



## Q3 2014 revenue and business activity

### Strong business momentum

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#### Retail: Solid performances

- Shopping centers: growth in tenant revenue **(+1.5%)** and like-for-like rental income in France **(+2.1%)**
- Cap 3000 shopping center: launch of the extension
- E-commerce: business affected by the competitive environment

#### Residential: Growth in entry-level and mid-range reservations

- Reservations: **+18%** in value terms to €708 million including tax, and **+30%** in volume terms
- Percentage-of-completion revenues (excluding Laennec): **-3.5%**<sup>1</sup>

#### Offices: Strong business activity

- Signature of several operations (off-plan, AltaFund) and a solid pipeline of projects
- Increasing contribution to future results confirmed

#### Consolidated indicators

- Consolidated revenue: €898.1 million (-16.1%).
  - Net debt: €1.96 billion (+5.5% from June 30, 2014)
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*Unaudited figures at September 30, 2014*

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<sup>1</sup> Including Laennec, percentage-of-completion revenues came to €535.5 million (-14.5%).

## I. BUSINESS

### 1. RETAIL – Solid performance

#### Shopping centers: Growth in tenant revenue and rental income in France <sup>2</sup>

<i>In € million excluding tax</i>	9/30/2014	9/30/2013	Change
Rental income	128.1	130.6	-1.9%
<i>Like-for-like change in France</i>	+2.1%		

Amidst sluggish consumer spending, tenant revenues grew 1.5%<sup>3</sup>, outperforming the CNCC index which remained stable (-0.2%) in late August. Like-for-like (taking into account arbitrage and redevelopments), rental income in France rose 2.1% year-on-year.

During this quarter, Altarea also finalized the sale of two assets for a total of €78.5 million.

#### Cap 3000: Authorization for extension work granted, work starting in Q4 2014

The Group was granted a definitive building permit for the 376,700-ft<sup>2</sup> (35,000-sqm) extension of the Cap 3000 shopping center in Saint-Laurent-du-Var, near Nice. Work will begin in Q4 2014. Once the extension has been delivered, the center will be one of France's largest, with a GLA (gross leasable area) of over 1.076 million ft<sup>2</sup> (100,000 sqm).

#### E-commerce: Intense competitive pressure

Revenues declined 10.8% year-on-year as a result of increased competitive pressure on the prices of high-tech products. *Galerie Marchande* commissions grew 9.3%, enjoying a favorable mix effect.

### 2. RESIDENTIAL – Growth in reservations<sup>4</sup> in entry-level and mid-range programs: +30% in volume (2,783 units) and +18% in value terms (€708 million including tax)

<i>Number of units</i>	9/30/2014	9/30/2013	Change
Sales to institutional investors	878	552	+59%
Sales to individuals	1,905	1,595	+19%
<b>Total sales</b>	<b>2,783 units</b>	<b>2,147 units</b>	<b>+30%</b>
<i>In € millions including tax</i>	<i>€708 million</i>	<i>€598 million</i>	<i>+18%</i>

<i>In € millions excluding tax</i>	9/30/2014	9/30/2013	Change
<b>Percentage-of-completion revenues</b>	535.5	626.2	-14.5%
<i>Excluding Laennec</i>	529.8	548.8	-3.5%

<i>In € millions excluding tax</i>	9/30/2014	6/30/2014	Change
<b>Backlog<sup>5</sup></b>	<b>1,380</b>	<b>1,417</b>	<b>-2.6%</b>
<i>Number of months of sales</i>	20 months	20 months	
Properties for sale	753	860	
Future offering	4,116	3,839	
<b>=&gt; Pipeline<sup>6</sup></b>	<b>4,869</b>	<b>4,699</b>	<b>+3.6%</b>

Revenue growth in this quarter was mainly driven by entry-level and mid-range programs (90% of sales in number of units). At the end of September, these types of programs accounted for nearly 85% of the pipeline.

Percentage-of-completion revenues faced an unfavorable base effect related to the significant contribution of the Paris Laennec operation in 2013. Excluding Laennec, revenues were down slightly (-3.5%).

<sup>2</sup> Like-for-like.

<sup>3</sup> Figure at 100% on a "same-floor-area" basis in France, cumulative up to the end of September 2014, excluding properties being redeveloped.

<sup>4</sup> Reservations net of cancellations, with Histoire & Patrimoine reservations accounted for in proportion to the Group share of ownership.

<sup>5</sup> The residential backlog comprises revenues excluding VAT from notarized sales to be recognized on a percentage-of-completion basis and reservations to be notarized. Including Histoire & Patrimoine property for sale (Group share).

<sup>6</sup> The pipeline consists of VAT-inclusive revenues from properties for sale and the land bank, which includes all plots on which contracts (generally unilateral) have been signed. Including Histoire & Patrimoine property for sale (Group share).

### 3. OFFICES – Strong business activity

During the quarter, the Group finalized the off-plan sale of the SAFRAN regional head office in Toulouse-Blagnac to an institutional investor. It also signed a purchase agreement via AltaFund with ALLIANZ VIE for a 382,100-ft<sup>2</sup> (33,500-sqm) building to be redeveloped in Paris (2<sup>nd</sup> *arrondissement*).

This Office business's development dynamic remains strong, with a pipeline of managed projects at €1.6 billion at September 30, 2014, out of which €1,0 billion of projects in partnership consolidated in equity-method (AltaFund notably). Thus is this business's development dynamic not to be analyzed based on the turnover, but directly based on the contribution of these partnerships to the Group result

## II. OTHER HIGHLIGHTS OF THE QUARTER

### The number-1 European property company<sup>7</sup> in sustainable development strategy and performance

This year, the Group joined the GRESB's<sup>8</sup> illustrious Top 10 worldwide, and was awarded a Green Star.

For its existing assets, the Group ranked 9<sup>th</sup> worldwide out of 637 market players and 1<sup>st</sup> among European property companies. For new construction, the company took 4<sup>th</sup> place out of 273 companies across the world.

These outstanding results are a testament to the strength of the sustainable development strategy initiated in 2010, as well as to the Group's commitment to environmental management of its assets and environmental aspirations for its new projects.

## III. FINANCIAL POSITION

Net financial debt (bank and bond debt) amounted to €1.96 billion at September 30, 2014, compared to €1.858 billion at June 30, 2014.

## IV. ALTAREA COGEDIM Q3 AND 9-MONTH SALES

In € millions	2014				2013 restated <sup>9</sup>				9/30/2014 / 9/30/2013
	Q1 2014	Q2 2014	Q3 2014	TOTAL 9/30/2014	Q1 2013	Q2 2013	Q3 2013	TOTAL 9/30/2013	
Rental income	43.1	42.0	43.1	128.1	45.1	42.6	42.9	130.6	-1.9%
Services and other	5.2	4.4	5.6	15.3	5.0	6.0	4.6	15.6	-1.9%
<b>Brick-and-mortar retail</b>	<b>48.3</b>	<b>46.4</b>	<b>48.7</b>	<b>143.4</b>	<b>50.1</b>	<b>48.6</b>	<b>47.6</b>	<b>146.2</b>	<b>-1.9%</b>
Distribution sales	66.6	52.6	60.9	180.1	72.0	61.8	69.7	203.5	-11.5%
<i>Galerie Marchande</i> commissions	2.4	2.7	2.3	7.4	2.3	2.2	2.3	6.8	+9.3%
<b>Online retail</b>	<b>69.1</b>	<b>55.2</b>	<b>63.2</b>	<b>187.5</b>	<b>74.3</b>	<b>64.0</b>	<b>72.0</b>	<b>210.3</b>	<b>-10.8%</b>
Revenue	167.3	200.9	167.2	535.5	215.6	222.8	187.8	626.2	-14.5%
<i>Excluding Laennec</i>	165.9	197.3	166.6	529.8	185.6	191.1	172.1	548.8	-3.5%
Services	0.2	(0.2)	0.2	0.2	0.1	0.2	(0.1)	0.1	n/a
<b>Residential</b>	<b>167.5</b>	<b>200.7</b>	<b>167.4</b>	<b>535.6</b>	<b>215.7</b>	<b>222.9</b>	<b>187.7</b>	<b>626.3</b>	<b>-14.5%</b>
Revenue	14.2	3.2	10.8	28.2	36.0	24.6	24.1	84.7	-66.7%
Services	0.6	1.7	1.1	3.3	0.7	1.2	0.7	2.6	+28.2%
<b>Offices</b>	<b>14.7</b>	<b>4.9</b>	<b>11.9</b>	<b>31.5</b>	<b>36.7</b>	<b>25.7</b>	<b>24.8</b>	<b>87.3</b>	<b>-63.9%</b>
<b>Revenue</b>	<b>299.7</b>	<b>307.2</b>	<b>291.2</b>	<b>898.1</b>	<b>376.8</b>	<b>361.2</b>	<b>332.1</b>	<b>1,070.2</b>	<b>-16.1%</b>

<sup>7</sup> Results of the GRESB (Global Real Estate Sustainability Benchmark) rankings, which assess the sustainable development strategies and performances of large real estate funds and companies around the world.

<sup>8</sup> Global Real Estate Sustainability Benchmark, which assesses the sustainable development strategies and performances of large real estate funds and companies around the world.

<sup>9</sup> Restated retrospectively applying consolidation standards (IFRS 10 and 11) as of January 1, 2013

## **ABOUT ALTAREA COGEDIM - FR0000033219 - ALTA**

Altarea Cogedim is a leading property group. As both a commercial landowner 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. With operations in France, Spain and Italy, Altarea Cogedim manages a shopping center portfolio of €4 billion and is a leader in e-commerce in France thanks to its subsidiary Rue du Commerce. Listed in compartment A of NYSE Euronext Paris, Altarea had a market capitalization of €1.7 billion at June 30, 2014.

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