Sharp increase in real estate activities

Significant FFO growth expected for 2015

Retail REIT: continued strategy of focusing on premium assets

- Portfolio turnover (stake in Qwartz increased to 100%, disposals in Italy)
- Leadership in rail station retail (Paris-Austerlitz, 4th win in a bid for rail station in Paris)
- Portfolio: good operational performance

Property development: strong recovery in all sectors (32% rise in new orders to €874 million)

- Residential property reservations: €641 million (+20%), 2,700 units (+26%)
- Extremely fierce Office property activity with €233 million in new orders (+83%)

Significant growth in Real estate FFO[1]: €100.0 million (+11.3%)

Debt: maturity increased to 6.3 years, average cost down to 2.15%

Outlook

- Exceptional pipeline: 24.75 million ft² (2.3 million m², +4.2%)[2] and €10.5 billion (+7.6%)[3]
- Growth in 2015 FFO and 2016 dividend

Key figures:

- *Real estate FFO / share*	*€6.22/share*	*(+3.9%)*
- *Consolidated FFO[4] / share*	*€5.40/share*	*(-1.0%)*
- *NAV / share[5]*	*€126.5/share*	*(-2.5%)*
- *LTV[6]*	*41.1%*	

Paris, July 30, 2015, 9:00 pm. Following review by the Supervisory Board, Management approved the H1 2015 consolidated financial statements. Limited review procedures have been carried out. The certification report is being issued with no reservations.

[1] Results of Shopping center, Residential, Office and other corporate business lines.
[2] Shopping centers: m² GLA created. Residential: Inhabitable surface area. Offices: Net floor area or useful surface area.
[3] Shopping center value: rental income at 100% capitalized at 5.5%. Residential property value: properties for sale + portfolio assets (i.e. excluding programs under construction). Office property value: Off-plan/property development contracts: Share of contract amounts, Delegated project management: Share of capitalized fees, AltaFund: cost price at 100%. Estimated change compared to 12/31/2014.
[4] Funds from operations.
[5] Diluted Going-Concern NAV: market value of equity from the perspective of long-term operations as a going concern, recognizing all shares subscribed for the payment of dividends in shares.
[6] LTV (Loan to Value) = Net debt / Restated value of assets including transfer duties.

“Over the semester, the Group took full advantage of macroeconomic conditions favourable to real estate (historically low interest rates, low raw material cost and abundant liquidity). Nevertheless, the economic environment in France remains mitigated with weak consumer spending and high unemployment rate.

In this context, Altarea Cogedim witnessed strong activity recovery, especially in residential and office property development, with a 32% increase in residential property reservations and office property new orders all together during the semester.

We also accelerated the rotation of our shopping center portfolio, benefiting from every type of leverage available (including acquisitions, disposals, openings, developments). Moreover, we continued the deployment of our Digital Factory. This brand new CRM approach is to revolution shopping center asset management methods. Altarea Cogedim confirmed its leadership as a connected retail reit.

Finally, we benefited from very advantageous market conditions to remarkably improve our financing structure (extension of the duration and reduction of the average cost).

We are entering into a new phase of our development plan with comprehensively renewed strategy and offering, as well as a consolidated pipeline representing potential value of more than €10 billion. It positions Altarea Cogedim as one of the leading real estate asset developers in France.

Financial results from this strong recovery should be more noticeable starting this year end.

We forecast a significant increase in the 2015 published FFO as well as a dividend above €10.00 per share”.

Alain Taravella, Chairman and Founder of Altarea Cogedim

RETAIL REIT: focusing on premium assets

- **Portfolio turnover**

Over the semester, Altarea Cogedim increased its stake in Qwartz – the shopping center in Villeneuve-La Garenne (92) – to 100%, based on a valuation of €400 million including transfer duties. The Group previously held a 50% stake[7] in Qwartz, France's first connected regional shopping center.

Meanwhile, four small non-core assets located in Italy were sold for a total price of €122 million.

Finally, the Group opened a factory outlet in Aubergenville (78), strengthening the existing Family Village®. The Group also delivered the renovation/extension of the Jas-de-Bouffan shopping center in Aix-en-Provence.

The portfolio now includes 38 shopping centers with an average size of €97 million[8] in value.

Portfolio at 6/30/2015	
Assets under management	**€4,473 mil.**
(including management for third parties)	
Portfolio assets	**€3,705 mil.**
o/w Group share	*€2,549 mil.*
Gross rental income under management[9]	**€241.9 mil.**
o/w Group share	*€140.4 mil.*

- **Leadership in rail station retail: Paris-Austerlitz, 4th win in a Paris rail station bid**

Altarea Cogedim won the bid to create and operate retail space in the Paris-Austerlitz rail station (approximately 323,000 ft² or 30,000 m²). The Group hence confirmed its leadership in traffic retail.

The Group is now developing or operating the retail space of four Parisian rail stations[10], representing a total traffic of some 300 million travelers (expected to ultimately reach 450 million travelers). Once in operation, these spaces will account for approximately €55 million in gross rental income.

- **Good operational performance**

Indicators at 6/30/2015	
Net consolidated rental income	**€80.2 million**
Change	*+3.7%*
Like-for-like change in rental income[11]	**+1.1%**
o/w France	+1.6%
Tenant revenue[12]	**+1.1%**
Benchmark (CNCC)	*-1.8%*
Occupancy cost ratio[13]	**9.6%**
Bad debt ratio[14]	**1.0%**

- **A Retail pipeline representing nearly 90% of existing portfolio assets**[15]

Development pipeline at 6/30/2015 (at 100%)			
Number of programs	**13 projects**		
Surface area created (GLA)	**5,242,000 ft² (487,000 m²)**		
Net investments[16]	**€2,184 million**	**Provisional gross rental income**	**€180 million**
o/w Group share	*€1,656 million*	*o/w Group share*	*€133 million*
Potential value[17]	**€3,271 million**	**Projected return**	**8.2%**

[7] In partnership with Orion.
[8] 38 assets (vs. 52 at end-2010), including 35 assets in France with average value of €96 million, and three sites abroad with average value of €117 million.
9 Assets in operation: rental value on signed leases at July 1, 2015.
[10] Gare du Nord and Gare de l'Est in operation, Paris-Montparnasse and Paris Austerlitz under development.
[11] Excluding impact of commissioning, acquisitions, divestitures and restructurings.
[12] Tenant revenue development on a "same-floor-area" basis, cumulative over 12 months, at June 30, 2015 (May 30 for the CNCC indicator). France only.
[13] Calculated as rent and expenses charges to tenants (incl. taxes and rent reductions), in proportion to sales over the same period (incl. taxes) at 100% in France. Excluding property being redeveloped. France only.
[14] 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. Excluding property being redeveloped. France only.
[15] In surface area, and more than 90% of gross rental income from existing portfolio assets. Figures at 100%.
[16] Total budget including interest expenses and internal costs.

- **Leadership as a connected retail reit**

The Group has built up human and technological capital that stands at the heart of its activities as a retail reit. These initiatives led to the development of the Digital Factory, a platform created to systematically centralize and operate customer data.

Practically, the Digital Factory gathers customer data and information drawn from the Group's many channels[18] and centralizes this information in a system dedicated to data processing[19]. These actions make it possible to use the information gathered (automatic data analysis, reporting, etc.) and establish targeted action plans.

With the Digital Factory, the Group has created a unique tool at the junction between CRM and "Big data." This tool:

- Increases knowledge of customers (segmentation, profile comparison, online and offline purchasing behavior, cross-referencing with "opt-in" databases, etc.),
- Provides a minute-by-minute analysis of customers' physical itinerary in connected shopping centers (information on purchasing habits by aggregating receipts, individual footfall for each shop, etc.),
- Contributes to efficient measures (targeted customer communication, customized geolocation-based offers in real time, optimized mixed merchandising management, solutions to increase footfall in "cold areas" and during off-peak hours, negotiations with retailers based on objective criteria, etc.).

These features are already operational at Qwartz, France's first connected shopping center, where the movements of nearly 50% of customers are now recorded, processed and analyzed. Thus, the Digital Factory made it possible to maximize the center's development (regular reminders to spur return visits and real-time asset management initiatives).

Moreover, thanks to its experience in rail station retail, the Group developed a unique concept of "connected traffic retail" which significantly contributed to Altarea Cogedim's win in the bids for Paris-Montparnasse in 2014 and Paris-Austerlitz in 2015.

- **E-commerce: steady business volume (+2%)**

Despite a backdrop of intense competition for high-tech products, Rue du Commerce recorded slight growth in business volume at €175.4 million (+2%), maintaining its leading position among the Top 10 general merchandise sites in France[20].

- **SEMMARIS – Rungis market**

Altarea Cogedim owns 33.34% of Semmaris, the company that holds the concession[21] of the Rungis National Interest Market (MIN). The Macron Act provides an extension of the concession of Semmaris until 2049 (compared to 2034 previously).

[17] Potential value of shopping centers under development: rental income at 100% capitalized at 5.5%.
[18] Wi-Fi and geolocation, awards programs, mobile shopping center websites and applications, social networks, 'opt-in' bases, etc.
[19] Via a Data Management Platform or "DMP".
[20] 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 May 2015.
[21] Semmaris'mission is to develop, operate and manage MIN facilities, which it leases to companies in return for payments invoiced to wholesalers ans market users.

PROPERTY DEVELOPMENT: strong recovery in all sectors

Residential property reservations and office property new orders came to €874 million at June 30, up 32% year-on-year.

RESIDENTIAL: sales up by 26% in volume, 20% in value terms

Business activity	6/30/2015	*Change*
Reservations (in value terms, incl. tax)[22]	**€641 million**	**+20%**
Reservations (in volume)	**2,717 units**	**+26%**
o/w entry-level and midscale	*65%*	*+5 pts*

New housing sales were driven by entry-level and midscale product ranges[23], and by institutional investors.

- **Partnership with SNI on intermediate housing (agreements signed for 500 units, 800 under negotiation)**

In the current context of low interest rates and a return of institutional investors, Altarea Cogedim and the SNI Group signed a five-year partnership for the sale of intermediate housings. At the end of July, agreements had been signed for 500 units, with an additional 800 units under negotiation (not recognized in H1 reservations).

Residential property results	6/30/2015	*Change*
Revenue (excl. tax)	**€451 million**	**+23%**
Operating cash flow	**€24.5 million**	**+52%**
Backlog[24]	**€1,535 million**	**+5%**
	20 months	*-2 months*
Properties for sale and future offering[25](incl. tax)	**€5,348 million**	**+8%**
o/w entry-level and midscale	*€3,028 million*	*+9%*

OFFICES: €233 million new orders[26] (+83%)

2015 H1 saw a boost in office property new orders, reaching €233 million (+83%).

- **Strong property development activity**

The Group signed agreements for several major programs over the semester:

- Acquisition of Pascal Towers in La Défense[27] by AltaFund[28] (683,500 ft² or 63,500 m² to be renovated),
- Signature of an off-plan lease with Capgemini for Ivoire Tower in Lyon Gerland (81,250 ft² or 7,550 m²), followed by the off-plan sale of the program to an investor in late July,
- Off-plan sale of Technopôle de la Mer in Toulon-Ollioules (49,850 ft² or 4,630 m²),
- Sale[29] of the future head office of Sanofi Pasteur and Mérial in Lyon (162,500 ft² or 15,100 m² project).

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[22] *Reservations net of cancellations, with Histoire & Patrimoine reservations accounted for in proportion to the Group share of ownership.*
[23] *Programs priced at under €5,000/m² in the Paris Region and under €3,600/m² outside of Paris.*
[24] *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.*
[25] *The future offering is made up of secured programs (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched. It is expressed as values including tax. Excl. Histoire & Patrimoine transactions.*
[26] *Off-plan / Property Development contract sales: Amounts are recognized once the contract (or firm commitment) is signed and construction has been launched. DPM development sales: Fees capitalized at 4%. Investor sales: At the sale date, disposal margin recognized as Investor share (compared to the amount of the Property Development Contract).*
[27] *As a 50/50 joint venture with Goldman Sachs.*
[28] *AltaFund is a discretionary investment fund created in 2011. In March 2015, the Group increased its capital allocation from €100 million to €150 million, thereby increasing its interest in new programs initiated by AltaFund since 2015 to 30%.*
[29] *Negotiations nearing completion. Signature of the sale contract expected in Q3 2015.*

These achievements should enable a very strong increase in new orders in 2015, as well as significant growth in profit during H2.

Office property results	6/30/2015	*Change*
Net property income (property development)	*€6.6 million*	
Fees (service provision)	*€8.7 million*	
Share of equity-method associates (investment[30])	*€1.0 million*	
Total revenue	**€16.3 million**	**+15%**
Operating cash flow	**€8.5 million**	**-1.0%**
New orders	**€233 million**	**+83%**

CONSOLIDATED PIPELINE: 24.75 million ft² (2.3 million m²) (equivalent to €10.5 billion in value)

Today, Altarea Cogedim is the only French property group able to operate in all asset classes (residential, offices, hotels, retail) and through all types of action (investor, property developer, service provider and asset manager). This development model enabled to build an extremely significant project portfolio, providing basis for the Group's future growth.

Pipeline	Retail	Residential	Offices	TOTAL
Number of projects *& Number of units*	13 -	- *22,300*	25 -	**38** ***22,300 units***
Surface areas[31]	5,242,000 ft² (490,000 m²)	13,831,500 ft² (1,285,000 m²)	5,629,500 ft² (523,000 m²)	**24.7 million ft²** **(2.3 million m²)** ***(+4.2%)***
Investment *Return*	€2.2 billion *9.0%*	n/a	n/a	**n/a**
Potential value[32]	€3.3 billion	€5.3 billion	€1.8 billion[33]	**€10.5 billion *(+7.6%)***

Two major mixed-use development projects were added to the pipeline over the half-year: Bezons-Cœur de Ville (700 units and 215,250 ft² / 20,000 m² of retail spaces)[34] and Villeurbanne-La Soie (600 units, 43,000 ft² / 4,000 m² of retail spaces and 199,000 ft² / 18,500 m² of offices).

[30] *Mainly AltaFund.*
[31] *Retail: m² GLA created. Residential: Inhabitable surface area. Offices: Net floor area or useful surface area. Estimated change compared to 12/31/2014.*
[32] *Shopping center value: rental income at 100% capitalized at 5.5%. Residential property value: properties for sale + portfolio assets (i.e. excluding programs under construction). Office property value: Off-plan/property development contracts: Share of contract amounts, Delegated project management: Share of capitalized fees, AltaFund: cost price at 100%. Estimated change compared to 12/31/2014.*
[33] *O/w €660 million as Investor (total cost price of the program at 100%), €1.12 billion as Property developer (amount of signed contract) and €60 million as Service provider (capitalized fees).*
[34] *In partnership with Imestia Group.*

FINANCIAL RESULTS

€ millions	Real estate results[35]		Consolidated results[36]	
Shopping centers	96.8		96.8	*+2%*
Residential	450.8		450.8	*+22%*
Offices	52.9		52.9	*+170%*
E-commerce	-		124.3	*-0%*
REVENUE	**600.5**	***+24.5%***	**724.7**	***+19.5%***
Shopping centers	82.7		82.7	*-2%*
Residential	24.5		24.5	*+52%*
Offices	8.5		8.5	*-1%*
E-commerce	-		(12.1)	*+77%*
Other	1.1		1.1	*n/a*
OPERATING CASH FLOW	**116.9**	***+7.5%***	**104.8**	***+2.9%***
FFO[37]	**100.0**	***+ 11.3%***	**89.8**	***+ 7.3%***
FFO (Group share)	**77.5**	***+11.1%***	**67.3**	***+5.8%***
FFO per share after dilution	*€6.22/share*	*+3.9%*	*€5.40/share*	*-1.0%*
Net profit			**77.8**	***-10,6%***
Net Profit, Group Share			**53.0**	***-19.4%***

Significant growth in the Real estate FFO[38]: €100.0 million (+11.3%)

Results at June 30, 2015 were driven by the recovery in real estate activities.

Real estate revenue[39] (83% of the total) is up 24.5% and real estate FFO is up 11.3% to €100 million thanks to the strong recovery in the Residential business (+52%), benefiting from the strategy of range extension (commercial successes and volume effect). The contribution of Shopping centers is down slightly (disposal of the Italian assets). The contribution of Office property is stable in H1, although this is not representative of the current dynamic, as strong growth is expected for 2015 H2.

Consolidated FFO[40] grew by 7.3% to €89.8 million, despite the loss recorded for e-commerce. On a Group share basis, consolidated FFO grew by 5.8% and real estate FFO by 11.1% to €77.5 million.

Net consolidated income[41] came to €77.8 million, down -10.6% versus H1 2014 (€53.0 million on a Group-share basis, down 19.4%). It includes a value adjustment for Rue du Commerce.

Group NAV

NAV at June 30, 2015	€ millions	€/share*	*Change*
Diluted Going-Concern NAV	**1,583.4**	**126.5**	***-2.5%***
EPRA NNNAV (liquidation NAV)	1,512.8	120.9	*-2.9%*
EPRA NAV[42]	1,502.0	120.0	*-8.2%*

**Number of diluted shares: 12,513,394*

Group NAV per share as of 30 June included the dividend payout of €10.0 per share.

[35] *Income from Shopping center, Residential, Office and other corporate business lines.*
[36] *Including Rue du Commerce. 2014 data restated for the effect of application of interpretation IFRIC 21 – Levies (very slight impact).*
[37] *Funds from operations: operating cash flow after net interest and corporate income tax expenses, Group share and other.*
[38] *Income from Shopping center, Residential, Office and other corporate business lines.*
[39] *Revenue of Shopping center, Residential, Office and other corporate business lines.*
[40] *Group share and other.*
[41] *Group share and other.*
[42] *The diluted NAV and NAV continuation liquidation NNNAV includes the market value of the financial instruments (net increase) contrary to the EPRA NAV. Hence, the decrease in EPRA NAV is more important than the continuation diluted NAV and NAV liquidation NNNAV.*

DEBT: maturity increased to 6.3 years, average cost down to 2.15%

Altarea Cogedim took advantage of a particularly advantageous market window to re-profile its long-term debt structure: the Group signed or received firm commitments from banks for a total of €1.371 billion[43]. The majority of these financing concerns long-term mortgage loans[44]. The average duration of the finance agreements implemented over the half-year is 8.4 years with an average spread of 112 bps.

At the same time, the Group reviewed its portfolio of hedging instruments to align the maturity of these instruments with the new duration and put hedged rates in line with market levels.

Altarea Cogedim Group's net financial debt now stands at €2.042 billion[45], with maturity extended to 6.3 years and average cost of 2.15% at June 30, 2015.

Thanks to these initiatives, the Group enjoys excellent visibility on the average cost of long-term debt.

	6/30/2015	12/31/2014	Change
Net debt	**€2.042 billion**	€1.772 billion	*+€270 million*
Available cash and cash equivalents	**€539 million**	€622 million	*-€83 million*
LTV[46]	**41.1%**	37.7%	*+3.4 bps*
ICR[47]	**7.5 x**	5.9 x	*+1.6 x*
Duration	**6.3 years**	3.7 years	*+2.6 years*
Average cost	**2.15%**	2.41%	*-26 bps*

This press release is accompanied by a PowerPoint presentation. The presentation is available for download on the Financial Information page of Altarea Cogedim's website.

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. With operations in France, Spain and Italy, Altarea Cogedim manages a shopping center portfolio of €4.5 billion. Listed in compartment A of Euronext Paris, Altarea had a market capitalization of €2 billion at June 30, 2015.

FINANCE CONTACTS

Eric Dumas, Chief Financial Officer
edumas@altareacogedim.com, tel: + 33 1 44 95 51 42

Catherine Leroy, Investor Relations
cleroy@altareacogedim.com, tel: +33 1 56 26 24 87

COMMUNICATION CONTACTS

Nicolas Castex, Press relations
nicolas.castex@citigate.fr, tel: + 33 1 53 32 78 88

43 *O/w €1.034 billion to refinance existing loans and €337 million in new funds.*
44 *20 assets were financed or refinanced (primarily as mortgage debt)*
45 *I.e. an increase of €270 million compared to December 31, 2014, mainly due to the acquisition of 100% of Qwartz.*
46 *LTV (Loan to Value) = Net debt / Restated value of assets including transfer duties.*
47 *ICR = operating profit / net debt costs ("Funds from operations" column).*

BUSINESS REVIEW
June 30, 2015

CONTENTS

1 INTRODUCTION

1.1 ACCOUNTING CHANGES (IFRIC 21)

The IFRIC 21 interpretation – “Levies”, adopted by the European Union on June 13, 2014, applies to outflows imposed on entities by governments, leading entities to record a debt immediately once there exists an obligation to pay. The interim recognition schedule for select levies, such as the French corporate social solidarity contribution and land taxes, is affected by the interpretation.

This interpretation is mandatory, retrospectively, as from January 1, 2015. Information regarding H1 2014 as expressed below in the Group financial statements, has consequently been restated (very slight impact).

2 BUSINESS REVIEW

2.1 RETAIL

2.1.1 Shopping centers

KEY FIGURES AT JUNE 30, 2015

	In operation			Under development		
June 30, 2015	**GLA in m²**	**Current gross rental income (€ millions) (d)**	**Appraisal value (€ millions) (e)**	**m² GLA created**	**Estimated gross rental income (€ millions)**	**Net investments (€ millions) (f)**
Controlled assets (fully consolidated) (a)	**648,681**	**178.0**	**3,443**	**392,000**	**163.9**	**1,982**
Group share	*520,632*	*131.0*	*2,425*	*335,000*	*127.6*	*1,584*
Share of minority interests	*128,049*	*47.0*	*1018*	*57,000*	*36.3*	*398*
Equity assets (b)	**105,618**	**20.8**	**262**	**98,000**	**16.1**	**202**
Group share	*49,332*	*9.4*	*124*	*39,000*	*5.9*	*72*
Share of third parties	*56,286*	*11.4*	*138*	*59,000*	*10.2*	*130*
Management for third parties (c)	**205,500**	**43.2**	**768**	**-**	**-**	**-**
Total assets under management	**959,799**	**241.9**	**4,473**	**490,000**	**179.9**	**2,184**
Group share	*569,964*	*140.4*	*2,549*	*374,000*	*133.5*	*1,656*
Share of third parties	*389,835*	*101.6*	*1,924*	*116,000*	*46.5*	*528*

(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 or a significant influence. 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 July 1, 2015.
(e) Appraisal value including transfer duties
(f) Total budget including interest expenses and internal costs.

2.1.1.1 Market trends and Group strategy

Household consumption in France rose slightly in late 2014 and early 2015, registering overall growth of 1.2%[48] at June 30, 2015. Online sales reached similar levels (+2% for the French market, and +6% like-for-like for leading general merchandise websites[49]).

However, the shopping center performance indicator (CNCC) recorded a 1.8% drop[50] in tenant revenue.

In this context of growing targeted consumer spending, Altarea Cogedim continues to pursue its strategy of concentrating its portfolio on premium sites with strong appeal and marketability.

Group shopping centers exhibited resilience with tenant revenue up by 1.1%[51].

2.1.1.2 Consolidated net rental income

Net rental income (IFRS) came to €80.2 million (+3.7%) at June 30, 2015. Like for like, rental income in France increased by 1.6%, in a context of slightly declining indexation[52].

	€ millions	
Net rental income at June 30, 2014	**77.3**	
100% control of Qwartz	5.3	
Disposals	(3.1)	
Redevelopments	(0.1)	
Like-for-like change France	1.0	*+1.6% (a)*
Like-for-like change International	(0.2)	*-1.9% (b)*
Total Change in Net Rental Income	**2.9**	***+3.7%***
Net rental income at June 30, 2015	**80.2**	

(a) As a like-for-like percentage in France.
(b) As a like-for-like percentage outside of France.

48 Source: INSEE, end-June 2015 (sale of manufactured goods).
49 Source: FEVAD and iCE 100 survey (like-for-like growth of leading sites and high-tech products) as of late May 2015 (5 months).
50 Source: CNCC, Like-for-like revenue development for shopping center tenants as of late May 2015.
51 H1 2015 like-for-like revenue development for shopping center tenants in France.
52 ILC (Commercial Rent Index) Q2 2014: +0.0%, CCI (Construction Cost Index) Q2 2014: -1.0%.

QWARTZ

In April 2015, Qwartz, France's first connected regional shopping center, celebrated its one-year anniversary. The winner of four awards for its digital innovations in 2014, this shopping center spans a total of 925,750 ft² (86,000 m²) or 86,000 m² (463,000 ft²) GLA. With 165 shops, it offers retailers exceptional visibility and should ultimately attract 9 million visitors per year.

Qwartz is the first asset of the portfolio equiped with the Digital Factory's features (see further description below, in the « Innovation » section), in support of the center's asset management. Since its opening, the center's operational performances are highly above ones that would be expected from an asset just launched[53].

Initially developed in partnership with Orion, in March 2015 Group Altarea Cogedim increased its stake in the center to 100% (from 50% previously) on the basis of a 100% valuation of €400 million including transfer duties. Consequently, Quartz has been fully consolidated in the Group's financial statements since the date of the transaction.

OPENINGS

H1 2015 stood out for two deliveries:

• The Jas-de-Bouffan shopping center in Aix-en-Provence, which underwent a renovation and an extension of the shopping gallery, increasing the overall size of the center to 379,000 ft² (35,200 m²), including a Casino hypermarket and a 127,000-ft² (11,800-m²) GLA shopping gallery comprising 69 shops.

• A brand village - Marque Avenue® - in Aubergenville, whose exceptional strengths (catchment area, accessibility, design and innovative shopping experience) will help to attract new customers to the existing Family Village® and increase rental income. Marque Avenue® Aubergenville includes 61 shops over a surface area of 140,000 ft² (12,900 m²) and was awarded the trade's Janus label 2015 in July.

DISPOSALS IN ITALY

Over the half-year, the Group sold four small Italian shopping centers to Tristan Capital Partners for a total of €122 million.

REDEVELOPMENTS

The Group's strategy of focusing on large-size premium assets also includes redeveloping/extending portfolio shopping centers with strong potential for value creation.

In H1 2015, the Group's redevelopment projects carried out to strengthen its centers mainly concerned Cap 3000 (redevelopment of the existing center together with the extension project).

2.1.1.3 Operational performance

FRANCE (90% OF THE PORTFOLIO)

Change in rental income

In France, net rental income recorded a 1.6% growth like-for-like[54] in a context of decreasing indexing rates.

Merchant sales[55]

Data at 100%	Sales (incl. tax)
Total shopping centers	**+1.1%**
CNCC Benchmark	(1.8)%

Lease expiry schedule

€ mil., at 100%	Lease expiry date	% of total	3-year termination option	% of total
Past	10.9	*6.1%*	10.9	*6.1%*
2015	3.6	*2.0%*	3.6	*2.0%*
2016	5.0	*2.8%*	39.6	*22.4%*
2017	13.8	*7.8%*	45.7	*25.8%*
2018	16.5	*9.3%*	31.8	*18.0%*
2019	11.1	*6.3%*	7.9	*4.5%*
2020	21.6	*12.2%*	15.6	*8.8%*
2021	16.0	*9.0%*	9.4	*5.3%*
2022	23.8	*13.5%*	6.8	*3.8%*
2023	17.7	*10.0%*	2.7	*1.5%*
2024	27.7	*15.7%*	1.8	*1.0%*
2025	6.9	*3.9%*	0.0	*0.0%*
>2025	2.5	*1.4%*	1.2	*0.7%*
Total	**176.9**	**100%**	**176.9**	**100%**

[53] At June 30, 2015, Qwartz recorded a 11% increase in number of visitors and a 10% rise in its tenants revenue, after restating the opening impact.

[54] Excluding impact of openings, acquisitions, disposals and redevelopments.

[55] H1 2015 like-for-like revenue development for shopping center tenants.

Occupancy cost ratio[56], bad debt ratio[57] and financial vacancy rate[58]

	H1 2015	2014	2013
Occupancy cost ratio	9.6%	9.8%	10.2%
Bad debt ratio	1.0%	0.7%	1.5%
Financial vacancy rate	3.6%	3.4%	3.4%

INTERNATIONAL (10% OF THE PORTFOLIO)

Following the disposal of four non-core assets in Italy, the international portfolio includes three major assets with an average value of €117 million: one asset in Spain and two in Italy, located in the most dynamic areas of each country (Barcelona and Lombardy).

In Italy, against a backdrop of economic recovery, the refocused portfolio exhibits solid performance with tenants revenue[59] up 5.4% and a 3.2% rise in visitor numbers.

This performance is the result of beneficial asset management and lease review initiatives (higher quality retailers), which still has a slight impact on net rental income like-for-like (-3.3%) and leads to an improvement in bad debt (1.5% vs. 2.2% in late 2014).

The performance improvement of Sant Cugat in Spain also confirms the center's solid positioning: tenants revenue[60] up 3.4%.

2.1.1.4 Management for third parties

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

In H1 2015, these assets represented €43.2 million in rental income for an overall value of €768 million. They contributed to the growth of Altarea Commerce's fees in the amount of €9.8 million (+3%).

Combining controlled assets and assets managed for third parties, Altarea manages a total of approximately 1,800 leases in France and 300 in Italy and Spain.

[56] *Calculated as rent and expenses charged to tenants (incl. taxes and rent reductions), in proportion to revenue (incl. taxes) at 100 % in France. Excluding property being redeveloped.*
[57] *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. Excluding property being redeveloped.*
[58] *Estimated rental value (ERV) of vacant units as a percentage of total estimated rental value. Excluding property being redeveloped.*
[59] *Like-for-like revenue development for shopping center tenants.*
[60] *Like-for-like revenue development for shopping center tenants.*

2.1.1.5 Asset portfolio

PORTFOLIO COMPOSITION

At June 30, 2015, the value of the Group's portfolio assets (controlled or equity-method assets) was down by €32 million to €3.705 billion.

This decline was due primarily to the disposal of the non-strategic portfolio in Italy. Like-for-like, portfolio value grew by €33 million.

€ millions	Value
TOTAL at December 31, 2014	**3,737**
Centers opened	69
Acquisitions	–
Disposals	(134)
Like-for-like change	**33**
o/w France	*26*
o/w Italy	*–*
o/w Spain	*7*
Total change	**(32)**
TOTAL at June 30, 2015	**3,705**
o/w Group share	*2,549*
o/w share of third parties	*1,155*

The Group owns 38 sites (35 in France and 3 abroad) with average value of €97 million.

The portfolio is now virtually entirely focused on the most dynamic metropolis, both in France and abroad.

Breakdown by type (€ mil.)	H1 2015		2014		*Change*
Regional shopping centers	2,310	*62%*	2,275	*61%*	*1 pt*
Large Retail Parks (Family V.)	832	*22%*	802	*21%*	*1 pt*
Local / downtown	563	*15%*	661	*18%*	*(2) pts*
TOTAL	**3,705**	*100%*	**3,737**	*100%*	
o/w Group share	*2,549*		*2,416*		

Geographical distribution (€ mil.)	H1 2015		2014		*Change*
Paris Region	1,341	*36%*	1,275	*34%*	*2 pts*
PACA/Rhône-Alpes/South	1,611	*43%*	1,573	*42%*	*1 pts*
Other French regions	400	*11%*	411	*11%*	*(0) pts*
International (Lombardy & Barcelona)	352	*10%*	478	*13%*	*(3) pts*
TOTAL	**3,705**	*100%*	**3,737**	*100%*	
o/w Group share	*2,549*		*2,416*		

Asset format		H1 2015	2014	*Change*
France	Average value	€96 million	€93 million	*3%*
	Number of assets	35	35	*0*
International	Average value	€117 mil.	€68 mil.	*71%*
	Number of assets	3	7	*-4*
TOTAL	**Average value**	**€97 mil.**	**€89 mil.**	***9%***
	Number of assets	**38**	**42**	***-4***

CAPITALIZATION RATE[61]

Average net capitalization rate, at 100%	H1 2015	2014
France	5.41%	5.49%
International	6.20%	7.15%
TOTAL Portfolio	**5.48%**	**5.71%**
o/w Group share	*5.74%*	*5.99%*
o/w share of third parties	*5.06%*	*5.03%*

APPRAISAL VALUES

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

• discounting projected cash flows, with resale value at the end of the period;

• capitalization of net rental income, based on a capitalization rate that includes the site's characteristics and rental income (also including variable rent and market rent of vacant premises, adjusted for all charges incumbent upon the owner).

These valuations are conducted in accordance with the criteria set out in the *Red Book – Appraisal and Valuation Standards*, published by the Royal Institute of Chartered Surveyors. 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 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:

Appraiser	Portfolio	% of value, incl. transfer duties
JLL	France	22%
DTZ	France & International	78%

2.1.1.6 Shopping centers under development

The Group is focused on initiatives to create and redevelop large regional shopping centers, traffic retail sites and large Retail Parks.

Compared with the Group's assets in operation, the pipeline accounts for more than 90% of potential additional rental income (on a group share basis or at 100%).

41 leases were signed on pipeline assets over the half year, for a total of nearly €10 million in rental income. These leases mainly concerned assets to be delivered in the near future (Macdonald, Toulon-La Valette, first part Cap 3000).

	GLA in m² (c)	Forecast gross rental income (€ mil.)	Net invest ment (€ mil.) (d)	Forecast return
Controlled projects (fully consolidated) (a)	**392,000**	**164**	**1,982**	**8.3%**
Group share	*335,000*	*128*	*1,584*	
Share of minority interests	*57,000*	*36*	*398*	
Equity projects (b)	**98,000**	**16**	**202**	**8.0%**
Group share	*39,000*	*6*	*72*	
Share of third parties	*59,000*	*10*	*130*	
Total	**490,000**	**180**	**2,184**	**8.2%**
Group share	*374,000*	*133*	*1,656*	**8.1%**

(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)

(a) 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 secured or underway[62]. 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 H1 2015 from both an administrative and commercial point of view, most pipeline projects should be delivered between 2016 and 2020.

[61] *The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.*

[62] *Projects underway: properties under construction. Secured projects: 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.*

€ millions, net	At 100%	Group share
Paid out	488	325
Committed, remaining to be paid out	407	160
Total commitments	**896**	**485**
% of net investment	*41%*	*29%*

INVESTMENTS CARRIED OUT IN H1 2015 FOR PROJECTS UNDER DEVELOPMENT

Over the half-year, Altarea Cogedim invested[63] €147 million in its project portfolio on a Group-share basis.

These investments mainly concerned:

• residual investments in centers delivered recently (Aubergenville, Qwartz, etc.),

• and shopping centers under construction and/or redevelopment (essentially Cap 3000 and Toulon-La Valette).

PARIS-AUSTERLITZ RAIL STATION

Following the consultation launched by Gares & Connexions, Altarea Cogedim Group was selected as a partner for the modernization of Paris-Austerlitz rail station, which should ultimately serve up to 60 million travelers (compared to 22 million today).

The Group will be in charge of designing, building and operating 322,700 ft² (30,000 m²) of retail space in this historic station, as well as offices and hotels (not carried out by the group).

One year after being selected to guide the transformation of Paris-Montparnasse rail station, this new success confirms the Group's expertise in traffic retail.

CAP 3000

After an initial remodeling in 2012 and the opening of four new waterfront restaurants in May 2014, the Group launched last November the extension-renovation project of the Cap 3000 shopping center, located outside of Nice.

Following this project, which will be carried out in two successive phases between 2016 and 2018, the center will feature 300 retailers over a total net floor area of 1,453,000 ft² (135,000 m²) [1,076,500 ft² or 100,000 m² GLA], compared to 140 retailers and a net floor area of 915,000 ft² (85,000 m²) today.

The cost of the extension comes to approximately €400 million, bringing the overall amount invested in the center since its acquisition to over €1 billion.

DELIVERIES PLANNED FOR 2016

In 2016, the Group will deliver two iconic shopping centers:

• Paris-Boulevard Macdonald, a center spanning more than 323,000 ft² GLA (30,000 m²) developed through a 50/50 partnership with Caisse des Dépôts. This project will feature 40 shops and restaurants, including 10 mid-size stores.

• L'Avenue 83 (Toulon-La Valette), an outdoor retail & entertainment center spanning 549,000 ft² (51,000 m²) [64], located in one of the countries most dynamic retail areas (Toulon – Grand Var). The center will feature two specialized department stores, a dozen mid-size stores, 70 shops and kiosks and 54,000 ft² (5,000 m²) of restaurants offering outdoor dining, as well as a 16-screen Pathé cinema.

2.1.1.7 Operating cash flow

€ millions	6/30/2015		6/30/2014 restated
Rental income	87.0		85.0
Net rental income	**80.2**	*4%*	**77.3**
% of rental income	*92.2%*		*90.9%*
External services	9.8		9.5
Own work capitalized and production held in inventory	15.1		11.3
Operating expenses	(29.2)	*18%*	(24.7)
Net overhead expenses	**(4.3)**		**(3.9)**
Contribution of EM associates	6.9		11.1
Operating cash flow	**82.7**	***(2)%***	**84.4**

2.1.1.8 High-street retail

A product of development synergies with Cogedim's Residential property teams, in 2013 the Group created a structure dedicated to high street retail to enhance the value of retail and business surfaces connected to development programs.

This pooling of expertise among the Retail, Residential and Office property teams makes it possible for the Group to provide local

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

[64] *O/w 398,250 ft² (37,000 m²) for the mall and 150,500 ft² (14,000 m²) for the cinema.*

governments with the best solution, particularly when it comes to creating new neighborhoods.

This business concerns various formats:

• ground-floor shops,

• shopping streets,

• mid-size stores,

• Small retail complexes from 21,500 ft ^{2} to 54,000 ft^2 (2,000 to 5,000 m^2) (new neighborhoods).

Either these retail sites are intended to be kept in the portfolio (the most important assets) or they will ultimately be sold following leasing.

At June 30, 2015, the Group was working on 44 programs, some of which have already been leased and are currently in the disposal phase. This new business is expected to contribute actively to the Group's FFO as of 2016 .

	Number	Surface area
Secured programs [(a)]	33	361,215 ft² (33,558 m²)
Under development	11	456,390 ft² (42,400 m²)
Total programs underway	**44**	**817605 ft² (75,958 m²)**

(a) Programs secured by a sales commitment.

Breakdown of retail portfolio managed at June 30, 2015

				o/w Group share		o/w share of third parties	
Center	GLA in m²	Gross rental income (in € millions) (d)	Value (in € millions) (e)	Share	Value (in € millions) (e)	Share	Value (in € millions) (e)
CAP 3000	64,500			33%		67%	
Villeneuve la Garenne - Qwartz	42,980			100%		–	
Toulouse Occitania	56,200			51%		49%	
Paris - Bercy Village	22,824			51%		49%	
Thiais Village	22,324			100%		–	
Aix en Provence	11,800			78%		22%	
Gare de l'Est	5,500			51%		49%	
Flins	9,700			100%		–	
Okabé	15,077			65%		35%	
Lille - Les Tanneurs & Grand' Place	25,480			100%		–	
Strasbourg - L'Aubette & Aub. Tourisme	8,400			65%		35%	
Strasbourg - La Vigie	16,232			59%		41%	
Toulon - Ollioules	3,185			100%		–	
Mulhouse - Porte Jeune	14,769			65%		35%	
Massy	18,200			100%		–	
Toulon - Grand' Var	6,336			100%		–	
Tourcoing - Espace Saint Christophe	13,000			65%		35%	
Gennevilliers (RP)	18,863			51%		49%	
Brest - Guipavas (RP)	28,000			100%		–	
Nimes (RP)	27,500			100%		–	
Limoges (RP)	28,000			75%		25%	
Aubergenville - Marques Avenue	12,900			100%		–	
Family Village Aubergenville (RP)	27,800			100%		–	
Family Village Le Mans Ruaudin (RP)	23,800			100%		–	
Herblay - XIV Avenue	14,200			100%		–	
Villeparisis	18,623			100%		–	
Pierrelaye (RP)	9,750			100%		–	
Various shopping centers (3 assets)	7,491			n/a		n/a	
Sub-total France	**573,433**	**156.1**	**3,091**		**2,073**		**1,018**
Barcelona - San Cugat	20,488			100%		–	
Le Due Torri	33,691			100%		–	
Bellinzago	21,069			100%		–	
Sub-total International	**75,248**	**21.9**	**352**		**352**		**–**
Controlled assets (fully consolidated) (a)	**648,681**	**178.0**	**3,443**		**2,425**		**1,018**
Carré de Soie	60,800			50%		50%	
Paris - Les Boutiques Gare du Nord	3,750			40%		60%	
Châlons - Hôtel de Ville	5,250			40%		60%	
Roubaix - Espace Grand' Rue	13,538			33%		68%	
Various shopping centers (2 assets)	22,279			n/a		n/a	
Equity assets (b)	**105,618**	**20.8**	**262**		**124**		**138**
Chambourcy	33,800			–		100%	
Bordeaux - Grand' Tour & St Eulalie	25,900			–		100%	
Pau - Quartier Libre	33,800			–		100%	
Brest - Jean Jaurès	12,500			–		100%	
Nantes - Le Sillon Shopping	11,200			–		100%	
Orange - Les Vignes	30,700			–		100%	
Vichy - Les 4 Chemins	14,000			–		100%	
Ville du Bois	14,600			–		100%	
Reims - Espace d'Erlon	7,100			–		100%	
Valdoly	5,800			–		100%	
Brest - Coat ar Gueven	6,400			–		100%	
Angers - Fleur d'Eau	2,900			–		100%	
Chalon Sud	4,000			–		100%	
Toulon - Grand Ciel	2,800			–		100%	
Assets managed for third parties (c)	**205,500**	**43.2**	**768**		**–**		**768**
Total assets under management	**959,799**	**241.9**	**4,473**		**2,549**		**1,924**

(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 it exercises joint operational control or a significant influence. Consolidated using the equity method in the consolidated.
(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 July 1, 2015.
(e) Including transfer duties.

(RP) Retail Park

Breakdown of shopping centers under development at June 30, 2015

			At 100%				Group share		
Center	**SC / RP**	**Creation / Redevelopment / Extension**	**m² GLA created (a)**	**Gross rental income (€ millions)**	**Net investments (€ millions)**	**Return**	**GLA in m² (a)**	**Gross rental income (€ millions)**	**Net investments (€ millions)**
Cap 3000	SC	Redev./Extensio	35,000				12,000		
La Valette du Var	SC	Creation	37,000				19,000		
F. Village Le Mans 2	RP	Creation	16,000				16,000		
Massy -X%	SC	Redev./Extensio	22,000				22,000		
Chartres	SC	Creation	70,000				70,000		
Paris Region	SC	Redev./Extensio	86,000				86,000		
Entrepôt Macdonald	SC	Creation	32,000				16,000		
Montparnasse Rail Station	SC	Creation	19,000				19,000		
Gare d'Austerlitz	SC	Creation	30,000				30,000		
Developments - France			**347,000**	**149.9**	**1,823**	**8.2%**	**290,000**	**113.6**	**1,425.5**
Ponte Parodi (Genoa)	SC	Creation	37,000				37,000		
Le Due Torri (Lombardy)	SC	Extension	8,000				8,000		
Developments - International			**45,000**	**14.0**	**158**	**8.8%**	**45,000**	**14.0**	**158.5**
Controlled developments (fully consolidated)			**392,000**	**163.9**	**1,982**	**8.3%**	**335,000**	**127.6**	**1,584**
Promenade de Flandres - Lille	RP	Creation	58,000				29,000		
Cœur d'Orly - Retail	SC	Creation	40,000				10,000		
Equity-method developments			**98,000**	**16.1**	**202**	**8.0%**	**39,000**	**5.9**	**72.3**
Total at June 30, 2015			**490,000**	**179.9**	**2,184**	**8.2%**	**374,000**	**133.5**	**1,656**
o/w redevelopments / extensions			*151,000*	*88.8*	*1,010*	*8.8%*	*128,000*	*63.1*	*759*
o/w asset creation			*339,000*	*91.1*	*1,174*	*7.8%*	*247,000*	*70.3*	*897*

(a) Total GLA (Gross Leasable Area) created, excluding off-plan developments for third parties. For renovation/extension projects, figures represent additional GLA created.

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

(SC) Shopping center

(RP) Retail Park

2.1.2 Online retail

Altarea Cogedim Group is one of the leading actors in e-commerce in France thanks to Rue du Commerce, whose business volume amounted to €175 million in H1 2015 (2% growth year-on-year).

MARKET TRENDS[65]

At June, 30, 2015, e-commerce recorded 2% growth in France. General merchandise websites reported sales growth of +6% like-for-like.

RUEDUCOMMERCE.COM VISITOR NUMBERS

Rue du Commerce maintained its position as a leading site, ranking among the "Top 10" general merchandise sites in France[66].

	General merchandise sites	Average 5-month UV in 2015, in thousands
1	Amazon	16,604
2	Cdiscount	10,253
3	Fnac	8,369
4	Carrefour	6,357
5	PriceMinister	6,050
6	La Redoute	5,898
7	vente-privee	5,367
8	Darty	4,690
9	**Rue du Commerce**	**4,550**
10	E.Leclerc	4,474

RUE DU COMMERCE BUSINESS VOLUME

€ millions	H1 2015	H1 2014	*Change*
Distribution and other Revenue	118.6	119.2	*(0)%*
Galerie Marchande business volume	56.7	52.9	*7%*
Total business volume	**175.4**	**172.2**	**2%**

RUE DU COMMERCE RESULTS

€ millions	6/30/2015		6/30/2014
Distribution revenues	118.6	*(0)%*	119.2
Purchases consumed and other	(116.7)		(104.4)
Galerie Marchande commissions	5.6	*9%*	5.1
Net overhead expenses	(19.6)		(19.3)
Operating cash flow	**(12.1)**		**(6.8)**
% of revenue	*(10.2)%*		*(5.7)%*

The deterioration of operating cash flow was due essentially to distribution of high-tech products, which witnessed extremely intense price competition.

2.1.3 MIN de Rungis

Altarea Cogedim Group owns 33.34% of Semmaris, the company that holds the concession on the Rungis National Interest Market (MIN).

RUNGIS MARKET

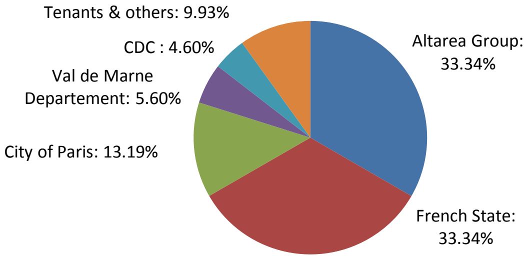
The world's largest wholesale food market spans 578 acres (234 hectares), with 10,764,000 ft² (1,000,000 m²) of leasable surface area. The 1,200 market operators employ nearly 12,000 workers. 2013 sales came to €8.5 billion.

SEMMARIS

The Société d'Exploitation du Marché International de Rungis was created by decree in 1965 when the Paris Region wholesale market was transferred to Rungis from its traditional site at Les Halls in downtown Paris. Its mission is to develop, operate and manage MIN facilities, which it leases to companies in return for payments invoiced to wholesalers ans market users.

The Macron Act provides for an extension of the concession on Semmaris until 2049 (compared to 2034 previously).

Semmaris shareholding breaks down as follows:



As the Group owns only 33.34% of Semmaris, IFRS consolidated results for Semmaris appears under the line item "Share in income of associated companies."

[65]Source: FEVAD and iCE 100 survey (like-for-like growth of leading sites and high-tech products) as of late May 2015 (5 months).
[66]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 May 2015.

SEMMARIS REVENUE

Semmaris revenue came to €51.2 million at June 30, 2015, up 1.5% compared to June 30, 2014.

€ millions	6/30/2015		6/30/2014
Indexed usage fees	7.5		7.9
Certified usage fees	20.7		20.2
Tolls	6.2		5.8
Other	2.0		2.0
Subtotal of lease payments and other revenue	**36.4**	*1.5%*	**35.9**
Recovered expenses	14.8		14.6
Total revenue	**51.2**	*1.5%*	**50.5**

Semmaris revenues consist of:

• Indexed usage fees: Rates indexed every three years on the basis of the Construction Cost Index.

• Certified usage fees: Rates set annually by the Board of Directors of Semmaris and are then certified by prefectoral decree.

• Tolls: Entrance tolls are paid by vehicles entering the MIN.

2.2 RESIDENTIAL

2.2.1 H1 2015 Economic conditions

With 14% growth compared to Q1 2014[67], new home sales have picked up since the start of the year, driven mainly by private investors, many of whom had withdrawn from the market following the end of the Scellier Act.

Taking advantage of the Pinel scheme, which is more flexible than the Duflot scheme, as well as the rezoning initiative, sales to private investors increased by nearly 60%[68] compared to last year, once again confirming enthusiasm for property ownership in France, particularly with an eye to preparing for retirement.

Continued record low interest rates also contributed to this favorable market trend, which also benefited first-time homeowners.

Positive effects on construction starts will become clear in the coming months.

2.2.2 Cogedim: reservations up[69] 26% in volume (+20% in value terms)

Reservations of new Group residential properties amounted to €641 million in H1 2015, i.e. 2,717 units. + 26% in volume and + 20% in value terms.

	H1 2015	2014	*Change*
Individual reservations	€439 mil.	€385 mil.	*+14%*
Sales to institutional	€202 mil.	€150 mil.	*+34%*
Total in value terms	**€641 mil.**	**€535 mil.**	**+20%**
Individual reservations	1,626 units	1,437 units	*+13%*
Sales to institutional	1,091 units	715 units	*+53%*
Total in number of units	**2,717**	**2,152**	**+26%**

47 programs were launched (primarily entry-level and mid-range[70]) for sales of approximately €760 million (inc. tax) and 3,600 units, i.e. 9% more than in H1 2014.

This strong sales growth is due in particular to sales to institutional investors, which now account for 32% of sales (compared to 28% in H1 2014).

Altarea Cogedim and SNI Group have signed a five-year partnership for the sale of intermediate homes. In late July, agreements have been concluded on some 500 units, with an additional 800 units under negotiation (not recognized into account for semester's reservations).

Altarea Cogedim also continues to pursue its strategy with respect to major project development in partnership with metropolitan areas. Over the half-year, the Group initiated two new predominantly residential mixed-use programs: Bezons-Cœur de Ville (700 homes and 215,250 ft² (20,000 m²) of retail space)[71] and Villeurbanne-La Soie (600 homes, 43,000 ft² (4,000 m²) of retail space and 193,750 ft² (18,000 m²) of offices).

RESERVATIONS BY PRODUCT RANGE

Number of units	H1 2015	%	H1 2014	%	*Change*
Entry-level / mid-range	1,766	*65%*	1,281	*60%*	
High-end	645	*24%*	613	*28%*	
Serviced Residences	222	*8%*	179	*8%*	
Renovation	84	*3%*	79	*4%*	
Total	**2,717**		**2,152**		**+26%**

Most significantly, sales growth in the H1 2015 was associated with entry-level and midscale programs, which account for two-thirds of sales in terms of number of units (compared to 60% in H1 2014).

NOTARIZED SALES

€ millions (incl. tax)	H1 2015	%	H1 2014	%	*Change*
Entry-level / mid-range	190	*48%*	198	*56%*	
High-end	183	*47%*	119	*34%*	
Serviced Residences	14	*4%*	30	*8%*	
Histoire & Patrimoine	5	*1%*	8	*2%*	
Total	**393**		**355**		**+11%**

Notarized sales came to €393 million in H1 2015, up 11% year-on-year.

[67] *Source: Ministry of Sustainable Development May 2015 Figures and Statistics: marketing of new homes in Q1 2015.*
[68] *Source: FPI press release, May 21, 2015.*
[69] *Reservations net of cancellations, with Histoire et Patrimoine reservations accounted for in proportion to the Group share of ownership.*
[70] *Programs priced at under €5,000/m² in the Paris Region and under €3,600/m² outside of Paris.*

[71] *In partnership with Imestia Group.*

2.2.3 Operating income: growth in all indicators (revenue, operating income, backlog)

PERCENTAGE-OF-COMPLETION REVENUES[72]

€ millions excl. tax	H1 2015	%	H1 2014	%	Change
Entry-level / mid-range	223	49%	165	45%	
High-end	200	44%	167	45%	
Serviced Residences	28	6%	36	10%	
Total	**451**		**368**		**+ 23%**

Residential sales came to €451, up 23% year-on-year. Entry-level and midrange programs accounted for nearly half of percentage-of-completion revenues.

NET PROPERTY INCOME[73] AND OPERATING CASH FLOW

€ millions	6/30/2015		6/30/2014 restated
Revenue	451.2	23%	368.2
Cost of sale	(411.2)		(337.5)
Net property income	**40.0**	**30%**	**30.7**
% of revenue	*8.9%*		*8.3%*
Production held in inventory	26.6		20.5
Net overhead expenses	(43.3)		(37.2)
Other (a)	1.2		2.2
Operating cash flow	**24.5**	**52%**	**16.1**
% of revenue	*5.4%*		*4.4%*

(a) Particularly includes the contributions of companies consolidated using the equity method

BACKLOG[74]

€ millions excl. tax	H1 2015	2014	Change
Notarized revenues not recognized on a percentage of completion basis	730	879	
Revenues reserved but not notarized	805	580	
Backlog	**1,535**	**1,459**	**+5%**
Number of months	*20*	*22*	

[72] 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.
[73] Net property income is calculated after interest, after marketing and advertising fees and expenses.
[74] 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.

2.2.4 Risk management

Breakdown of properties for sale at the end of 2015 (€679 million incl. tax and approx. 2,800 units) 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 (€ mil. excl. tax)	14	3		
Cost price of properties for sale (€ mil. excl. tax)			311	9
Property for sale (€679 mil. incl. tax)	**402**	**15**	**251**	**11**
In %	*59%*	*2%*	*37%*	*2%*
o/w to be delivered		*in 2015*	*€16 mil.*	
		in 2016	*€126 mil.*	
		in 2017	*€88 mil.*	
		in 2018	*€21 mil.*	

MANAGEMENT OF PROPERTIES FOR SALE[75]

61% 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).

37% of properties for sale are currently being built. Only €16 million (out of €251 million) concern units to be completed by the end of 2015.

The stock of finished products is insignificant.

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,

[75] Properties for sale include units available for sale and are expressed as values including tax. The breakdown of the offering does not include the Histoire & Patrimoine renovation product offering (€22 million including tax).

marketing launch, land acquisition and launch of construction,

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

MANAGING THE PROPERTY CYCLE

Thanks to the use of cautious risk management criteria, Cogedim exerts virtually exclusive control over its property assets through unilateral land options, which are only exercised in accordance with the commercial success of its programs.

SUPPLY[76]

	Revenue incl. tax (€ millions)	Number of units
Programs supplied in H1 2015	**1,157**	**5,104**
o/w entry-level and mid-range	724	3,625
% of H1 2015 supply	*63%*	*71%*

Sales commitments signed in H1 2015 account for the equivalent of €1.2 billion in revenue (incl. tax) being approximately 5,100 units. 70% of these agreements concern entry-level and mid-range programs featuring price levels that are particularly suited to purchasers' creditworthiness.

PROPERTIES FOR SALE AND FUTURE OFFERING[77]

€ millions (incl. tax)	At 6/30/2015	No. of months	At 12/31/2014
Properties for sale	**702**	*7*	*562*
Future offering	**4,646**	*47*	*4,380*
Total Pipeline	**5,348**	**54**	**4,942**
O/w entry-level / mid-range	*3,028*	*+9%*	
12/31/2014	**4,942**		
Change	*+8%*		

The residential pipeline (properties for sale + future offering) was up 8% compared to end-2014.

[76] *New programs included in the land portfolio.*
[77] *The future offering is made up of secured programs (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched. It is expressed as values including tax. Excl. Histoire & Patrimoine transactions.*

2.3 OFFICES

2.3.1 Economic environment and business over H1 2015

INVESTMENT IN OFFICE PROPERTY[78]

Down 38% year-on-year, investment in office property came to €5.4 billion.

Investors benefited from low borrowing costs, thus generating an influx of capital directed mainly at large-sized "Core" assets, especially in Paris. Competition for these high-quality assets remains strong, leading to a drop in prime rates of return in the Central Business District of Paris.

OFFICE PROPERTY TAKE-UP[79]

In H1 2015, take-up in the Paris Region amounted to 9,849,000 ft² (915,000 m²). Down 22% year-on-year, this trend is mainly due to a lack of transactions on surface areas over 54,000 ft² (5,000 m²).

Corporate relocations remain motivated by a search for optimized floor space and lower rents. Yet, the economic environment and low margins lead users to avoid risk-taking and prefer renegotiating their current lease.

At June 30, 2015, the immediate supply changed little, remaining stable at 41.9 million ft² (4 million m²). The share of new and redeveloped properties in immediate supply continued on a downward trend, coming to 18% (vs. 20% at end-2014).

2.3.2 Group strategy

Regarding office property, the Group has developed an original model that makes it possible to take very bold action on the market with limited risks:

• as an investor through AltaFund[80]. The Group is the fund's exclusive operator and one of its main shareholders, holding an interest of between 17% and 30%[81],

• as a property developer[82] with a particularly strong position on the market for turnkey projects intended for users,

• as a service provider for major institutional investors[83].

In all, the Group has the ability to act on every link in the value-creation chain with a diversified revenue model (development margins, fees, rental income, capital gains, etc.) for optimized capital allocation.

2.3.3 New orders

New orders[84] grew by 83% over the half-year, at €233 million with 5 operations.

€ millions	6/30/2015	6/30/2014	Change
New orders	233	127	+83%

2.3.4 H1 achievements

Project	Description	Surface area at 100%	H1 2015 achievements
LA DEFENSE - Pascal Towers	AltaFund	683,500 ft² (63,500 m²)	Acquisition
OLLIOULES - Technopôle de la Mer	Off-plan sale	49,850 ft² (4,630 m²)	Signature of off-plan sale
LYON GERLAND - SANOFI	Off-plan sale	162,500 ft² (15,100 m²)	Signature of off-plan sale
LYON GERLAND - Ivoire	Off-plan lease & off-plan sale	81,250 ft² (7,550 m²)	Signatures of off-plan lease & off-plan sale
PARIS - Rue des Archives	PDC	243,850 ft² (22,655 m²)	Construction start
MARSEILLE - Euromed Center Ph. 1	PDC	152,933 ft² (14,208 m²)	Delivery
PARIS - Laennec	DPM	193,750 ft² (18,000 m²)	Delivery

SIGNATURES

• In May 2015, AltaFund partnered with Goldman Sachs to acquire a 683,500-ft² (63,500-m²) office property complex located in Paris – La Défense and designed to be restructured.

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[78] *Source: Immostat for Q2 2015.*
[79] *Source: CBRE: Q2 2015 Office Marketview.*
[80] *AltaFund is a discretionary investment created in 2011.*
[81] *In March 2015, the Group increased its capital allocation from €100 million to €150 million and so on increasing its interest in new programs initiated by AltaFund since 2015 to 30%.*

[82] *In the form of off-plan sale agreements, off-plan lease and property development contracts.*
[83] *Through delegated project management contracts.*
[84] *Off-plan sale / Property Development contract new order: Amounts are recognized one the contract (or firm commitment) is signed and construction has been launched.*
DPM development new order: fees capitalized at 4%.
Investor sales new order: At the sale date, disposal margin recognized as Investor share (compared to the amount of the Property Development Contract).

• Lyon (69) - Sanofi: in the heart of the Gerland Biopôle, the Group is building the future head office of Sanofi's Animal Health and Vaccine Division. The property complex, with 166,850 ft² (15,500 m²) to be developed, is currently under construction for delivery in 2017, and has been sold by the Group to an investor.

• Ollioules (83) – Technopôle de la mer: the Group sold the first phase of this program to a group of investors under an off-plan sale agreement.

• Lyon (69) - Ivoire: in June the Group signed an off-plan lease agreement with Capgemini Group to bring together several entities located in Lyon. And at the end of July, the Group signed an off-plan sale agreement for this asset to an investor. The disposal is coupled with a property development contract involving Altarea Cogedim Entreprise. Construction is slated to begin in the third quarter 2015 for delivery in early 2017.

In H1 2015, the Group also started construction on a 244,500-ft² (22,700-m²) building in the heart of the Marais neighborhood in Paris.

DELIVERIES

The Group delivered two programs for a total of 344,500 ft² (32,000 m²): the Laennec program office building in the 7th *arrondissement* of Paris (DPM) and the first phase of the Euromed Center mixed-use program in Marseille (DPM).

2.3.5 Summary of projects underway

Nature of project	Surface area at 100%	Equivalent value in Group share
AltaFund (a)	1,446,131 ft² (134,350 m²)	€660 mil.
Property development contracts / Off-plan sales / Off-plan leases (b)	3,840,175 ft² (356,764 m²)	€1,120 mil.
Delegated project management (c)	345,500 ft² (32,100 m²)	€60 mil.
TOTAL	**5,631,828 ft² (523,214 m²)**	**1,840 mil.**
o/w under construction	*1,455,173 ft² (135,190 m²)*	*€415 mil.*
12/31/2014	**5,281,603 ft² (490,677 m²)**	**€1,702 mil.**
Change	*+7%*	*+8%*

(a) Amount = total cost price of programs at 100%.
(b) Amount = amount of the signed contract (or estimate in the case of off-plan leases).
(c) Amount = capitalized fees.

2.3.6 Revenue and operating cash flow

€ millions	6/30/2015		6/30/2014 restated
Revenue	50.8	*192%*	17.4
Net property income	**6.6**	***202%***	**2.2**
% of revenue	*13.1%*		*12.7%*
External services	2.2	*(3)%*	2.2
Production held in inventory	6.5		4.9
Operating expenses	(7.8)		(5.6)
Net overhead expenses	**0.9**		**1.5**
Other (Profit attributable to EM associates) (a)	1.0		4.9
Operating cash flow	**8.5**	***(1)%***	**8.6**
% of revenue	*16.8%*		*49.5%*

(a) Mainly AltaFund.

The H1 2015 contribution (stable at €8.5 million) is not representative of the current trend, which is expected to lead to strong growth in income as of H2 2015.

BREAKDOWN OF PROGRAMS UNDERWAY AT JUNE 30, 2015

Project	Description	Surface area at 100%	Equivalent value in Group share	Status
PARIS - Semapa	AltaFund	159,930 ft² (14,858 m²)		Secured
NEUILLY - Avenue Charles de Gaulle	AltaFund	270,115 ft² (25,092 m²)		Secured
PARIS - Rue de Richelieu	AltaFund	332,605 ft² (30,900 m²)		Secured
LA DEFENSE – Tours Pascal	AltaFund	683,500 ft² (63,500 m²)		Secured
AltaFund programs [(a)]		**1,446,150 ft² (134,350 m²)**	**€ 660 mil.**	
PARIS - Raspail	PCD	109,200 ft² (10,145 m²)		Construction underway
CŒUR D'ORLY - Ilot Askia	PDC	197,420 ft² (18,341 m²)		Construction underway
MONTPELLIER - Mutuelle des motards	PDC	96,875 ft² (9,000 m²)		Construction underway
OLLIOULES - Technopôle de la Mer	Off-plan sale	49,837 ft² (4,630 m²)		Construction underway
MARSEILLE - Euromed Center (Phases 2.3 & 4)	PDC	324,381 ft² (30,136 m²)		Construction underway
TOULOUSE Blagnac - SAFRAN	Off-plan sale	271,068 ft² (25,183 m²)		Construction underway
LYON GERLAND - SANOFI	Off-plan sale	162,535 ft² (15,100 m²)		Construction underway
PARIS - Rue des Archives	PDC	243,856 ft² (22,655 m²)		Construction underway
ISSY-LES-MOULINEAUX	PDC	609,250 ft² (56,600 m²)		Secured
LYON GERLAND - Ivoire	Off-plan sale	81,268 ft² (7,550 m²)		Secured
VILLEURBANNE - View One	Off-plan sale	167,465 ft² (15,558 m²)		Secured
MARSEILLE - Michelet	Off-plan sale	177,066 ft² (16,450 m²)		Secured
TOULON - TPM (Retail & hotel)	Off-plan sale	49,170 ft² (4,568 m²)		Secured
MASSY - Hôtel Place du Grand Ouest	Off-plan sale	66,198 ft² (6,150 m²)		Secured
ANTONY - Croix de Berny (Tranche 2)	Off-plan sale	179,176 ft² (16,646 m²)		Secured
NANTERRE - Cœur de Quartier	Off-plan sale	223,728 ft² (20,785 m²)		Secured
CŒUR D'ORLY (Excl. Ilot Askia)	PDC	585,255 ft² (54,372 m²)		Secured
NICE MERIDIA - Ilot Robini (Lot 1 & 3)	PDC	101,009 ft² (9,384 m²)		Secured
MARSEILLE - Euromed Center (Phases 5)	PDC	145,431 ft² (13,511 m²)		Secured
Property development contracts / Off-plan sales / Off-plan leases [(b)]		**3,840,175 ft² (356,764 m²)**	**€ 1.12 bil.**	
PARIS - Champs Elysées	DPM	258,333 ft² (24,000 m²)		Secured
PARIS - Matignon	DPM	87,187 ft² (8,100 m²)		Secured
Delegated project management [(c)]		**345,522 ft² (32,100 m²)**	**€ 60 mil.**	
TOTAL		**5,631,829 ft² (523,214 m²)**	**€ 1.84 bil.**	

(a) Amount = total cost price of the program at 100%.
(b) Amount = amount of the signed contract (or estimate in the case of off-plan leases).
(c) Amount = capitalized fees.

2.4 INNOVATION

ALTAFUTURE

In line with its entrepreneurial DNA, Altarea Cogedim has created a cross-disciplinary unit dedicated to innovation: AltaFuture.

This structure, endowed with significant human resources, identifies and selects innovations that can be implemented by operational teams working in the Group's different business lines. A scientific committee made up of multidisciplinary external experts works together with AltaFuture in pursuit of practical solutions to the urban challenges facing today's cities.

AltaFuture is also in charge of establishing contacts and partnerships with companies and organizations working in fields that go beyond real estate, as well as developing an ecosystem of young and innovative businesses.

LEADERSHIP AS A CONNECTED RETAIL REIT

Over the past three years, Altarea Commerce has built up human and technological capital that stands at the heart of its activities as a retail reit. These initiatives led to the development of the Digital Factory, a platform created to systematically centralize and operate customer data, ultimately bringing about a profound transformation in shopping centers' asset management practices.

Practically, the Digital Factory:

• gathers customer data and information drawn from the Group's many channels[85],

• centralizes this information in a system dedicated to data processing (Data Management Platform or "DMP"),

• these actions make it possible to use the information gathered (automatic data analysis, reporting, etc.) and establish targeted action plans.

With the Digital Factory, the Group has created a unique tool at the junction between CRM and "Big data." This tool:

• increases knowledge of customers (segmentation, profile comparison of on- and offline purchasing behaviors, cross-referencing with "opt-in" databases, etc.),

• provides a minute-by-minute analysis of customers' path in connected shopping centers (information on purchasing habits by aggregating receipts, individual footfall for each shop, etc.),

• aims at contributing to efficient measures (targeted customer communication, customized geolocation-based offers in real time, optimized mixed merchandising management, solutions to increase footfall in "cold areas" and during off-peak hours, negotiations with retailers based on objective criteria, etc.).

These features are already operational at Qwartz, France's first connected shopping center, where the paths of nearly 50% of customers are now recorded, processed and analyzed. The Digital Factory has thus helped powering up the center (regular reminders to spur return visits and real-time asset management initiatives).

The Digital Factory is currently being rolled out in Altarea Cogedim's largest shopping centers. Major investors controlling shopping centers have already expressed their interest in these features for their own portfolio.

Moreover, thanks to its experience in rail station retail, the Group has developed a unique concept of "traffic retail" which contributed significantly to Altarea Cogedim's victory in the competitions for Paris-Montparnasse in 2014 and Paris-Austerlitz in 2015.

BUILDING SMART CITIES

Thanks to its multi-product profile (retail, residential, offices, hotels), Altarea Cogedim is the only French property group with the ability to comprehensively design large-scale urban projects.

This expertise naturally led the Group to address the topic of "Smart Cities" and create strong concepts that plan for the neighborhoods of tomorrow while putting forth a lifestyle that:

• promotes efficiency by focusing on complementary uses,

• furthers a sense of community and enhances comfort thanks to digital technologies.

This concept is being implemented for the first time in major projects currently underway:

[85] *Wi-Fi and geolocation, loyalty programs, shopping center websites and applications, social networks, Rue du Commerce, etc.*

• Massy-Place du Grand Ouest (700 housing units, 7 000 m² of retail, a hotel, a multiplex and congress center),

• Bezons-Cœur de Ville (700 housing units et 20 000 sqm of retail),

• Lyon-La Soie (600 housing units, a 18 500 m² office property and 4 000 m² of retail).

For residential property, the Group structures its approach with five innovation-based themes: customization, scalability and modularity, shared space and services, new technologies, and eco-construction.

For its office programs, the Group guides leading companies in their efforts to enhance their working environment, as can be seen in the following projects, currently underway:

• Optimized air quality and filtration for the Austerlitz project (Paris, 13th *arrondissement*),

• A Positive-energy building for the head office of Sanofi Pasteur and Merial (Lyon).

When it comes to eco-construction, Altarea Cogedim is innovating in the field of low-carbon-footprint building processes by creating the first French shopping center featuring 100% wooden architecture for a carbon footprint 30% lower than conventional retail projects. Showcasing this performance, the Aubergenville Brand Village will stand out as a pilot project to establish the new Low Carbon Building label.

3 CONSOLIDATED RESULTS

3.1 RESULTS

Results at June 30, 2015 were driven by momentum in real estate activities.

Real estate revenue[86] (83% of the total) was up 24.5% and real estate FFO was up 11.3% to €100.0 million thanks to the strong recovery in the Residential business (+52%), which benefited from the range extension strategy (commercial success and volume effect). The contribution of Shopping centers was down slightly (disposal of Italian assets). The contribution of Office property was stable in H1, which is not representative of on-going dynamics (strong growth is expected as of H2 2015).

Consolidated FFO[87] grew by 7.3% to €89.8 million, in spite of the loss recorded in the e-commerce. On a Group share basis, consolidated FFO grew by 5.8% and real estate FFO by 11.1% to €77.5 million.

Net consolidated income[88] came to €77.8 million, down 10.6% compared to H1 2014 (€53 million on a Group-share basis, down 19.4%). This figure particulary includes an adjustment in the value of Rue du Commerce.

€ millions	6/30/2015		6/30/2015				6/30/2014 Restated		
	Funds from operations (FFO) - Real estate (a)		Funds from operations (FFO) - Consolidated (b)		Changes in value, estimated expenses and transaction costs	TOTAL	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Shopping centers	96.8		96.8	2%	–	96.8	94.6	–	94.6
Residential	450.8		450.8	22%	–	450.8	368.3	–	368.3
Offices	52.9		52.9	170%	–	52.9	19.6	–	19.6
Online retail	–		124.2	(0)%	–	124.2	124.3	–	124.3
REVENUE	**600.5**	***24.5%***	**724.7**	***19.5%***	**–**	**724.7**	**606.7**	**–**	**606.7**
Shopping centers	82.7		82.7	(2.0)%	24.5	107.2	84.4	(27.8)	56.6
Residential	24.5		24.5	51.9%	(1.5)	23.0	16.1	(2.7)	13.4
Offices	8.5		8.5	(0.7)	(0.3)		(8.6)	2.5	(7.3)
Online retail	–			77	(23.6)	(35.7)	(6.8)	(0.5)	11.1
Other	1.1		1.1		(2.4)	(1.3)	(0.5)	(3.5)	(4.0)
OPERATING INCOME	**116.9**	***7.5%***	**104.8**	***2.9%***	**(3.3)**	**101.5**	**101.8**	**(31.9)**	**69.9**
Net borrowing costs	(13.5)		(14.0)	(14.8)%	(3.0)	(17.0)	(16.5)	(2.7)	(19.2)
Change in value and income from disposal of financial instruments	–		–		(0.2)	(0.2)	–	(44.5)	(44.5)
Proceeds from the disposal of investments	–		–		7.8	7.8	–	0.0	0.0
Corporate income tax	(3.3)		(1.0)		(3.3)	(4.3)	(1.7)	82.5	80.8
NET CONSOLIDATED INCOME	**100.0**	***11.3%***	**89.8**	***7.3%***	**(12.0)**	**77.8**	**83.7**	**3.4**	**87.1**
Non-controlling interests	(22.5)		(22.5)	12.0%	(2.3)	(24.8)	(20.1)	(1.2)	(21.3)
NET ATTRIBUTABLE INCOME	**77.5**	***11.1%***	**67.3**	***5.8%***	**(14.3)**	**53.0**	**63.6**	**2.2**	**65.7**
Average number of shares after dilution (in millions)	*12.452*		*12.452*				*11.645*		
FFO (Group share) PER SHARE	**6.22**	***3.9%***	**5.40**	***(1.0)%***			**5.46**		

(a) FFO of Shopping center, Residential, Office and other corporate business lines.
(b) Including results of Rue du Commerce.

86 Revenue of Shopping center, Residential, Office and other corporate business lines.
87 Group share and other.
88 Group share and other.

3.1.1 FFO[89]: €89.8 million (+7.3%)

FFO represents operating cash flow after net interest and corporate income tax expenses.

OPERATING CASH FLOW[90] : 104.8 MILLION EUROS (+2.9%)

Over the first semester, the operating cash flow was mainly brought by the important recovery of the Residential business.

COST OF NET DEBT: -€14 MILLION (-15%)

The decline in net borrowing costs was the direct result of lower average costs (-26 bps in 6 months).

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. In H1 2015, the Group was able to offset its taxable income against tax loss carryforwards, limiting the amount of income tax payments to -€1.0 million.

AVERAGE NUMBER OF SHARES AND DILUTION OF FFO

In 2014, the Group carried out a €100 million capital increase via the share-based payment of the 2014 dividend, leading to the creation of 922,682 shares and dilution of per-share performance indicators.

3.1.2 Changes in value and estimated expenses: -€12.0 million

	€ mil.
Change in value - Investment properties (a)	30.1
Change in value - Financial instruments	(0.2)
Disposal of assets and transaction costs	5.7
Share of equity-method associates	(3.0)
Deferred tax	(3.3)
Estimated expenses (b)	(41.2)
TOTAL	**(12.0)**

(a) Including change in value of assets consolidated using the equity method.

(b) Allowances for depreciation and non-current provisions, stock grants, pension provisions, staggering of debt issuance costs

[89] *Funds from operations.*
[90] *Or consolidated EBITDA.*

3.2 NET ASSET VALUE (NAV)

GROUP NAV	6/30/2015 € millions	Change	€/share [c]	Change/ share	12/31/2014 published € millions	€/share [c]
Consolidated equity, Group share	1,180.0		94.3		1,249.5	99.9
Other unrealized capital gains	281.8				276.8	
Restatement of financial instruments	22.2				87.8	
Deferred tax on the balance sheet for non-SIIC assets (international assets)	18.0				22.4	
EPRA NAV	**1,502.0**	*(8.2)%*	**120.0**	*(8.2)%*	**1,636.5**	**130.8**
Market value of financial instruments	(22.2)				(87.8)	
Fixed-rate market value of debt	(11.6)				(13.1)	
Effective tax for unrealized capital gains on non-SIIC assets [a]	(6.6)				(17.6)	
Optimization of transfer duties [a]	65.7				55.6	
Partners' share [b]	(14.5)				(14.9)	
EPRA NNNAV (liquidation NAV)	**1,512.8**	*(2.9)%*	**120.9**	*(2.9)%*	**1,558.6**	**124.6**
Estimated transfer duties and selling fees	71.3				65.9	
Partners' share [b]	(0.7)				(0.6)	
Diluted Going Concern NAV	**1,583.4**	*(2.5)%*	**126.5**	*(2.5)%*	**1,623.9**	**129.8**

(a) Varies according to the type of disposal, i.e. sale of asset or sale of
(b) Maximum dilution of 120,000 shares
(c) Number of diluted shares: 12,513,394 (6/30/2015); 12,512,638 (12/31/2014)

3.2.1 Change in Going Concern NAV

At June 30, 2015, the Group's diluted Going Concern NAV stood at €1.583 billion, down 2.5% compared to 2014.

Diluted Going-Concern NAV	In €	€/share	
At December 31, 2014	**1,624**	**129.8**	
Net profit	63	5.1	
Other changes in value [a]	32	2.5	
At June 30, 2015 before dividend	**1,719**	**137.3**	*5.8%*
2014 dividend	(125)	(10.0)	
At June 30, 2015 after dividend	**1,595**	**127.3**	*(1.9)%*

Diluted Going Concern NAV and EPRA NNNAV (liquidation NAV) take into account the market value of the financial instruments (rising sharply) unlike EPRA NAV. EPRA NAV decreases more importantly than diluted going concern NAV and EPRA NNNAV (liquidation NAV) do.

3.2.2 Calculation basis

OTHER UNREALIZED CAPITAL GAINS OR LOSSES

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

- two hotel business franchises (Hôtel Wagram and résidence hôtelière de L'Aubette);
- the rental management and retail Property Development division (Altarea France);
- the Group's interest in the the Rungis Market (Semmaris);
- the Property Development division (Cogedim);
- the e-commerce division (Rue du Commerce);
- the office Property Investment division (AltaFund).

Once a year, these assets are appraised by external experts (JLL and DTZ for the hotel business franchises and Accuracy for Altarea France, Semmaris, Cogedim and AltaFund). JLL, DTZ and Accuracy all use the discounted cash flow method (DCF) in conjunction with a terminal value based on normalized cash flow. JLL and

DTZ provide 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 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).

4 FINANCIAL RESOURCES

4.1 FINANCIAL POSITION

4.1.1 Financing: €1.4 billion in long-term financing arranged

Since the start of the year, the Group has signed or received firm commitments from banks for a total of €1.371 billion (o/w Group-share €998 million):

• €1.034 billion to refinance existing loans (essentially concerning maturities from 2015 to 2017),

• and €337 million in new funds.

Nearly all of this financing (€1.341 billion) concerns long-term mortgage loans:

• €400 million backed by the Cap 3000 shopping center (refinancing of the existing loan and financing of new extension work), for a six-year maturity,

• signature of a framework agreement in July for mortgage-backed refinancing of 16 assets for a total of €855 million[91] with a 10-year term.

• three agreements to finance ongoing office programs for a total of €86 million.

The average duration of the finance agreements implemented over the half-year is 8.4 years with an average spread of 112 bps.

4.1.2 Debt by category

Altarea Cogedim's net financial debt stood at €2.042 billion at June 30, 2015 compared to €1.772 billion at December 31, 2014 (+€270 million).

This increase is due in large part to the acquisition of 100% of Qwartz.

€ millions	June 2015	Dec. 2014
Corporate and bank debt	558	458
Credit markets	546	537
Mortgage debt	1,042	901
Property development debt	243	234
Total gross debt	**2,388**	**2,130**
Cash at bank and in hand	(346)	(358)
Total net debt	**2,042**	**1,772**

[91] *And €777 million on a Economic-share basis.*

4.1.3 Available cash and cash equivalents: €539 million

At the date of publication, available cash includes:

• €389 million in corporate sources of funds (cash and confirmed authorizations),

• €149 million in unused loan authorizations secured against specific developments.

4.1.4 Financial covenants

MAIN CORPORATE DEBT COVENANTS

	Covenant	June 2015	Dec. 2014	Delta
LTV [(a)]	≤ 60%	41.1%	37.7%	+ 3.4 pts
ICR [(b)]	≥ 2.0 x	7.5 x	5.9 x	+ 1.6 x

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

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

OTHER SPECIFIC COVENANTS

At June 30, 2015, the Group was in compliance with all covenants.

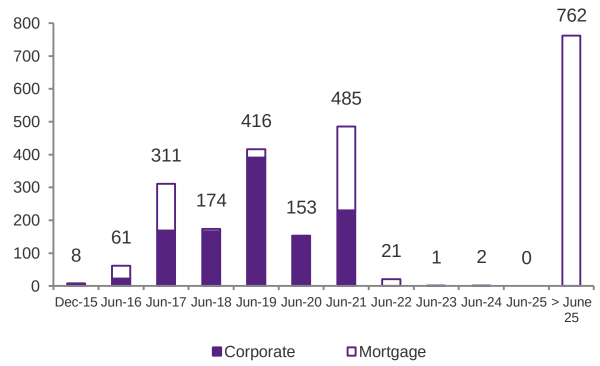
4.2 HEDGING AND MATURITY

DEBT MATURITY

After accounting for refinancing transactions, the average duration of Group debt (excluding property-development debt and treasury notes) increased from 3.7 years at December 31, 2014 to 6.3 years at June 30, 2015.

MATURITY SCHEDULE FOR GROUP DEBT[92]

€ millions



NOMINAL AMOUNT (€ MILLIONS) AND AVERAGE HEDGE RATE

Maturity	Swap	Fixed-rate debt	Total	Average base rate (a)
June 15	1 250	330	1 580	0.41%
June 16	1 324	330	1 654	0.65%
June 17	1 276	330	1 606	0.62%
June 18	1 268	230	1 498	1.51%
June 19	1 276	230	1 506	1.46%
June 20	1 141	230	1 371	1.19%
June 21	1 008	-	1 008	1.23%
June 22	982	-	982	1.23%
June 23	981	-	981	1.23%
June 24	980	-	980	1.23%

(a) Average rate of swaps // Average base rate of fixed-rate loans (excl. spread, at the fixing date of each transaction).

Since the beginning of 2015, the Group significantly restructured hedges, taking advantage of an extremely favorable market window in Q2 2015.

The goal is to hedge approximately 75% of debt. The table above presents the average hedged base rate, to which the average spread must be added to determine the Group's all-in cost.

COST OF DEBT

At June 30, 2015, the average cost of financing stood at 2.15% margin included, compared to 2.41% at December 30, 2014 (-26 bps).

Thanks to these operations, the Group has an excellent view on the average cost of long-term debt.

[92] *Excluding property-development debt and treasury notes, and including financing for which the Group received a firm commitment in July, in € millions.*

Consolidated income statement at June 30, 2015

In € millions	6/30/2015 Funds from operations (FFO)	6/30/2015 Changes in value, estimated expenses and transaction	6/30/2015 Total	6/30/2014 Restated* Funds from operations (FFO)	6/30/2014 Restated* Changes in value, estimated expenses and transaction	6/30/2014 Restated* Total
Rental income	87.0	–	87.0	85.0	–	85.0
Other expenses	(6.8)	–	(6.8)	(7.8)	–	(7.8)
Net rental income	**80.2**	**–**	**80.2**	**77.3**	**–**	**77.3**
External services	9.8	–	9.8	9.5	–	9.5
Own work capitalized and production held in inventory	15.1	–	15.1	11.3	–	11.3
Operating expenses	(29.2)	(0.2)	(29.4)	(24.7)	(0.8)	(25.5)
Net overhead expenses	**(4.3)**	**(0.2)**	**(4.5)**	**(3.9)**	**(0.8)**	**(4.7)**
Share of equity-method affiliates	**6.9**	**(3.3)**	**3.6**	**11.1**	**3.5**	**14.6**
Net allowances for depreciation and impairment	**–**	**(0.6)**	**(0.6)**	**–**	**(0.5)**	**(0.5)**
Income / loss on sale of assets (1)	**–**	**7.8**	**7.8**	**–**	**0.6**	**0.6**
Income / loss in the value of investment property	**–**	**30.1**	**30.1**	**–**	**(30.0)**	**(30.0)**
Transaction costs	**–**	**(1.6)**	**(1.6)**	**–**	**(0.5)**	**(0.5)**
NET SHOPPING CENTERS INCOME	**82.7**	**32.3**	**115.0**	**84.4**	**(27.8)**	**56.6**
Distribution and other revenue	118.6	(0.0)	118.6	119.2	–	119.2
Cost of sales and other expenses	(116.7)	–	(116.7)	(111.8)	–	(111.8)
Retail margin	**2.0**	**(0.0)**	**1.9**	**7.4**	**–**	**7.4**
***Galerie Marchande* commissions**	**5.6**	**–**	**5.6**	**5.1**	**–**	**5.1**
Operating expenses	(19.6)	(1.2)	(20.8)	(19.3)	(0.1)	(19.5)
Net overhead expenses	**(19.6)**	**(1.2)**	**(20.8)**	**(19.3)**	**(0.1)**	**(19.5)**
Net allowances for depreciation and impairment	**–**	**(31.9)**	**(31.9)**	**–**	**(0.4)**	**(0.4)**
Transaction costs	**–**	**(0.4)**	**(0.4)**	**–**	**–**	**–**
NET ONLINE RETAIL INCOME	**(12.1)**	**(33.6)**	**(45.7)**	**(6.8)**	**(0.5)**	**(7.3)**
Revenue	451.2	–	451.2	368.2	–	368.2
Cost of sales and other expenses	(411.2)	–	(411.2)	(337.5)	–	(337.5)
Net property income	**40.0**	**–**	**40.0**	**30.7**	**–**	**30.7**
External services	(0.3)	–	(0.3)	0.0	–	0.0
Production held in inventory	26.9	–	26.9	20.4	–	20.4
Operating expenses	(43.3)	(0.6)	(43.9)	(37.2)	(0.8)	(38.1)
Net overhead expenses	**(16.7)**	**(0.6)**	**(17.3)**	**(16.8)**	**(0.8)**	**(17.6)**
Share of equity-method affiliates	**1.2**	**0.8**	**2.0**	**2.2**	**(0.3)**	**1.9**
Net allowances for depreciation and impairment	**–**	**(1.5)**	**(1.5)**	**–**	**(1.2)**	**(1.2)**
Transaction costs	**–**	**(0.2)**	**(0.2)**	**–**	**(0.3)**	**(0.3)**
NET RESIDENTIAL PROPERTY INCOME	**24.5**	**(1.5)**	**23.0**	**16.1**	**(2.7)**	**13.4**
Revenue	50.8	–	50.8	17.4	–	17.4
Cost of sales and other expenses	(44.1)	–	(44.1)	(15.2)	–	(15.2)
Net property income	**6.6**	**–**	**6.6**	**2.2**	**–**	**2.2**
External services	2.2	–	2.2	2.2	–	2.2
Production held in inventory	6.5	–	6.5	4.9	–	4.9
Operating expenses	(7.8)	(0.2)	(8.0)	(5.6)	(0.2)	(5.8)
Net overhead expenses	**0.9**	**(0.2)**	**0.7**	**1.5**	**(0.2)**	**1.3**
Share of equity-method affiliates	**1.0**	**(0.5)**	**0.5**	**4.9**	**2.9**	**7.7**
Net allowances for depreciation and impairment	**–**	**0.3**	**0.3**	**–**	**(0.1)**	**(0.1)**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
NET OFFICE PROPERTY INCOME	**8.5**	**(0.3)**	**8.2**	**8.6**	**2.5**	**11.1**
Other (Corporate)	**1.1**	**(2.4)**	**(1.3)**	**(0.5)**	**(3.5)**	**(4.0)**
OPERATING INCOME	104.8	(5.5)	99.3	101.8	(31.9)	69.9
Net borrowing costs	**(14.0)**	**(3.0)**	**(17.0)**	**(16.5)**	**(2.7)**	**(19.2)**
Discounting of debt and receivables	**–**	**(0.1)**	**(0.1)**	**–**	**(0.1)**	**(0.1)**
Change in value and income from disposal of financial instruments	**–**	**(0.1)**	**(0.1)**	**–**	**(44.4)**	**(44.4)**
Proceeds from the disposal of investments	**–**	**0.0**	**0.0**	**–**	**0.0**	**0.0**
PROFIT BEFORE TAX	90.8	(8.6)	82.1	85.4	(79.1)	6.3
Corporate income tax	**(1.0)**	**(3.3)**	**(4.3)**	**(1.7)**	**82.5**	**80.8**
NET PROFIT	89.8	(12.0)	77.8	83.7	3.4	87.1
Non-controlling interests	**(22.5)**	**(2.3)**	**(24.8)**	**(20.1)**	**(1.2)**	**(21.3)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**67.3**	**(14.3)**	**53.0**	**63.6**	**2.2**	**65.7**
Average number of shares after dilution	*12,452,453*	*12,452,453*	*12,452,453*	*11,645,043*	*11,645,043*	*11,645,043*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**5.40**	**(1.15)**	**4.26**	**5.46**	**0.19**	**5.65**

** Restated for the impact of the application of the IFRIC 21 interpretation – "Levies".*
(1) Includes, in 2015, the gain on sale of the italian retail portfolio, that is part of the usual activities of the company.

Balance sheet at June 30, 2015

In € millions	6/30/2015	12/31/2014 Restated*
NON-CURRENT ASSETS	**4,239.1**	**3,940.5**
Intangible assets	233.5	244.7
o/w goodwill	*128.7*	*128.7*
o/w Brands	*95.9*	*96.8*
O/w other intangible assets	*8.9*	*19.2*
Property, plant and equipment	9.8	10.6
Investment properties	3,532.5	3,163.6
o/w investment properties in operation at fair value	*3,288.7*	*2,974.4*
o/w investment properties under development and under construction at cost	*243.8*	*189.2*
Securities and investments in equity affiliates and unconsolidated interests	299.3	362.0
Loans and receivables (non-current)	43.3	43.3
Deferred tax assets	120.7	116.4
CURRENT ASSETS	**1,476.8**	**1,406.4**
Net inventories and work in progress	572.1	617.9
Trade and other receivables	498.6	392.5
Income tax credit	5.8	6.3
Loans and receivables (current)	26.3	15.2
Derivative financial instruments	26.0	15.9
Cash and cash equivalents	346.4	358.0
Non-current assets held for sale	1.7	0.7
TOTAL ASSETS	**5,715.9**	**5,347.0**
EQUITY	**2,165.6**	**2,169.9**
Equity attributable to Altarea SCA shareholders	**1,180.0**	**1,250.1**
Capital	191.2	191.2
Other paid-in capital	396.8	518.7
Reserves	538.9	425.9
Income associated with Altarea SCA shareholders	53.0	114.3
Equity attributable to minority shareholders of subsidiaries	**975.7**	**919.8**
Reserves associated with minority shareholders of subsidiaries	755.8	579.1
Other equity components, subordinated perpetual notes	195.1	195.1
Income associated with minority shareholders of subsidiaries	24.8	145.6
NON-CURRENT LIABILITIES	**2,169.9**	**1,850.0**
Non-current borrowings and financial liabilities	2,098.3	1,795.1
o/w participating loans and advances from associates	*54.9*	*50.8*
o/w bond issues	*477.5*	*477.2*
o/w Borrowings from lending establishments	*1,565.8*	*1,267.1*
Long-term provisions	36.3	21.3
Deposits and security interests received	28.6	26.2
Deferred tax liability	6.7	7.4
CURRENT LIABILITIES	**1,390.4**	**1,327.0**
Current borrowings and financial liabilities	394.3	448.3
o/w bond issues	*4.2*	*4.3*
o/w Borrowings from credit institutions (excluding overdrafts)	*262.7*	*326.5*
o/w Treasury notes	*61.5*	*53.0*
o/w bank overdrafts	*16.5*	*2.1*
o/w Advances from Group shareholders and partners	*49.4*	*62.3*
Derivative financial instruments	46.7	102.7
Accounts payable and other operating liabilities	805.9	757.4
Tax due	18.0	18.7
Amount due to shareholders	125.4	0.0
TOTAL LIABILITIES	**5,715.9**	**5,347.0**

** Restated for the impact of the application of the IFRIC 21 interpretation – "Levies".*