 million	€646 million	+1%
Block reservations	€366 million	€215 million	+70%
Reservations (number of units)	**3,732**	**3,197**	**+17%**
Revenues	**€883million**	**€914 million**	**-3.4%**
Operating cash flow	**€62.3 million**	**€100.7million**	**-38.1%**
Backlog[17]	**€1.331 billion** 17 months	**€1.414 billion** 18 months	**-6%**
Offering and portfolio[18]	**€4.430 billion**	**€4.068 billion**	**+9%**
Number of units	16,580	13,550	+22%

Cogedim recorded strong sales growth in a market that saw no growth at all. The new product range is fully in line with the market ("New Neighborhoods," entry-level and mid-range products, Cogedim Club). Cogedim's quality has allowed it to attract a client base of individual investors interested in the Duflot scheme. Above all, the Group brought institutional investors back to the housing market by offering them an investment framework tailored to their needs. Various agreements – especially with Crédit Agricole Assurances – concerning both serviced residences and mixed-use programs made up primarily of housing attest to Altarea Cogedim's ability to invent a targeted response for these major investors.

Cogedim's contribution to Group results declined partly due to a base effect (2012 featuring operations with very high returns), but also because of the Group's desire to maintain its absorption rate in a market that is increasingly geared towards entry-level and mid-range products. Pursuant to Cogedim's strategy, the property portfolio was overhauled in 2013 to be in line with the market.

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[15] *Total number of connections to the site in 2013 (source: Xiti).*
[16] *35 brick-and-mortar retail brands joined the Galerie in 2013.*
[17] *The backlog comprises revenues excluding tax from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.*
[18] *Properties for sale include units available for sale (expressed as revenue incl. tax), and the future offering is made up of programs at the development stage (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched (expressed as revenue incl. tax).*

OFFICES: Strong growth for projects under development

2013 saw sharp recovery, with €597 million in new projects under development[19], nearly half of which thanks to the AltaFund[20] investment fund. This success illustrates the relevance of Cogedim Entreprise's positioning as an investor, developer and service provider.

FY 2013 was characterized by a significant increase in revenues to €107.5 million (+45%) and operating cash flow to €15.5 million (+211%). This activity should significantly contribute to the growth of Group results in the coming years.

	12/31/2013	12/31/2012	*2012 Change*
Projects under development	**€1.403 billion**	**€945 million**	***+49%***
o/w under development during the year	€597 million	€248 million	+140%
Revenue	**€107.5 million**	**€74.2 million**	*+45%*
Operating cash flow	**€15.5 million** 14.4% of revenue	**€5.0 million** 6.7% of revenue	*+211%*

[19]Off-plan sales and leases and property development contracts (amounts signed), delegated project management (fees capitalized), Altafund investments (cost price) under development in 2013.
[20] AltaFund is a discretionary investment fund. It has €600 million in equity raised from among major international investors, with the Group holding a 17% interest.

FINANCE: Results in line with objectives and strengthening of the financial structure

In € millions	12/31/2013				12/31/2012 restated		
	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
Shopping centers	196.1	*19%*	-	196.1	164.9	0.9	165.8
Online retail	328.1	*1%*	-	328.1	325.2	(0.0)	325.1
Residential	883.3	*(3)%*	-	883.3	915.0	-	915.0
Offices	110.8	*40%*	-	110.8	79.4	-	79.4
REVENUE	**1,518.4**	***2%***	**-**	**1,518.4**	**1,484.5**	**0.9**	**1,485.4**
Shopping centers	153.9	*21%*	68.5	222.4	127.1	13.6	140.7
Online retail	(12.5)	*106%*	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Residential	62.3	*(38)%*	(5.2)	57.0	100.7	(4.7)	95.9
Offices	15.5	*211%*	(1.9)	13.6	5.0	(2.9)	2.1
Other	(0.6)	*(76)%*	(0.6)	(1.2)	(2.5)	(0.6)	(3.0)
OPERATING INCOME	**218.6**	***(3)%***	**13.8**	**232.4**	**224.3**	**(2.5)**	**221.7**
Net borrowing costs	(48.2)	*(25)%*	(6.6)	(54.8)	(63.9)	(3.3)	(67.2)
Discounting of debt and receivables	-		(0.2)	(0.2)	-	(0.0)	(0.0)
Changes in value and profit / (loss) from disposal of financial instruments	-		22.2	22.2	-	(73.9)	(73.9)
Proceeds from the disposal of investments	-		(0.0)	(0.0)	-	0.7	0.7
Corporate income tax	(2.7)		23.2	20.4	(1.7)	(19.3)	(21.0)
NET PROFIT	**167.7**	**6%**	**52.3**	**220.0**	**158.6**	**(98.4)**	**60.2**
Income attributable to equity holders of the parent	142.2	(5)%	4.1	146.2	149.7	(93.8)	55.9
Average diluted number of shares (in millions)	*11.232*				*10.548*		
FFO (group share)/share	*12.66*	*(11)%*			*14,19*		

The Group chose to adopt IFRS consolidation standards 10, 11 and 12 on January 1, 2013 (mandatory on January 1, 2014). Application of these methods has no impact on net income within or outside the Group. Pease see Business review for more details.

Group consolidated revenues rose to €1.5184 billion, up 2% from 2012.

Operating cash flow[21] was virtually stable at €218.6 million (-3%). Lower contributions from residential property (delayed effect of the decline in business in 2012) and Rue du Commerce (implementation of the investment program) were largely offset by the strong performance of Shopping centers and Offices.

Consolidated FFO[22] (Group and minority interests) rose by 6% to €167.7 million thanks to reduced financial expenses. After taking into account minority interests, which grew significantly during the year (up €16.7 million), FFO (group share) declined slightly (−5% to €142.2 million). Per share, the decline amounted to −11% (€12.7/share) due to an increase in the average number of shares (partial payment of the 2012 and 2013 dividend in shares[23] and the capital increase related to the 15% contribution of Bercy Village).

[21] *Equal to the sum of net rental income, development margins and fees after overhead.*

[22] *Funds from operations (operating cash flow after net interest and corporate income tax expenses).*

[23] *732,624 shares created in June 2012 and 536,364 shares created in June 2013, i.e., an increase of 634,494 in the average number of shares for 2013 and a 6.0% dilutive effect.*

Consolidated net income rose sharply to €220.0 million (+265%), driven by changes in net values. The sharp rise in the value of French assets, financial instruments and deferred tax assets more than offset the decline in value of Italian assets and e-commerce intangibles. Increases in the Group share of income were along the same lines (+162% to €146.2 million).

STRENGTHENED BALANCE SHEET

	2013	2012	*Change*
Equity	€1.833 bil.[24]	€1.362 bil.	*+ €471 mil.*
Net debt	€1.837 bil.	€2.186 bil.	*- €349 mil.*
LTV	41.7%	49.3%	*-762 bp*
ICR	4.5 x	3.2 x	*+1.3 x*
Term	4.1 years	4.3 years	
Average cost	2.80%	3.52%	*- 72 bp*

The partnership with Allianz and partial payout of the 2013 dividend in shares contributed to a decline in the LTV ratio, which stood at 41.7% (vs. 49.3%). Total consolidated shareholders' equity increased by 35% to €1.833 billion. Subsequent to these transactions, net debt was down sharply (-16%). The average cost of debt was brought down to 2.8% due to improved borrowing conditions for the Group, but also thanks to the restructuring of hedging instruments, whose horizons were shortened to match the average duration of the debt.

EPRA NNNAV[25]: €1.4912 billion (+4.6%), €128.7/share (-1.6%)

	In € millions			*In €/share*		
	2013	2012	*Change*	2013	2012	*Change*
Going concern NAV	1,554.1	1,511.2	*+2.8%*	134.1	138.5	*-3.2%*
EPRA NNNAV (liquidation NAV)	1,491.2	1,425.9	*+4.6%*	128.7	130.7	*-1.6%*

Please see the business review for details of the calculation of each NAV.

[24] *O/w €1.151 billion on a Group-share basis and €682 million on a minority-share basis.*

[25] *EPRA NNNAV: Liquidation NAV (i.e., value of portfolio assets excluding transfer duties on securities and investment properties) after impact of mark-to-market of debt and financial instruments, and deferred tax.*

Changes in governance

Changes in governance were submitted at the Supervisory Board.

Jacques NICOLET wishes to resign as President of the Supervisory Board in order to devote more time to his professional activities. He will remain a member of the Supervisory Board as well as President of the Investment Committee. The Supervisory Board jointly pay tribute to Jacques NICOLET for his crucial involvement in the establishment and development of the Group Altarea.

Christian de GOURNAY, current President of the Executive Board of COGEDIM succeeds Jacques NICOLET.

Alain TARAVELLA, general partner[26] of SCA ALTAREA, limited partnership with shares, appoints Gilles BOISSONNET and Stéphane THEURIAU copartners[27] at his side. Gilles BOISSONNET, President of Altarea Commerces, will also supervise the operations and corporate functions within the group. Stéphane THEURIAU, President of the Executive Board of Cogedim, will now lead the promotions and investment activities for Residential and Offices.

These changes are to take effect on the 2[Nd] of June 2014.

Prospects

2014 will be a year of transition. Projects under development in 2013 and the commercial success of Cogedim will not begin to produce their effects on the Group's results until the end of 2014, while investments on new concepts and the new offering continued. 2014 FFO should thus register a pronounced decline in the first half and start to grow significantly from the end of the year.

The Group is on the move: a very solid financial structure, a new range of innovative products, a vast portfolio of projects, a sound organization, and robust governance. We therefore continue to work towards a long-term goal of FFO (Group share) of over €200 million in 4 to 5 years, in a similar economic environment and despite predictions of more moderate changes in rents and real estate prices than in the past.

A dividend of €10 per share for FY 2013 with an option for payment in shares will be proposed at the General Shareholders' Meeting of May 7, 2014. Given our long-term vision and our extremely sound financial position, we aim to offer the same for FY 2014 (payable in 2015).

The Group's financial announcements are made after market.

A presentation is included with this press release and is available for download in the Finance section of the Altarea Cogedim website.

[26] *Via Altafi 2, fully controlled by Alain TARAVELLA.*
[27] Via a ad-hoc structure.

About Altarea Cogedim - FR0000033219 - ALTA

Altarea Cogedim is a leading property group. As both a commercial land owner and developer, it operates in all three classes of property assets: retail, residential and offices. It has the know-how in each sector required to design, develop, commercialize and manage made-to-measure property products. By acquiring Rue du Commerce, a leader in e-commerce in France, Altarea Cogedim became the first multi-channel property company.
With operations in both France and Italy, Altarea Cogedim managed a shopping center portfolio of €4 billion at December 31, 2013. Listed in compartment A of NYSE Euronext Paris, Altarea had a market capitalization of €1.5 billion at December 31, 2013.

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BUSINESS REVIEW
DECEMBER 31, 2013

CONTENTS

1 INTRODUCTION

1.1 EARLY APPLICATION OF IFRS 10, 11 AND 12 AS OF JANUARY 1, 2013

The Group chose to apply IFRS consolidation standards 10, 11 and 12 as of January 1, 2013 (application mandatory as of January 1, 2014).

1.1.1 General Principles

IFRS 10 redefines the principles used to determine control of an entity. Control is based on governance of the entity and decision-making powers on relevant activities (i.e. ones that have an impact on the entity's return).

IFRS 11 changes the principles governing consolidation of jointly controlled entities. Jointly controlled entities must be consolidated via the equity method (bringing an end to proportionate consolidation).

IFRS 12 governs disclosure of information on interests in other entities (subsidiaries, affiliate companies, structured entities), as well as on partnerships. The standard aims to provide clear information on the risks to which an entity is exposed owing to its associations with structured entities.

Application of these methods has no impact on net earnings, Group share and minority share.

1.1.2 Application to Group companies

The Group has carried out a control analysis of all partnerships with property companies and real estate development companies. The Group's recent transactions had already been analyzed with regard to the new standards (takeover of Cap 3000, partnership with Allianz).

The consequences on the control of companies affected by the elimination of proportionate consolidation, as well as the main impacts on the Group's consolidated financial statements, are as follows:

PROPERTY COMPANIES

Six assets or projects previously consolidated using the proportionate consolidation method have been consolidated through the equity method. The following table illustrates the impacts on the main aggregates[26].

In € millions	At 12/31/2013
Investment properties	(243)
Net rental income	(6)
Borrowings and financial debt[(a)]	(86)

(a)For the entire Group

DEVELOPMENT COMPANIES

78 companies originally consolidated using the proportionate consolidation method have become equity-method affiliates. These include 52 entities completed more than one year ago, 3 completed during the financial year, 8 currently under construction, 4 for which land has been acquired but construction not yet begun, and 11 under preliminary agreements.

In € millions	At 12/31/2013
Revenue	(99.7)
Net property income	(11.8)

Unless otherwise specified, all accounting data in this report is taken from the 2012 consolidated financial statements, restated to reflect the impact of IFRS standards 10, 11 and 12.

1.1.3 Details on published operational indicators

To ensure greater clarity, Altarea Cogedim Group provided the following details on select operational indicators associated with adoption of IFRS standards 10, 11 and 12.

PROPERTY INVESTMENT BUSINESS

• Portfolio assets: in this Business review, the Group distinguishes between assets in which it is a shareholder and over which it exercises operational control within the meaning of accounting standards, and those in which it is a shareholder but over which it does not exercise

[26] *The impact primarily concerns Carré de Soie in Lyon and Qwartz in Villeneuve-La-Garenne (under development).*

operational control for accounting purposes. As regards these two asset categories, values are stated at 100%, specifying for each asset the share over which the Group has economic ownership.

• Pipeline: the same principle is applied as for portfolio assets, distinguishing projects over which the Group exercises operational control within the meaning of accounting standards, while indicating what falls within its economic share for both controlled and non-controlled projects.

• All data regarding management of shopping centers (revenue, footfall, leases, occupancy cost ratio, bad debt, financial vacancy rate) are calculated at 100% on the scope of assets in which Altarea is a shareholder, for both controlled and non-controlled assets. Shopping centers managed entirely for third parties are not included in this scope.

DEVELOPMENT BUSINESS

• Reservations: reservations on programs controlled by the Group within the meaning of accounting standards are recognized at 100%. Transactions on "co-development" programs (jointly controlled) are recognized according to ownership interest. This method is identical to that used in previous publications and serves notably to measure Cogedim's market share.

• Backlog, properties for sale, property portfolio: the principle is the same as for reservations. It is expressed at 100% for controlled programs and according to the Company's share for jointly-controlled programs.

Costing-based profitability analysis at December 31, 2013

In € millions	12/31/2013 Funds from operations (FFO)	12/31/2013 Changes in value, estimated expenses and transaction	12/31/2013 Total	12/31/2012 restated Funds from operations (FFO)	12/31/2012 restated Changes in value, estimated expenses and transaction	12/31/2012 restated Total
Rental income	174.4	–	174.4	143.9	–	143.9
Other expenses	(16.4)	–	(16.4)	(13.7)	–	(13.7)
Net rental income	**158.0**	**–**	**158.0**	**130.2**	**–**	**130.2**
External services	21.8	–	21.8	21.0	–	21.0
Own work capitalized and production held in inventory	12.3	–	12.3	9.8	–	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**–**	**(1.7)**	**(1.7)**	**–**	**(1.7)**	**(1.7)**
Income / loss on sale of assets	**–**	**8.8**	**8.8**	**–**	**3.3**	**3.3**
Income / loss in the value of investment property	**–**	**39.9**	**39.9**	**–**	**10.2**	**10.2**
Transaction costs	**–**	**(1.7)**	**(1.7)**	**–**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**153.9**	**68.5**	**222.4**	**127.1**	**13.6**	**140.7**
Distribution and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	–	(296.1)	(289.0)	–	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	–	(1.7)	(2.3)	–	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.6**	**–**	**9.6**	**9.4**	**–**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**–**	**(45.7)**	**(45.7)**	**–**	**(6.4)**	**(6.4)**
Transaction costs	**–**	**(1.0)**	**(1.0)**	**–**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**(12.5)**	**(47.0)**	**(59.5)**	**(6.0)**	**(7.9)**	**(13.9)**
Revenue	883.2	–	883.2	914.4	–	914.4
Cost of sales and other expenses	(788.5)	–	(788.5)	(791.7)	–	(791.7)
Net property income	**94.7**	**–**	**94.7**	**122.7**	**–**	**122.7**
External services	0.1	–	0.1	0.6	–	0.6
Production held in inventory	54.9	–	54.9	57.4	–	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**–**	**(3.4)**	**(3.4)**	**–**	**(2.8)**	**(2.8)**
Transaction costs	**–**	**(0.5)**	**(0.5)**	**–**	**–**	**–**
NET RESIDENTIAL PROPERTY INCOME	**62.3**	**(5.2)**	**57.0**	**100.7**	**(4.7)**	**95.9**
Revenue	107.5	–	107.5	74.2	–	74.2
Cost of sales and other expenses	(93.4)	–	(93.4)	(72.0)	–	(72.0)
Net property income	**14.1**	**–**	**14.1**	**2.1**	**–**	**2.1**
External services	3.3	–	3.3	5.3	–	5.3
Production held in inventory	2.7	–	2.7	5.1	–	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**–**	**(0.3)**	**(0.3)**	**–**	**(0.2)**	**(0.2)**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
NET OFFICE PROPERTY INCOME	**15.5**	**(1.9)**	**13.6**	**5.0**	**(2.9)**	**2.1**
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING INCOME	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Debt and receivables discounting	**–**	**(0.2)**	**(0.2)**	**–**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**–**	**22.2**	**22.2**	**–**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**–**	**(0.0)**	**(0.0)**	**–**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**142.2**	**4.1**	**146.2**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€/share)	**12.66**	**0.36**	**13.02**	**14.19**	**(8.90)**	**5.30**

2.2 RETAIL

2.1.1 Shopping centers

KEY FIGURES AT DECEMBER 31, 2013

	In operation			Under development		
December 31, 2013	GLA in m²	Current gross rental income (in € millions)[d]	Appraisal value (in € millions)[e]	GLA in m²	Provisional gross rental income (in € millions)	Net investments (in € millions) [f]
Controlled assets (fully consolidated) [a]	**657,209**	**175.8**	**3,010**	**332,298**	**115.4**	**1,225**
Group share	*531,970*	*129.3*	*2,156*	*268,145*	*81.4*	*901*
Share of minority interests	*125,239*	*46.4*	*854*	*64,153*	*34.0*	*324*
Equity assets [b]	**105,618**	**19.3**	**269**	**132,806**	**37.6**	**428**
Group share	*49,332*	*8.8*	*127*	*58,550*	*16.2*	*190*
Share of third parties	*56,286*	*10.5*	*142*	*74,256*	*21.4*	*239*
Management for third parties [c]	**211,600**	**40.8**	**693**	-	-	-
Total assets under management	**974,427**	**235.9**	**3,973**	**465,104**	**153.0**	**1,653**
Group share	*581,302*	*138.2*	*2,283*	*326,695*	*97.5*	*1,090*
Share of third parties	*393,125*	*97.7*	*1,689*	*138,409*	*55.4*	*563*

Group share: economic ownership (real contribution of assets to FFO and Net Result Group Share, after impact of minority interest)

(a) Assets in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental value on signed leases at January 1, 2014.
(e) Appraisal value including transfer duties
(f) Total budget including interest expenses and internal costs

2.1.1.1 Market trends

New consumer trends that emerged over the past years have grown more pronounced in 2013. There is a persistently anemic economic climate and multi-channel purchasing (shopping centers / online / mobile) is now well established among consumers. As such:

• After dropping for several straight quarters, household consumption in France is increasing slightly. 2013 thus ended on a stable note (+0.1%)[27].

• Growth has mainly benefited online retail, which recorded €51 billion in sales in France in 2013 (+13.5 %)[28]. These sales are up 4.3% for general merchandise websites[29].

• However, the CNCC recorded a 2.1% drop in revenue for shopping center tenants[30].

In this context, Altarea shopping centers demonstrated solid performance (revenues up 0.7%), attesting to the strength of the Group's concentration strategy.

[27] *Source: INSEE.*

[28] *Source: FEVAD 2013 E-commerce review.*
[29] *FEVAD iCE 40 survey (like-for-like growth of leading sites).*
[30] *Source: CNCC, revenue development for shopping center tenants on a same-floor area basis.*

2.1.1.2 Net consolidated rental income

Net rental income (IFRS) came to €158 million at December 31, 2013. The 21.4% increase in the face value of net consolidated rental income was artificially accentuated by inclusion of IFRS standards 10, 11 and 12 in the 2012 reference financial statements.

With the takeover of Cap 3000 in late 2012, this center's contribution to net rental income in the restated 2012 financial statements was nil (equity-method consolidation), whereas the asset was fully consolidated in FY 2013.

The table below highlights this impact:

	In € millions	
Net rental income at December 31, 2012, restated	**130.2**	
Centers opened	4.8	
Disposals	(8.4)	
Acquisitions	0.1	
Takeover of Cap 3000	32.5	
Redevelopments	(2.2)	
Like-for-like change France	4.0	*+5.0% (a)*
Like-for-like change International	(3.0)	*-10.4% (b)*
Total change in net rental income	**27.9**	***+21.4%***
Net rental income at December 31, 2013	**158.0**	

(a) Percentage of l-f-l change France
(b) Percentage of l-f-l change International

Excluding the impact of Cap 3000, the overall change in rental income would come to -3.3%, owing to disposals.

CENTERS OPENED

2013 saw the delivery of the Costières Sud Family Village® in Nîmes during H1. The center developed a surface area of 296,000 ft² (27,500 m²) and hosts retailers such as Décathlon, Boulanger, Kiabi and La Grande Récré.

DISPOSALS

Two disposals were carried out in 2013, for a total of €141 million[31]. They include:

• the Okabé office building, located above the shopping center (which remains in the portfolio) in Le Kremlin-Bicêtre (94),

• a shopping gallery with 47 stores located in Chalon-sur-Saône.

These disposals, together with those carried out in 2012, resulted in a €8.4 million drop in net rents in 2013.

REDEVELOPMENTS

The impact of redevelopments primarily concerns three centers:

• Massy, whose surfaces are gradually being vacated in preparation for future redevelopment work for which regional authorization (CDAC) has been granted,

• Aubergenville, for which the redevelopment plan has been revised to include a brand village,

• Casale Montferrato in Italy, where a project to create mid-sized stores has made it necessary to reorganize the center's operations.

2.1.1.3 Operational performance

FRANCE (84% OF THE PORTFOLIO)

Change in rental income

In France, the €4 million like-for-like[32] increase in net rental income (+5.0%) was driven mainly by major regional shopping centers:

• Re-letting of 21 shops in Cap 3000 and 6 shops in Bercy Village,

• Increase in variable rents (particularly in Bercy Village and Gare de l'Est shops) following retailers' positive performance, etc.

Merchant sales[33] and footfall[34]

Data at 100%	Sales (incl. tax)	Footfall
Total shopping centers	**0.7%**	**0.1%**
CNCC index	(2.1)%	(1.7)%

Rental activity (gross rental income)

	Number of leases	New rent	Old rent	*Change*
Letting	156	€13.7 mil.	–	*n/a*
Lease renewals / re-lettings	69	€7.8 mil.	€7.2 mil.	*8%*
2013 total	**225**	**€21.5 mil.**	**€7.2 mil.**	***n/a***

[31] At 100% including transfer duties.
Excluding impact of openings, acquisitions, disposals and redevelopments
[31] Excluding impact of openings, acquisitions, disposals and redevelopments.

[33] Revenue development for shopping center tenants on a same-floor area basis.
[34] Shopping centers equipped with the Quantaflow system.

Lease expiry schedule

In € millions. at 100%	Lease expiry date	% of total	Three-year termination option	% of total
Past	12.4	7.7%	13.7	8.5%
2014	10.4	6.5%	26.2	16.4%
2015	4.7	3.0%	30.1	18.8%
2016	4.7	2.9%	40.5	25.3%
2017	17.4	10.8%	25.9	16.2%
2018	22.2	13.8%	9.5	6.0%
2019	14.4	9.0%	4.0	2.5%
2020	24.2	15.1%	2.3	1.5%
2021	16.6	10.3%	6.5	4.1%
2022	18.6	11.6%	–	0.0%
2023	9.3	5.8%	0.5	0.3%
2024	3.3	2.1%	–	0.0%
>2024	2.1	1.3%	1.0	0.7%
Total	**160.3**	**100%**	**160.3**	**100%**

Occupancy cost ratio[35], bad debt ratio[36] and financial vacancy rate[37]

	2013	2012	2011
Occupancy cost ratio	10.2%	10.1%	9.6%
Bad debt ratio	1.5%	1.5%	1.6%
Financial vacancy rate	3.4%	2.8%	3.9%

INTERNATIONAL (16% OF THE PORTFOLIO)

The international shopping center portfolio comprises 6 Italian assets, mostly located in northern Italy, and one Spanish asset in Barcelona.

In Italy, the deteriorated economic environment has seen a new drop in purchasing power (-1,5%) and in retail sales (-2,8%[38]). In this context the portfolio has experiences a higher financial vacancy rate (4.0% vs 2.6% at end 2012) and an important tenant turnover (13% of the tenants) in a dynamic asset management strategy, resulting in a 13.7% drop in net rental income in 2013.

The asset management activity nonetheless made it possible to cushion the decline in operational indicators with a drop in revenue limited to 2.9% and a 13.4% occupancy cost ratio.

The goal is to consolidate the existing portfolio by repositioning the offering (Due Torri extension project and Bellinzago redevelopment project) as well as adjusting rental values at a sustainable level with regards to the economic situation.

In Spain, merchant sales recorded an 8% drop. The other operational indicators considerably outperformed the market, with a 12.0% occupancy cost ratio, a 2.9% financial vacancy rate and bad debt limited to 2.5%. Net rental income was stable.

2.1.1.4 Management for third parties

Over the past several years, the Group has significantly developed its management business for third parties. This management concerns both:

- shopping centers that have been sold but which Altarea Cogedim continues to manage,
- centers whose owners called upon Altarea for its expertise in managing shopping centers.

At the end of 2013, these assets represented €40.8 million in rental income for an overall value of €693 million. They contributed significantly to the growth of Altarea Commerce's fees.

In € millions	2013	2012 (a)	2011
External services	21.8	18.0	16.5
Change (%)	*21%*	*9%*	-

(a) 2012 reported (€21 million restated)

Combining controlled assets and assets managed for third parties, Altarea manages a total of 1,700 leases in France and 500 in Italy and Spain.

2.1.1.5 Assets portfolio

PORTFOLIO COMPOSITION

Asset format		2013	2012	Change
France	Average value	€75 mil.	€74 mil.	1%
	Number of assets	37	37	–
Interna-tional	Average value	€72 mil.	€77 mil.	(6)%
	Number of assets	7	7	–

Breakdown by type (in € millions)	2013		2012		Change
Regional shopping centers	1,703	52%	1,742	53%	(1) pt
Large Retail Parks (Family V.)	779	24%	697	21%	2 pts
Proximity / downtown	798	24%	836	26%	(1) pt
TOTAL	**3,280**	100%	**3,275**	100%	
o/w Group share	*2,283*		*2,584*		

Geographical distribution (in € millions)	2013		2012		Change
Paris Region	944	29%	1,055	32%	(3) pts
PACA / Rhône-Alpes / South	1,386	42%	1,221	37%	5 pts
Other French regions	443	13%	461	14%	(1) pt
International	506	15%	538	16%	(1) pt
TOTAL	**3,280**	100%	**3,275**	100%	
o/w Group share	*2,283*		*2,584*		

[35]Calculated as rent and expenses charged to tenants (incl. taxes) over the past 12 months (including rent reductions), in proportion to sales over the same period (incl. taxes) at 100 % in France.
[36]Net amount of allocations to and reversals of provisions for bad debt plus any write-offs during the period as a percentage of total rent and expenses charged to tenants, at 100 % in France.
[37]Estimated rental value (ERV) of vacant lots as a percentage of total estimated rental value. Excluding property being redeveloped.
[38] ISTAT: non-food product on a sliding 12-month period at end of November 2013.

FINANCIAL PARTNERSHIP WITH ALLIANZ

In December 2013, Altarea Cogedim concluded a long-term partnership with Allianz Group[39] for a portfolio of five "core" shopping centers[40] owned and managed by Altarea Cogedim.

This partnership took the form of a 49% minority stake for Allianz in the structures that own these assets, representing a total equity investment of €395 million.

Under the terms of this partnership, Altarea Cogedim maintains control[41] and management of the portfolio assets, while at the same time reducing its debt and generating significant financial resources.

The impact of this transaction on the Group's LTV ratio has been estimated at approximately 800 basis points.

VALUATION

At December 31, 2013, the value of the Group's portfolio assets stood at €3.28 billion[42], slightly higher than in 2012.

In € millions	Value
Total at December 31, 2012	**3,275**
Centers opened	70
Acquisitions	–
Disposals	(141)
Like-for-like change	**77**
o/w France	*109*
o/w Italy	*(36)*
o/w Spain	*4*
Total change	**5**
Total at December 31, 2013	**3,280**
o/w Group share	*2,283*
o/w share of third parties	*996*

CAPITALIZATION RATE[43]

Average net capitalization rate at 100%	2013	2012
France	5.98%	6.10%
International	6.75%	6.70%
TOTAL Portfolio	**6.10%**	**6.20%**
o/w Group share	*6.30%*	*6.28%*
o/w share of third parties	*5.62%*	*5.88%*

APPRAISAL VALUES

The task of valuating Altarea Cogedim Group assets is entrusted to DTZ Valuation and CBRE Valuation. The appraisers use two methods:

• a method based on discounting projected cash flows over 10 years, taking into account the resale value at the end of the period determined by capitalizing forecast net rental income over the period. Amid the prevailing inefficient market conditions, appraisers have often opted to use the results obtained using this method.

• a method based on capitalization of net rental income: the appraiser applies a rate of capitalization 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 incumbent upon the owner. This second method is used to validate the results obtained with the first method.

Rental income takes into account:

• rent increases to be applied upon lease renewals,

• the normative vacancy rate,

• the impact of future rental gains resulting from letting of vacant premises,

• the increase in rental income from incremental rents.

These valuations are conducted in accordance with the criteria set out in the Red Book – Appraised and Valuation Standards, published by the Royal Institute of Chartered Surveyors in May 2003. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/CNC Barthes de Ruyter working group and comply fully with the instructions of the Appraisal Charter of Real Estate Valuation (*Charte de l'Expertise en Evaluation Immobilière*) updated in 2012. Surveyors are paid lump-sum compensation determined in advance and based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

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

Expert	Portfolio	% of the value, incl. transfer duties
CBRE	France	32%
DTZ	France & International	68%

[39] *Through German insurance companies of Allianz Group.*
[40] *Bercy Village, Toulouse Gramont, Boutiques de la Gare de l'Est, Espace Chanteraines in Gennevilliers, and the Toulon – La Valette development project, representing overall asset value greater than €800 million.*
[41] *The five assets concerned by the transaction remain fully consolidated within the meaning of IFRS standards 10, 11 and 12.*
[42] *100% of the value of assets in which the Group has an interest (controlled and equity assets).*
[43] *The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.*

2.1.1.6 Shopping centers under development

At December 31, 2013, the volume of projects under development by Altarea Cogedim represented a forecast net investment[44] of approximately €1.1 billion on a Group share basis which a represents a potential rental income of €98 million.

	GLA in m² (c)	Forecast gross rental income (€ millions)	Net investment (€ millions) (d)	Forecast return
Controlled projects (fully consolidated)(a)	**332,298**	**115**	**1,225**	**9.4%**
Group share	*268,145*	*81*	*901*	
Share of minority interests	*64,153*	*34*	*324*	
Equity projects (b)	**132,806**	**38**	**428**	**8.8%**
Group share	*58,550*	*16*	*190*	
Share of third parties	*74,256*	*21*	*239*	
Total	**465,104**	**153**	**1,653**	**9.3%**
Group share	***326,695***	***98***	***1,090***	

(a) Projects in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.

(b) Projects for which Altarea is not the majority shareholder. Consolidated using the equity method in the consolidated financial statements. (application of IFRS 11)

(c) Total GLA (Gross Leasable Area) built and/or redeveloped, excluding off-plan developments for third parties.

(d) Total budget including interest expenses and internal costs.

Altarea Cogedim Group only reports on projects that are underway or at the development stage[45]. This pipeline does not include identified projects on which development teams are currently in talks or carrying out advanced studies.

Given the Group's cautious criteria, the decision to commence work is only made once a sufficient level of pre-letting has been reached. In light of the progress achieved in 2013 from both an administrative and commercial point of view, most pipeline projects should be delivered in majority between 2014 and 2016.

At December 31, 2013, the level of commitments for these projects came to 29% (€320 million) on a Group-share basis.

In € millions (net)	At 100%	Group share
Paid out	414	250
Committed, remaining to be paid	133	70
Total commitments	**546**	**320**
%	*33%*	*29%*

[44] *Including interest expenses and internal costs.*

[45] *Projects underway: properties under construction. Projects under development: projects either fully or partly authorized, where the land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.*

INVESTMENTS MADE IN 2013 FOR PROJECTS UNDER DEVELOPMENT

Over the year, Altarea Cogedim invested[46] €109 million on a Group-share basis in its project portfolio.

These investments mainly concern the three shopping centers under construction in 2013 (Villeneuve-la-Garenne, Toulon-la Valette and the Nîmes Costières Sud Family Village®), as well as properties undergoing redevelopment and/or extension (Cap 3000, Aix en Provence, Massy).

AUTHORIZATIONS GRANTED

For projects under development, authorizations are progressing as forecast in operational time lines.

2.1.1.7 Operating cash flow

In € millions	12/31/2013		12/31/2012 restated
Rental income	174.4		143.9
Net rental income	**158.0**	***21%***	**130.2**
% of rental revenues	*90.6%*		*90.5%*
External services	21.8	*3%*	21.0
Own work capitalized and production held in inventory	12.3		9.8
Operating expenses	(51.4)	*6%*	(48.4)
Net overhead expenses	**(17.3)**		**(17.6)**
Share of affiliates	13.3		14.5
Operating cash flow	**153.9**	***21%***	**127.1**
% of rental revenues	*88.3%*		*88.3%*

Operating cash flow was up 21% compared to December 31, 2012, owing primarily to the growth of net rental income recorded over the period (particularly full consolidation of Cap 3000) compared to the 2012 restated reference financial statements (see p. 16).

2.1.1.8 New product line: neighborhood shops

In 2013, the Group launched a new activity by creating a structure dedicated to "neighborhood shops." This new business is the result of development synergies with Cogedim's Residential teams.

[46] *Change in non-current assets net of changes in amounts payable to suppliers of non-current assets.*

Projects mainly concern high-street retails or major shopping streets. Some will continue to be owned by the REIT, while others will be sold.

This activity's potential to create value is extremely promising; an initial assessment pointed to some 700,000 ft² (65,000 m²) of space in operations that have already been identified and are underway.

Breakdown of the retail portfolio managed at December 31, 2013

Center	Surface area	Gross rental income (in € millions)[d]	Value (in € millions)[e]	O/w Altarea share: Share	O/w Altarea share: Value (in € millions)[e]	O/w share of third parties: Share	O/w share of third parties: Value (in € millions)[e]
Toulouse Occitania	56,200			51%		49%	
Paris - Bercy Village	22,824			51%		49%	
Gare de l'Est	5,500			51%		49%	
CAP 3000	64,500			33%		67%	
Thiais Village	22,324			100%		–	
Massy	18,200			100%		–	
Lille - Les Tanneurs & Grand' Place	25,480			100%		–	
Aix en Provence	3,729			100%		–	
Nantes - Espace Océan	11,200			100%		–	
Mulhouse - Porte Jeune	14,769			65%		35%	
Strasbourg - L'Aubette & Aub. Tourisme	8,400			65%		35%	
Strasbourg – La Vigie	16,232			59%		41%	
Flins	9,700			100%		–	
Toulon - Grand' Var	6,336			100%		–	
Montgeron - Valdoly	5,600			100%		–	
Toulon - Ollioules	3,185			100%		–	
Tourcoing - Espace Saint Christophe	13,000			65%		35%	
Okabé	15,077			65%		35%	
Villeparisis	18,623			100%		–	
Herblay - XIV Avenue	14,200			100%		–	
Pierrelaye (RP)	9,750			100%		–	
Gennevilliers (RP)	18,863			51%		49%	
Family Village Le Mans Ruaudin (RP)	23,800			100%		–	
Family Village Aubergenville (RP)	38,620			100%		–	
Brest - Guipavas (RP)	28,000			100%		–	
Limoges (RP)	28,000			75%		25%	
Nimes (RP)	27,500			100%		–	
Various shopping centers (4 assets)	7,491			n/a		n/a	
Sub-total France	**537,102**	**141.0**	**2,504**		**1,650**		**854**
Barcelona - San Cugat	20,488			100%		–	
Bellinzago	21,069			100%		–	
Le Due Torri	33,691			100%		–	
Pinerolo	8,106			100%		–	
Rome - Casetta Mattei	15,301			100%		–	
Ragusa	13,060			100%		–	
Casale Montferrato	8,392			100%		–	
Sub-total International	**120,107**	**34.8**	**506**		**506**		**–**
Controlled assets (fully consolidated)[a]	**657,209**	**175.8**	**3,010**		**2,156**		**854**
Carré de Soie	60,800			50%		50%	
Paris - Gare du Nord shops	3,750			40%		60%	
Roubaix - Espace Grand' Rue	13,538			33%		68%	
Châlons - City Hall	5,250			40%		60%	
Various shopping centers (2 assets)	22,279			n/a		n/a	
Equity assets (equity method)[b]	**105,618**	**19.3**	**269**		**127**		**142**
Chambourcy	33,500					100%	
Bordeaux - St Eulalie	13,400					100%	
Toulon Grand Ciel	2,800					100%	
Ville du Bois	43,000					100%	
Pau Quartier Libre	33,000					100%	
Brest Jean Jaurès	12,800					100%	
Brest - Coat ar Gueven	13,000					100%	
Thionville	8,600					100%	
Bordeaux - Grand' Tour	11,200					100%	
Vichy	13,800					100%	
Reims - Espace d'Erlon	12,000					100%	
Toulouse Saint Georges	14,500					100%	
Assets managed for third parties[c]	**211,600**	**40.8**	**693**		**–**		**693**
Total assets under management	**974,427**	**235.9**	**3,973**		**2,283**		**1,689**

(a) Projects in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental value on signed leases at January 1, 2014
(e) Including transfer duties

(RP) Retail Park

Breakdown of shopping centers under development at December 31, 2013

Center	SC / RP	Creation / Redevelopment / Extension	At 100% GLA in m² (a)	At 100% Gross rental income (in € millions)	At 100% Net invest. (in € millions) (b)	At 100% Return	Group share GLA in m² (a)	Group share Gross rental income (in € millions)	Group share Net invest. (in € millions) (b)
Cap 3000	SC	Redev./Extensio	37,094				12,365		
Aix extension	SC	Extension	9,233				6,805		
La Valette du Var	SC	Creation	36,844				18,790		
Family Village Le Mans 2	RP	Creation	15,790				15,790		
Family Village Aubergenville 2	RP	Extension	12,714				12,714		
Massy -X%	SC	Redev./Extensio	28,369				28,369		
Paris region 1	SC	Creation	42,500				42,500		
Paris region 2	SC	Redev./Extensio	59,000				59,000		
East	SC	Redev./Extensio	46,281				27,338		
Developments - France			**287,824**	**100.6**	**1,067**	**9.4%**	**223,672**	**66.6**	**743**
Ponte Parodi (Genoa)	SC	Creation	36,910				36,910		
Le Due Torri (Lombardy)	SC	Extension	7,564				7,564		
Developments - International			**44,474**	**14.8**	**158**	**9.4%**	**44,474**	**14.8**	**158**
Controlled developments (fully consolidated)			**332,298**	**115.4**	**1,225**	**9.4%**	**268,145**	**81.4**	**901**
Villeneuve la Garenne	SC	Creation	42,982				21,491		
Family Village Roncq	RP	Creation	58,413				29,207		
Cœur d'Orly - Retail	SC	Creation	31,411				7,853		
Non-controlled developments (equity method)			**132,806**	**37.6**	**428**	**8.8%**	**58,550**	**16.2**	**190**
Total at December 31, 2013			**465,104**	**153.0**	**1,653**	**9.3%**	**326,695**	**97.5**	**1,090**
o/w redevelopments / extensions			*200,254*	*81.3*	*847*	*9.6%*	*154,155*	*52.7*	*589*
o/w assets creation			*264,850*	*71.7*	*806*	*8.9%*	*172,540*	*44.8*	*501*

(a) Total GLA (Gross Leasable Area) built and/or redeveloped, excluding off-plan developments for third parties.

(b) Total budget including interest expenses and internal costs.

2.1.2 Online retail

Altarea Cogedim Group is one of the leading names in e-commerce in France thanks to its Rue du Commerce brand, whose 2013 business volume came to €429 million (+1%).

2.1.2.1 Market trends [47]

In 2013, e-commerce reported sales of €51 billion in France (up 13.5%). General merchandise websites reported a 4.3% like-for-like increase in sales[48].

This growth was driven in large part by the creation of 20,500 new retail websites (+17%), for a total of 138,000 retail websites in France. Of this total, fewer than 100 sites boast more than €100 million in business.

M-commerce is experiencing strong growth as well, representing 2.9% of the e-commerce market (as opposed to 0.7% in 2012).

2.1.2.2 RueduCommerce.com visitor numbers

RueduCommerce.com site traffic was again on the rise, with 188 million visits[49] over the year. This 4.1% increase is higher than that of the Top 10 pure-play general merchandise sites (+3.9%[50]).

Among RueduCommerce.com visitors, mobile users represented 8% of overall traffic in 2013.

Rue du Commerce further maintained its position as a leading site, ranking among the Top 10 general merchandise sites in France[51].

	General merchandise sites	Average UV per month in 2013 in thousands
1	Amazon	15,068
2	Cdiscount	10,198
3	Fnac	9,247
4	PriceMinister	7,394
5	La Redoute	7,029
6	Carrefour	6,712
7	**RueduCommerce.com**	**5,631**
8	Vente-privée.com	5,496
9	Darty	4,333
10	E.Leclerc	3,848

[47]*FEVAD 2013 E-commerce review.*
[48]*FEVAD iCE 40 survey (like-for-like growth of leading sites).*
[49]*Total number of connections to the site, Xiti data.*
[50]*Médiamétrie//NetRating data, 2013 twelve-month average.*
[51]*Médiamétrie//NetRating ranking according to the number of unique visitors per month (i.e., internet users having visited the site at least once over a one-month period) from January to November 2013.*

2.1.2.3 Rue du Commerce performance

In 2013, the site reported €429 million in business volume (+1%), with 74% generated by own-brand distribution and 26% by the *Galerie Marchande*. 2.5 million orders were placed, for an average basket of approximately €208.

In € millions	2013	2012	*Change*
Own-brand business volume	318.6	315.7	*1%*
Galerie Marchande business volume	109.9	107.4	*2%*
Total business volume	**428.5**	**423.1**	***1%***
Galerie Marchande Commissions	9.6	9.4	*1%*
Commission rate	*8.8%*	*8.8%*	*–*
Rue du Commerce revenue	**328.1**	**325.2**	***1%***

Actively working towards a multichannel property model, Rue du Commerce completely transformed its website at the end of 2013. It thereby became the “first digital shopping center”, with a new visual identity, improved navigation organized by "street," and more.

This new model relies on reference retailers from the shopping centers. With a unique concept “satisfying your desires”, Rue du Commerce chooses for its clients the best brands and retailers.

The brand new site was equipped with a new IT system for managing an extensive multichannel offering.

In late 2012, initial tests were conducted on shopping walls in rail stations. Rue du Commerce is now continuing its multichannel development with the launch of the web-in-store concept “Ma Boutique Express.” These digital purchase terminals will be installed in rail stations in partnership with Gares & Connexions and RELAY France.[52] This unique distribution channel is designed for large public spaces, including in the Group’s first “E-commerce Campus” in the Qwartz shopping center, set to open in April 2014.

To go along with these changes, Rue du Commerce continued to improve the *Galerie Marchande*'s offering, in part through greater selectivity in choosing merchants. It is thereby working to keep its promise to bring customers the best deals on the web along with major retailers, all with optimum service. Rue du Commerce recruited 340 new merchants (of which 35 retailers

[52]*The first six "Ma Boutique Express" terminals were set up in six RELAY stores in the following train stations: Gare de l’Est, Gare Montparnasse, Gare Saint-Lazare, Gare de Lyon, Gare du Nord and Gare d’Asnières-sur-Seine.*

from the shopping centers) and delisted 189 others that no longer corresponded to its promise to customers.

High-tech products also performed well (sales up +1%) in a highly competitive market in which Rue du Commerce has a market share of between 15% and 20% depending on the product.

RUE DU COMMERCE GROUP RESULTS

In € millions	12/31/2013		12/31/2012 restated
Distribution revenues	318.6	*1%*	315.7
Purchases consumed and other	(297.8)		(291.3)
Gross margin	**20.8**	*(15)%*	**24.4**
% of revenues	*6.5%*		*7.7%*
Galerie Marchande commissions	9.6	*1%*	9.4
Net overhead expenses	(42.8)		(39.9)
Operating cash flow	**(12.5)**		**(6.0)**
% of revenues	*(3.9)%*		*(1.9)%*

Rue du Commerce holds fast to the roadmap established in 2012. It is continuing to make large investments (websites, mobile applications, marketing and hiring of numerous staff members, including experts, etc.), which appear in part as accounting expenses. The entity reported operating losses for the second straight year. These investments aim to significantly increase Rue du Commerce's business volume in the coming years. The return to financial equilibrium remains a medium-term objective.

Synergies between shopping centers and online retail will mainly benefit shopping centers that have made the digital transformation, as Rue du Commerce continues to strengthen its image and brand. Therefore, at December 31, 2013, it was appropriate to fully depreciate the goodwill of €37.9 million recognized for the acquisition of Rue du Commerce and attributed exclusively to the "Online Retail" cash generating unit for accounting purposes, as the standards did not permit subsequent reallocation to the "shopping centers" CGU.

2.2 RESIDENTIAL

2.2.1 2013 situation and outlook

New housing sales were largely comparable to 2012[53] levels; approximately 87,700 units were sold, a 15-year low. Construction starts decreased 3%[54]. Construction began on approximately 300,000[55] units in 2013, far below the target of 500,000 homes per year set by the French president.

2014 prospects largely depend on the unforeseeable developments in the economic climate, although a number of recent government measures offer interesting perspectives. Government decrees have aimed to simplify the standards, procedures and some planning restrictions, which should speed up granting of administrative permits and reduce construction costs. Moreover, an attractive intermediate housing tax system (VAT reduced by 10%, 20-year exemption from land taxes on buildings, "life-generation" insurance policies) could encourage institutional investors to return to the new housing market. Finally, lending rates remain very low, which is the best possible support for the housing market.

2.2.2 Reservations up[56] 18% in a difficult market

In sharp contrast to the national market, reservations for new housing of the Group rose to €1.016 billion in 2013, up 18%.

A combination of factors account for this performance, which was achieved without external growth.

COGEDIM'S BRAND CAPITAL

Cogedim's "brand capital" underlies the strategy of enlarging its customer base. Relying on its teams and their proven adaptability, Altarea Cogedim provides solutions tailored to the market. It is resolutely oriented towards entry-level and midscale products, while always remaining true to its principle of quality.

CHANGES IN THE RANGE OF PRODUCTS

Cogedim has enlarged its offering of housing to align with trends in the demand all while taking advantage of its fundamental strengths. Today, Cogedim's offering includes five ranges that may be grouped as follows:

• three high-end ranges defined by their upscale positioning in terms of architecture, quality and location. These ranges offer housing priced at over €5,000/m² in the Paris Region and over €3,600/m² outside of Paris, and include truly exceptional programs.

• two entry-level and midscale ranges offer housing that upholds Cogedim's quality standards. The programs in these "A and B" offerings are specifically designed:

– to meet the need for affordable housing suited to the creditworthiness of our customers;

– to fulfill individual investors' desires to take advantage of the new Duflot scheme;

– to take advantage of the willingness of local authorities to develop affordable housing operations[57].

Altarea Cogedim is also developing a broad range of serviced residences.

Cogedim Club® senior residences: Under this brand, Altarea Cogedim is developing a serviced-residence concept for active seniors with a variety of *à la carte* services and attractive downtown locations. The first serviced senior residence opened in 2013 in Villejuif, and others will soon welcome residents in Arcachon, Sèvres, Cannes-Pégomas, Chambéry and Bénodet.

Altarea Cogedim has chosen to oversee both the design and development of these residences. It also provides rental management, a guarantee of quality and durability for investors and resident tenants alike.

[53] Source: Figures and Statistics – Commissariat Général au Développement Durable no. 496 - February 2014.
[54] Source: Figures and Statistics – Commissariat Général au Développement Durable no. 488 – January 2014 (Housing Construction – Results at the end of December 2013).
[55] Excluding urban renovation.
[56] Reservations net of cancellations.

[57] Operations for which the selling price is capped, after land prices have been negotiated and reduced. In 2013, Altarea Cogedim developed affordable housing operations both in the Paris Region (Nanterre, Ivry, Montreuil) and outside of Paris (Villeurbanne).

Reservations in value terms and in number of units[58]

Group reservations in 2013 amounted to €1.016 billion (incl. tax) (+18%) and 3,732 units (+17%).

	2013	2012	Change
Individual reservations	€650 mil.	€646 mil.	+ 1%
Block reservations	€366 mil.	€215 mil.	+ 70%
Total in value terms	**€1.016 bil.**	**€861 mil.**	**+ 18%**
Individual reservations	2,286 units	2,103 units	+ 9%
Block reservations	1,446 units	1,094 units	+ 32%
Total in number of units	**3,732**	**3,197**	**+ 17%**

Growth in this business was driven by the **commercial launch of 61 developments** worth €1.172 billion, compared with €867 million in 2012, i.e., a 35% increase.

Individual reservations were up 9% in volume (1% in value terms), as a result of increased reservations in the "A and B" ranges and serviced residences.

Sales to private investors were also up compared to 2012 and accounted for 42% of individual reservations in 2013 (vs. 37% in 2012).

Boosted by several large reservations, block sales to institutional investors rose by more than €150 million compared to 2012 and account for most of this year's growth.

Reservations by product range

In € millions (incl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	% by region
Paris Region	362	244	55	**660**	65%
PACA	69	29	9	**106**	10%
Rhône-Alpes	75	61	11	**147**	14%
Grand Ouest	59	6	38	**103**	10%
Total	**565**	**339**	**112**	**1,016**	**100%**
% by range	*56%*	*33%*	*11%*		

Reservations in "A and B" ranges represented 56% of the total. Marketing was launched for a dozen managed residences in 2013. Serviced residences thus represented over €100 million in reservations in 2013, an increase of over 80% compared to 2012.

[58] *Consolidated, except for jointly controlled operations, which are recognized in proportion to the interest held.*

NOTARIZED SALES

In € millions (incl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	% by region
Paris Region	270	203	30	**503**	56%
PACA	84	31	5	**120**	13%
Rhône-Alpes	67	105	5	**177**	20%
Grand Ouest	37	19	44	**101**	11%
Total	**458**	**358**	**85**	**901**	**100%**
% by range	*51%*	*40%*	*9%*		
2012 Total				**860**	
Change				*+5%*	

Sales notarized in 2013 amounted to €901 million, up 5% compared to 2012.

2.2.3 Operating income

PERCENTAGE-OF-COMPLETION REVENUES [59]

In € millions (excl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	% by region
Paris Region	172	337	18	**528**	60%
PACA	83	21	–	**104**	12%
Rhône-Alpes	37	120	–	**157**	18%
Grand Ouest	49	21	24	**94**	11%
Total	**342**	**499**	**41**	**883**	**100%**
% by range	*39%*	*57%*	*5%*		
2012 Total				**914**	
Change				*(3)%*	

Residential property sales represent €883 million, compared to €914 million in 2012.

NET PROPERTY INCOME[60] AND OPERATING CASH FLOW

In € millions	12/31/2013		12/31/2012
Revenue	883.2	(3)%	914.4
Cost of sale	(788.5)		(791.7)
Net property income	**94.7**	**(23)%**	**122.7**
% of revenue	*10.7%*		*13.4%*
Production held in inventory	55.0		58.0
Net overhead expenses	(92.0)		(84.9)
Other	4.6		4.9
Operating cash flow	**62.3**	**(38)%**	**100.7**
% of revenues	*7.1%*		*11.0%*

[59] *Revenues recognized according to the percentage-of-completion method in accordance with IFRS standards. The percentage of completion is calculated according to the stage of construction not including land.*
[60] *Net property income is calculated after interest, after marketing and advertising fees and expenses.*

In 2012, Group net property income and operating cash flow were particularly high thanks to the completion of operations that had seen improvement in cost prices. The lower margins are due to efforts to adjust prices to the market in 2013, in particular to sell to institutional investors.

BACKLOG

At the end of 2013, the residential backlog[61] amounted to €1.331 billion, equal to 17 months of business. This level provides the Group with continued excellent visibility as to its future residential development income.

In € millions (excl. tax)	Notarized revenues not recognized	Sales reserved but not notarized	Total	% by region	Number of months
Paris Region	471	395	**866**	*65%*	
PACA	69	65	**134**	*10%*	
Rhône-Alpes	167	42	**209**	*16%*	
Grand Ouest	69	52	**121**	*9%*	
Total	**777**	**554**	**1,331**	***100%***	**17**
Breakdown	*58%*	*42%*			
2012	**928**	**486**	**1,414**		
Change			*(6)%*		

2.2.4 Commitment management

Breakdown of properties for sale at December 31, 2013 (€711 million incl. tax) by stage of completion:

	-	<--- Risk--->		+
Operating phases	**Preparation (land not acquired)**	**Land acquired/ project not yet started**	**Land acquired/ project in progress**	**Stock of completed residential properties**
Expenses incurred (in € millions excl. tax)	12	5		
Cost price of properties for sale (in € mil. excl. tax)			286	6
Property for sale (€711 mil. incl. tax)	**321**	**38**	**344**	**8**
%	*45%*	*5%*	*48%*	*1%*
	o/w to be delivered	*in 2014*	*€53 mil.*	
		in 2015	*€246 mil.*	
		in 2016	*€45 mil.*	

[61] *The backlog comprises notarized sales excluding tax to be recognized on a percentage-of-completion basis and individual and block reservations (excl. tax) to be notarized.*

MANAGEMENT OF PROPERTIES FOR SALE

50% of properties for sale concern developments on which construction had not yet begun and on which the amounts committed correspond primarily to research and advertising costs and land order fees (or guarantees) paid upon the signature of preliminary land sales agreements with the possibility of retraction (mainly unilateral agreements).

48% of properties for sale are currently being built. Only €53 million (out of €344 million) relate to units to be completed by the end of 2014.

There is virtually no stock of finished products (+1%).

This breakdown of developments by stage of completion reflects the cautious criteria implemented by the Group:

• the decision to give priority to signature of unilateral preliminary sales agreements rather than bilateral sale and purchase agreements;

• requiring a high level of pre-marketing at the time the site is acquired, as well as at the start of construction work;

• requiring agreement from the Commitments Committee at all stages of the transaction: signature of the purchase agreement, marketing launch, land acquisition and launch of construction;

• withdrawing from or renegotiating transactions having generated inadequate take-up rates.

In the current economic climate, particular attention is paid to the launch of new programs, which is carried out according to the level and rhythm at which properties for sale are absorbed. This policy guarantees prudent management of the Group's commitments.

MANAGING THE PROPERTY CYCLE

Thanks to the use of cautious criteria, Cogedim controls the bulk of its property assets through unilateral land options, which are only exercised in accordance with the commercial success of its programs.

PROPERTIES FOR SALE[62] AND FUTURE OFFERING[63]

In € millions (incl. tax)	< 1 year	> 1 year	Total at 12/31/2013	Number of months	At 12/31/2012
Properties for sale	711		**711**	*8*	*611*
Future offering	2,481	1,238	**3,719**	*44*	*3,457*
Total Pipeline	**3,192**	**1,238**	**4,430**	**52**	**4,068**
12/31/2012	**2,578**	**1,490**	**4,068**		
Change	*+24%*	*(17)%*	*+9%*		

The residential pipeline (properties for sale + future offering) comprises the following:

• at under one year, operations directed primarily at entry-level and mid-range products meeting the expectations of the current market;

• at over one year, operations including all types of products, thus allowing the Group to seize opportunities in all ranges once the market recovers.

SUPPLY

	Sales incl. tax in € millions	Number of units
Operations supplied in 2013	**1,779**	**8,355**
% of total future offering	***48%***	***58%***
o/w entry-level and mid-range	1,134	5,803
% of operations supplied in 2013	*64%*	*69%*

Cogedim significantly renewed its future offering in 2013, signing preliminary purchase agreements on nearly 8,400 units representing €1.8 billion in potential sales - half of its current property portfolio.
These agreements primarily concern entry-level and mid-range programs (about 70% of units) featuring price levels that are particularly suited to purchasers' creditworthiness.

[62] *Properties for sale include units available for sale and are expressed as values including tax.*
[63] *The future offering is made up of programs at the development stage (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched. It is expressed as values including tax.*

2.3 OFFICES

2.3.1 Economic conditions and Group positioning

INVESTMENT IN OFFICE PROPERTY[64]

€15.5 billion was invested in France in 2013, a volume comparable to 2012.

The economic climate has led investors to remain prudent in their investments, and to focus on "core" new or refurbished property and leased assets.

OFFICE PROPERTY TAKE-UP[65]

In 2013, take-up in the Paris Region amounted to 19.3 million ft² (1.8 million m²), down 25% from 2012.

Companies' choice to move is mainly motivated by floor-space optimization policies and, most importantly, a search for lower rent. In this inauspicious economic context, investors tend to be risk-averse, avoiding on-spec programs and attempting to mitigate risks with turnkey developments (however, such developments remain rare as companies put off making real estate decisions).

At the end of 2013, immediate supply increased to 41.9 million ft² (3.9 million m²). This trend is due to weak rental activity coupled with delivery or remarketing of new or refurbished spaces.

2.3.2 2013 Activity

In 2013, the Group demonstrated the wisdom of its model, harnessing its expertise in investment (through Altafund[66]), development (off-plan sale or lease; property development contracts), and services (delegated project management).

Projects under development during the year account for €597 million in potential business, i.e. more than 40% of all operations underway. These figures speak to the recovery of this activity after several years of decline.

	Surface area at 100%	Amount (Group-share) (a)
New programs under development in 2013	**1,166,849 ft² (108,403 m²)**	**€597mil.**
Operations under development before 2013	3,753,363 ft² (348,696 m²)	€805 mil.
TOTAL	**4,920,172 ft² (457,099 m²)**	**€1.403 billion**

(a) Off-plan or under property development contracts: Amount signed. Delegated project management: capitalized fees. AltaFund investment: cost price at 100%

Thanks to this broad range of activities, Altarea Cogedim Entreprise has been able to meet the needs of the clients/users who were the driving force behind the market in 2013. It has also positionned itself as an investor in projects with a high potential for value creation (Neuilly Charles de Gaulle, SEMAPA Paris XIII).

The highly significant build-up in office property projects in 2013 is expected to generate its first sizable financial returns in 2015.

2.3.3 Sales and operational cash flow

In € millions	12/31/2013		12/31/2012 Restated
Revenue	107.5	*45%*	74.2
Net property income	**14.1**	***559%***	**2.1**
% of revenues	*13.1%*		*2.9%*
Services to third parties	**3.3**	***(37)%***	**5.3**
Production held in inventory	2.7		5.1
Net overhead expenses	(6.8)		(1.9)
Other	8.1		4.8
Operating cash flow	**15.5**	***211%***	**5.0**
% of revenues	*14.4%*		*6.7%*

After hitting a low point in 2012, Altarea Cogedim reported revenue of €107.5 million in 2013 (up 45%), a considerable increase compared to last year.

2013 net property income came to €14.1 million, substantially higher than FY 2012. This progression was due to developments underway offering higher profitability.

[64] CBRE data from Q4 2013 – Investment France.
[65] CBRE data from Q4 2013 – Offices in Paris Region.
[66] Altafund is a discretionary fund managed by Altarea Cogedim Entreprise teams. It has €600 million in equity raised from among international investors, with Altarea Group holding a 17% interest.

2.3.4 Backlog[67] (Off-plan, property development contracts and delegated project management)

The off-plan and property development contract backlog amounted to €78 million at December 31, 2013, compared with €177 million the previous year. The Group also had a stable backlog of delegated project management fees amounting to €4.7 million.

In € millions	2013	2012
Backlog (off-plan / property development contracts)	€78 mil.	€177 mil.
Backlog of delegated project management fees	€4.7 mil.	€5.3 mil.

[67] *Revenues excluding tax on notarized sales to be recognized according to the percentage-of-completion method, take-ups not yet subject to a notarized deed and fees owed by third parties on contracts signed.*

BREAKDOWN OF PROGRAMS UNDER DEVELOPMENT AT DECEMBER 31, 2013

Project	Description	Surface area at 100%	Amount (Group-share) (a)	Status
NEUILLY - Avenue Charles de Gaulle	AltaFund	272,500 ft² (25,300 m²)		Under development
PARIS - Semapa	AltaFund	162,000 ft² (15,050 m²)		Under development
TOULOUSE Blagnac	Off-plan	244,500 ft² (22,700 m²)		Under development
LYON Gerland	Off-plan	164,750 ft² (15,310 m²)		Under development
MARSEILLE	Off-plan	119,250 ft² (11,074 m²)		Under development
TOULON - Technopôle de la Mer	Off-plan	73,350 ft² (6,814 m²)		Under development
TOULON - TPM (Shops & hotel)	Off-plan	34,000 ft² (3,155 m²)		Under development
MONTPELLIER - Mutuelle des Motards	PDC	96,875 ft² (9,000 m²)		Under development
New programs under development in 2013		**1,166,849 ² (108,403 m²)**	**597**	
PARIS - Rue des Archives	PDC	284,000 ft² (26,400 m²)		Under development
MASSY – Place du Grand Ouest Hotel	Off-plan	72,870 ft² (6,770 m²)		Under development
ANTONY - Croix de Berny (Tranche 2)	Off-plan	191,770 ft² (17,816 m²)		Under development
NANTERRE - Cœur de Quartier	Off-plan	247,570 ft² (23,000 m²)		Under development
CŒUR D'ORLY	PDC	788,387 ft² (73,243 m²)		Under development
NICE MERIDIA - Ilot Robini (Phases 2 & 3)	PDC	170,672 ft² (15,856 m²)		Under development
LYON - L3	Off-plan	100,104 ft² (9,300 m²)		Under development
MONTIGNY - Mercedes France	Off-plan	212,200 ft² (19,714 m²)		Construction underway(b)
LA DEFENSE - Blanche Tower	Delegated	319,688 ft² (29,700 m²)		Construction underway
MARSEILLE - Euromed Center (Phase 1 & hotel)	PDC	729,411 ft² (67,764 m²)		Construction underway
PARIS - Raspail	AltaFund	114,635 ft² (10,650 m²)		Construction underway
SAINT DENIS LANDY - Sisley	PDC	239,185 ft² (22,221 m²)		Construction underway
PARIS - Laënnec	Delegated	193,750 ft² (18,000 m²)		Construction underway
LYON - Opale	Off-plan	142,742 ft² (13,262 m²)		Construction underway
Operations under development before 2013		**3,753,363 ft² (348,696 m²)**	**805**	
TOTAL		**4,920,172 ft² (457,099 m²)**	**1,403**	

(a) *off-plan or under property development contracts: Amount signed Delegated project management: capitalized fees AltaFund investment: cost price*
(b) *Completed in January 2014.*

3 CONSOLIDATED RESULTS

3.1 RESULTS (2012 FIGURES RESTATED FOR IFRS 10,11 AND 12)

Group consolidated revenue came up 2% compared to 2012 and FFO (Group share and other) rose 6% to €167.7 million thanks to the strong performance of the retail REIT and the office property segment growth. These figures confirm the strategic advantage of such a multibusinesses positionning, which contributes to offset partially the reorganisation underway in Housing activity.

On a Group-share basis, FFO was down slightly (−5% to €142.2 million), due to the rise in minority interests linked to partnership agreements signed for major retail projects (€16.7 million increase in minority interests).

On a per-share basis, the decline came to 11% (€12.7/share) due to the capital increase following the contribution of 15% of Bercy Village and to the impact of the partial share-based payment of the 2012 dividends leading to a 6.0%[68] dilution.

Net profit rose sharply to €220 million (+265%), driven by the increase in value of portfolio assets and financial instruments (+162% to €146.2 million on a Group share basis).

In € millions	12/31/2013				12/31/2012 Restated		
	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
Shopping centers	196.1	*19%*		196.1	164.9	0.9	165.8
Online retail	328.1	*1%*		328.1	325.2	0.0	325.1
Residential	883.3	*(3)%*		883.3	915.0		915.0
Offices	110.8	*40%*		110.8	79.4		79.4
REVENUE	**1,518.4**	***2%***		**1,518.4**	**1,484.5**	**0.9**	**1,485.4**
Shopping centers	153.9	*21%*	68.5	222.4	127.1	13.6	140.7
Online retail	(12.5)	*106%*	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Residential	62.3	*(38)%*	(5.2)	57.0	100.7	(4.7)	95.9
Offices	15.5	*211%*	(1.9)	13.6	5.0	(2.9)	2.1
Other	(0.6)	*(76)%*	(0.6)	(1.2)	(2.5)	(0.6)	(3.0)
OPERATING INCOME	**218.6**	***(3)%***	**13.8**	**232.4**	**224.3**	**(2.5)**	**221.7**
Net borrowing costs	(48.2)	*(25)%*	(6.6)	(54.8)	(63.9)	(3.3)	(67.2)
Discounting of debt and receivables	–		(0.2)	(0.2)	–	(0.0)	(0.0)
Changes in value and profit (loss) from disposal of financial instruments	–		22.2	22.2	–	(73.9)	(73.9)
Proceeds from the disposal of investments	–		(0.0)	(0.0)	–	0.7	0.7
Corporate income tax	(2.7)		23.2	20.4	(1.7)	(19.3)	(21.0)
NET PROFIT	**167.7**	***6%***	**52.3**	**220,0**	**158.6**	**(98.4)**	**60.2**
O/w net profit, Group Share	*142.2*	*(5)%*	*4.1*	*146.2*	*149.7*	*(93.8)*	*55.9*
Average diluted number of shares (in millions)	*11.232*				*10.548*		
FFO (Group share) PER SHARE	**12.66**	***(11)%***			**14.19**		

[68] *732,624 shares created in June 2012 and 536,364 shares created in June 2013, i.e. an increase of 634,494 to the average number of shares for 2013 and a 6.0% dilutive effect.*

3.1.1 Revenue: €1.518 billion (+2%)

SHOPPING CENTERS: €196.1 MILLION (+19%)

Revenue from shopping centers included rental income of €174.4 million[69] (+21%) and €21.8 million from services provided to third parties. This also includes €12.3 million relating to sales in connection with property development programs (chiefly the off-plan sale to Carrefour for the Qwartz shopping center in Villeneuve-la-Garenne).

The impact of application of IFRS standards 10, 11 and 12 on retail revenue comes to -€25.1 million.

ONLINE RETAIL: €328.1 MILLION (+1%)

Reported revenue (statutory accounts) originated mainly from own-brand distribution (€318.6 million). The remaining €9.6 million corresponds to commissions generated by the marketplace.

RESIDENTIAL PROPERTY: €883.3 MILLION (−3%)

Property development revenue is recognized according to the percentage-of-completion method[70] in proportion to the percentage of actual completion (costs incurred / total budgeted costs excluding land) and the pre-letting rate (actual sales relative to the total for budgeted sales) of programs.

The impact of application of IFRS standards 10, 11 and 12 on residential property revenue comes to €-34.2 million.

OFFICES: €110.8 MILLION (+40%)

Revenue grew by 40%. The primary contributions came from three programs delivered in 2013 and early 2014: Hôtel-Dieu in Marseille, offices for the Laennec program in Paris and the head offices of Mercedes Benz in Montigny-le-Bretonneux.

The impact of application of IFRS standards 10, 11 and 12 on office property revenue comes to -€39.4 million.

[69]Recognized in accordance with IAS 17 "Leases".
[70]According to IAS 18 "Revenue" and IFRIC 15 "Agreements for the Construction of Real Estate".

3.1.2 Operating cash flow[71]: €218.6 million (−3%)

In 2013, operating cash flow was down 3% to €218.6 million, due to the drop in housing activity (basis effect and decline in 2012 reservations) and the waning contribution of Rue du Commerce (implementation of the investment program).

This drop was largely offset by the positive performance of the shopping centers and office property business.

3.1.3 FFO[72]: €167.7 million (+6%)

Funds from operations represent operating cash flow after net borrowing costs and corporate income tax expenses.

NET BORROWING COSTS: €-48.2 MILLION (-25%)

The drop in net borrowing costs was due to the reduction in consolidated debt (€1.837 billion compared to €2.186 billion in 2012) as well as a lower average cost of debt.

This lower average cost of debt was made possible by an improvement in the Group's borrowing conditions, as well as the restructuring of hedging instruments, with time periods being reduced.

TAX PAYMENT

This represents the tax paid by entities not having adopted the SIIC tax status, for the most part within the Altareit tax group and including in particular property development operations and Rue du Commerce. In 2013, the Group was able to offset its taxable income against tax loss carryforwards, limiting the amount of income tax payments to €2.7 million.

[71]Or consolidated EBITDA.
[72]Funds from operations.

3.1.4 Changes in value and estimated expenses: €52.3 million

	In € millions
Change in value - Investment properties (France)	87.7
Change in value - Investment properties (International)	(45.0)
Change in value - Financial instruments	22.2
Rue du Commerce Goodwill	(37.9)
Asset disposals	8.8
Deferred tax	23.2
Estimated expenses [a]	(6.6)
TOTAL	**52.3**

(a) Allowances for depreciation and non-current provisions, stock grants, pension provisions, and staggering of bond issuance costs.

3.1.5 Average number of shares after dilution

The average number of shares after dilution is the average of number of shares in circulation plus shares under stock option and free option bonus share plans granted in 2013.

It increased by 684,185 shares due to partial payment of the dividend in shares in July 2013, as well as the capital increase following the contribution of 15% of Bercy Village (creation of 145,000 shares).

3.2 NET ASSET VALUE (NAV)

GROUP NAV	12/31/2013 In € millions	Change	€/share	Change/ share	12/31/2012 In € millions	€/share
Consolidated equity, Group share	**1,151.3**		**99.3**		**1,023.7**	**93.8**
Other unrealized capital gains	317.6				381.9	
Restatement of financial instruments	71.5				177.1	
Deferred tax on the balance sheet for non-SIIC assets (international assets)	23.4				38.0	
EPRA NAV	**1,563.9**	*(3.5)%*	**134.9**	*(9.2)%*	**1,620.7**	**148.6**
Market value of financial instruments	(71.5)				(177.1)	
Fixed-rate market value of debt	(2.3)				–	
Effective tax for unrealized capital gains on non-SIIC assets*	(32.1)				(50.3)	
Optimization of transfer duties *	48.7				48.3	
Partners' share**	(15.4)				(15.7)	
EPRA NNNAV (liquidation NAV)	**1,491.2**	*4.6%*	**128.7**	*(1.6)%*	**1,425.9**	**130.7**
Estimated transfer duties and selling fees	63.6				86.2	
Partners' share**	(0.7)				(0.9)	
Diluted Going Concern NAV	**1,554.1**	*2.8%*	**134.1**	*(3.2)%*	**1,511.2**	**138.5**
** Varies according to the type of disposal, i.e. sale of asset or sale of securities*						
*** Maximum dilution of 120,000 shares.*						
**** Number of diluted shares.*	*11,590,807*				*10,909,159*	

At December 31, 2013, Altarea Cogedim's EPRA NNNAV[73] stood at €1.491 billion, up 4.6% compared to December 31, 2012.

On a per share basis, EPRA NNNAV was €128.70 per share, down 1.6% after the dilutive effect of the share-based 2012 dividend payment.

3.2.1 Calculation basis

OTHER UNREALIZED CAPITAL GAINS OR LOSSES

These arise from updated estimates of the value of the following assets:

- Two hotel business franchises (Hotel Wagram and Résidence Hôtelière de l'Aubette);
- The rental management and retail property development division (Altarea France);
- The Group's interest in the semi-public company that owns the Rungis Market (Semmaris),
- The property development division (Cogedim).
- The e-commerce division (Rue du Commerce)
- The office property investment division (AltaFund).

These assets are appraised at the end of each financial year by external experts (CBRE for the hotel business franchises and Accuracy for Altarea France, Semmaris, Cogedim and AltaFund). Both the 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.

TAX

Most of Altarea's property portfolio is not subject to capital gains tax under the SIIC regime. The exceptions are a limited number of assets which are not SIIC-eligible due to their ownership method, and assets owned outside France. For these assets, capital gains tax on disposals is

[73] *Liquidation NAV.*

deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the market value and 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, transfer duties were added back in the same amount.

In Altarea Cogedim's EPRA NNNAV (liquidation NAV), duties are deducted either on the basis of transfer of securities or building by building.

PARTNERS' SHARE

The partners' share represents the maximum dilution provided for under the Group's Articles of Association in the case of liquidation by a partner (where the general partner would be granted 120,000 shares).

NUMBER OF DILUTED SHARES

The Group created 145,000 new shares over the year to finance acquisition of the 15% stake held by the minority shareholder in SCI Bercy Village.

The diluted number of shares also recognizes all shares subscribed in the payment of dividends in shares, i.e. 536,364 shares[74].

3.2.2 Change in EPRA NNNAV

EPRA NNNAV (liquidation NAV)	In €m	€/share
At December 31, 2012	**1,426**	**130.7**
2013 dividend	(108)	(10.0)
Dilution due to dividend payout in shares	56	(1.4)
Pro forma post distribution	**1,374**	**119.3**
FFO	142	12.7
Change in value of assets – France [a]	68	6.5
Change in value of assets – International	(48)	(4.3)
Rue du Commerce Goodwill depreciation	(38)	(3.4)
Other non-cash items [b]	(7)	(2.1)
At December 31, 2013	**1,491**	**128.7**

(a) included equity assets
(b) Other changes and calculated expenses (depreciation and provisions, mark-to-market of hedging instruments, deferred tax, etc.).

74 When the 2013 dividend of €10.0 per share was paid, shareholders were offered the option of subscribing new shares at a price of €104.60 per share. This operation resulted in the creation of 536,364 new shares (with a 52.11% take-up rate), thereby increasing Group's shareholders equity by €56 million.

4 FINANCIAL RESOURCES

4.1 FINANCIAL POSITION

Altarea Cogedim Group has a solid financial position:

• €338 million in available cash and cash equivalents,

• robust consolidated bank covenants (LTV<60 % and ICR>2) with significant leeway at December 31, 2013 (LTV of 41.7 % and ICR of 4.5 x).

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

4.1.1 Available cash and cash equivalents: €338 million

Available cash and cash equivalents comprised:

• €305 million in corporate sources of funds (cash and confirmed authorizations), already covering future maturities;

• €33 million in unused loan authorizations secured against specific developments.

4.1.2 Debt by category

Altarea Cogedim's net debt stood at €1.8 billion at December 31, 2013 compared with €2.2 billion at December 31, 2012 (- €349 million).

In € millions	Dec.2013	Dec.2012
Corporate debt	664	776
Mortgage debt	997	1,302
Debt relating to acquisitions	243	288
Property development debt	168	142
Total gross debt	**2,072**	**2,508**
Cash and cash equivalents	(235)	(322)
Total net debt	**1,837**	**2,186**

The considerable reduction in consolidated debt was primarily due to the partnership agreement signed with Allianz, which made it possible to raise €395 million in equity in exchange for a 49% minority interest in five Group-controlled projects.

• Corporate debt is subject to consolidated bank covenants (LTV<60 % 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-marketing threshold.

• 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).

4.1.3 Financial covenants

MAIN CORPORATE DEBT COVENANTS

	Covenant	12.31.2013	12.31.2012	Delta
LTV [(a)]	≤ 60%	41.7%	49.3%	-762 bps
ICR [(b)]	≥ 2.0 x	4.5 x	3.2 x	+ 1.3 x

(a) LTV (Loan to Value) = Net debt / Restated value of assets excluding transfer duties.

(b) ICR = Operating profit / Net cost of debt (Funds from operations column)

OTHER SPECIFIC COVENANTS

At December 31, 2013, the Group was in compliance with all covenants.

4.2 HEDGING AND MATURITY

Portfolio profile of hedging instruments:

NOMINAL AMOUNT (€ MILLIONS) AND AVERAGE HEDGE RATE[75]

Nominal amount (€mil.) and amount hedged					
Maturity	Swap	Cap/collar	Total hedging	Average swap rate	Av. cap/ collar rate
Dec-13	1 422	509	1 931	1,54%	3,05%
Dec-14	1 449	295	1 743	1,74%	2,42%
Dec-15	1 371	191	1 562	3,20%	3,19%
Dec-16	1 262	207	1 468	3,08%	4,39%
Dec-17	996	74	1 069	2,78%	3,75%
Dec-18	841	-	841	2,62%	-
Dec-19	550	-	550	2,43%	-
Dec-20	550	-	550	2,43%	-
Dec-21	-	-	-	-	-
Dec-22	-	-		-	-

COST OF DEBT

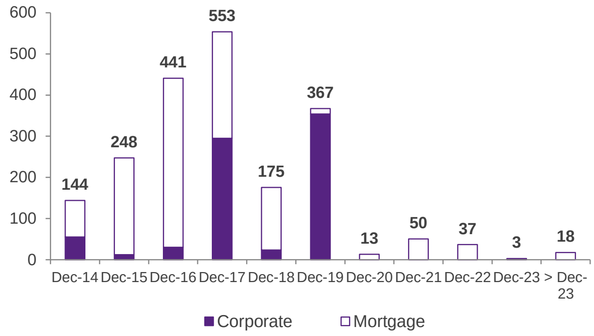
Altarea Cogedim Group's average financing cost including the credit spread was 2.80% at December 31, 2013 compared with 3.52% at the end of 2012.

This lower average cost of debt was made possible by an improvement in the Group's borrowing conditions, as well as the restructuring of hedging instruments, with time periods being reduced.

DEBT MATURITY

After accounting for renegotiations on Cogedim's acquisition debt and on two others corporate debts, average debt maturity was 4.1 years at December 31, 2013 compared with 4.3 years at December end 2012.

MATURITY SCHEDULE FOR GROUP DEBT (EXCLUDING PROPERTY DEVELOPMENT, IN € MILLIONS)



Cash available at December 31, 2013 suffices to cover all corporate loan repayments until the end of 2016.

Note:

• Corporate debt to be repaid in 2014 is essentially made up of treasury notes.

• Mortgage debt to be repaid in 2015 concerns Cap 3000, for which financing must be revised owing to the renovation/extension project.

[75]*Fixed-rate swaps and debt after restructuring of hedges associated with loan repayments in 2013 (mainly the Allianz transaction).*

Costing-based profitability analysis at December 31, 2013

In € millions	12/31/2013			12/31/2012 Restated		
	Funds from operations (FFO)	**Changes in value, estimated expenses and transaction**	**Total**	**Funds from operations (FFO)**	**Changes in value, estimated expenses and transaction**	**Total**
Rental income	174.4	–	174.4	143.9	–	143.9
Other expenses	(16.4)	–	(16.4)	(13.7)	–	(13.7)
Net rental income	**158.0**	**–**	**158.0**	**130.2**	**–**	**130.2**
External services	21.8	–	21.8	21.0	–	21.0
Own work capitalized and production held in inventory	12.3	–	12.3	9.8	–	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**–**	**(1.7)**	**(1.7)**	**–**	**(1.7)**	**(1.7)**
Gains (losses) on sale of assets	**–**	**8.8**	**8.8**	**–**	**3.3**	**3.3**
Gains (losses) in the value of investment property	**–**	**39.9**	**39.9**	**–**	**10.2**	**10.2**
Transaction costs	**–**	**(1.7)**	**(1.7)**	**–**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (SHOPPING CENTERS)	**153.9**	**68.5**	**222.4**	**127.1**	**13.6**	**140.7**
Distribution and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	–	(296.1)	(289.0)	–	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	–	(1.7)	(2.3)	–	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.6**	**–**	**9.6**	**9.4**	**–**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**–**	**(45.7)**	**(45.7)**	**–**	**(6.4)**	**(6.4)**
Transaction costs	**–**	**(1.0)**	**(1.0)**	**–**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE)	**(12.5)**	**(47.0)**	**(59.5)**	**(6.0)**	**(7.9)**	**(13.9)**
Revenue	883.2	–	883.2	914.4	–	914.4
Cost of sales and other expenses	(788.5)	–	(788.5)	(791.7)	–	(791.7)
Net property income	**94.7**	**–**	**94.7**	**122.7**	**–**	**122.7**
External services	0.1	–	0.1	0.6	–	0.6
Production held in inventory	54.9	–	54.9	57.4	–	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**–**	**(3.4)**	**(3.4)**	**–**	**(2.8)**	**(2.8)**
Transaction costs	**–**	**(0.5)**	**(0.5)**	**–**	**–**	**–**
NET RESIDENTIAL PROPERTY INCOME	**62.3**	**(5.2)**	**57.0**	**100.7**	**(4.7)**	**95.9**
Revenue	107.5	–	107.5	74.2	–	74.2
Cost of sales and other expenses	(93.4)	–	(93.4)	(72.0)	–	(72.0)
Net property income	**14.1**	**–**	**14.1**	**2.1**	**–**	**2.1**
External services	3.3	–	3.3	5.3	–	5.3
Production held in inventory	2.7	–	2.7	5.1	–	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**–**	**(0.3)**	**(0.3)**	**–**	**(0.2)**	**(0.2)**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
NET OFFICE PROPERTY INCOME	**15.5**	**(1.9)**	**13.6**	**5.0**	**(2.9)**	**2.1**
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING INCOME	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Discounting of debt and receivables	**–**	**(0.2)**	**(0.2)**	**–**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**–**	**22.2**	**22.2**	**–**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**–**	**(0.0)**	**(0.0)**	**–**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**142.2**	**4.1**	**146.2**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**12.66**	**0.36**	**13.02**	**14.19**	**(8.90)**	**5.30**

Balance sheet at December 31, 2013

In € millions	12/31/2013	12/31/2012 *Restated*
NON-CURRENT ASSETS	**3,600.7**	**3,558.7**
Intangible assets	237.7	276.7
o/w goodwill	*128.7*	*166.6*
o/w brands	*98.6*	*98.6*
Other intangible assets	*10.4*	*11.5*
Property, plant and equipment	12.6	11.3
Investment properties	3,029.0	3,021.9
o/w investment properties in operation at fair value	*2,917.9*	*2,869.6*
o/w investment properties under development and under construction at cost	*111.1*	*152.4*
Securities and investments in equity affiliates and unconsolidated interests	278.6	210.6
Loans and receivables (non-current)	6.6	6.8
Deferred tax assets	36.2	31.4
CURRENT ASSETS	**1,292.2**	**1,376.7**
Non-current assets held for sale	1.7	4.8
Net inventories and work in progress	606.4	658.8
Trade and other receivables	428.2	402.9
Income tax credit	2.3	1.8
Loans and receivables (current)	18.1	15.3
Derivative financial instruments	0.8	0.1
Cash and cash equivalents	234.9	293.0
TOTAL ASSETS	**4,892.9**	**4,935.4**

EQUITY	**1,832.9**	**1,362.0**
Equity attributable to Altarea SCA shareholders	**1,151.3**	**1,023.7**
Share capital	177.1	131.7
Other paid-in capital	437.0	481.6
Reserves	391.0	354.6
Income associated with Altarea SCA shareholders	146.2	55.9
Equity attributable to minority shareholders of subsidiaries	**681.6**	**338.2**
Reserves associated with minority shareholders of subsidiaries	498.8	224.9
Other equity components, subordinated perpetual notes	109.0	109.0
Income associated with minority shareholders of subsidiaries	73.8	4.3
NON-CURRENT LIABILITIES	**1,782.5**	**2,259.1**
Non-current borrowings and financial liabilities	1,722.7	2,148.0
o/w participating loans	*12.7*	*13.9*
o/w non-current bond issues	*248.5*	*250.0*
o/w borrowings from credit institutions	*1,432.3*	*1,867.4*
o/w other borrowings and debt	*29.2*	*16.7*
Other non-current provisions	21.1	21.7
Deposits received	26.8	27.1
Deferred tax liability	11.9	62.3
CURRENT LIABILITIES	**1,277.6**	**1,314.3**
Current borrowings and financial liabilities	436.2	303.5
o/w borrowings from credit institutions (excluding overdrafts)	*323.4*	*264.5*
o/w treasury notes and accrued interest	*28.0*	*–*
o/w bank overdrafts	*39.7*	*1.8*
o/w other borrowings and debt	*44.9*	*37.2*
Derivative financial instruments	73.7	171.5
Accounts payable and other operating liabilities	739.5	836.4
Tax due	28.1	2.8
Amount due to shareholders	0.0	0.0
TOTAL LIABILITIES	**4,892.9**	**4,935.4**