ALTAREIT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

CONTENTS

1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€millions)	Note	31/12/2015	31/12/2014 *Adjusted(*)*
NON-CURRENT ASSETS		**498.8**	**499.8**
Intangible assets	7.1	182.6	224.3
o / w Goodwill		*113.0*	*113.0*
o / w Brands		*66.6*	*96.8*
o / w Other intangible assets		*3.0*	*14.5*
Property, plant and equipment		5.5	9.7
Securities and investments in equity affiliates and non-consolidated interests	4.5	181.2	152.0
Loans and receivables (non-current)	7.3	4.0	4.2
Deferred tax assets	5.3	125.4	109.6
CURRENT ASSETS		**1,330.2**	**1,168.5**
Net inventories and work in progress	7.2	691.2	611.1
Trade and other receivables	7.2	277.3	281.8
Income tax credit		3.8	4.8
Loans and receivables (current)	7.3	8.2	5.7
Derivative financial instruments	9	14.2	15.1
Cash and cash equivalents	8	208.3	250.1
Assets held for sale and discontinued operations	4.4	127.2	–
TOTAL ASSETS		**1,829.0**	**1,668.2**
EQUITY		**378.7**	**380.2**
Equity attributable to Altareit SCA shareholders		**363.1**	**367.3**
Share capital	6.1	2.6	2.6
Other paid-in capital		76.3	76.3
Reserves		289.7	207.8
Income associated with Altareit SCA shareholders		(5.5)	80.6
Equity attributable to non-controlling interests of subsidiaries		**15.7**	**12.9**
Reserves associated with minority interests of subsidiaries		10.0	6.3
Income associated with minority interests of subsidiaries		5.7	6.6
NON-CURRENT LIABILITIES		**503.1**	**448.6**
Non-current borrowings and financial liabilities	6.2	489.8	432.6
o / w Borrowings from lending establishments		*489.8*	*432.5*
o / w Participating loans and advances from associates		*0.0*	*0.2*
Long-term provisions	6.3	12.6	15.3
Deposits and security interests received		0.6	0.4
Deferred tax liability	5.3	0.1	0.2
CURRENT LIABILITIES		**947.2**	**839.4**
Current borrowings and financial debt (less than one year)	6.2	190.3	202.6
o / w Borrowings from credit institutions		*76.9*	*78.2*
o / w Treasury notes		*20.5*	*27.0*
o / w Bank overdrafts		*2.3*	*0.5*
o / w Advances from the Group and associates		*90.6*	*96.9*
Derivative financial instruments	9	0.0	0.1
Accounts payable and other operating liabilities	7.2	626.1	636.7
Tax due		0.0	0.0
Liabilities of discontinued operations	4.4	130.7	–
TOTAL LIABILITIES		**1,829.0**	**1,668.2**

(*) Adjusted for the impact of the application of the IFRIC Interpretation 21 – "Levies."

The notes constitute an integral part of the consolidated financial statements.

2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€millions)	Note	31/12/2015	31/12/2014 Adjusted (*)
Revenue		996.0	813.5
Cost of sales		(858.6)	(701.1)
Selling expenses		(44.8)	(44.4)
Net charge to provisions for current assets		(7.1)	(6.9)
NET PROPERTY INCOME	**5.1**	**85.4**	**61.0**
External services		7.2	8.0
Own work capitalized and production held in inventory		81.8	71.3
Personnel costs		(79.4)	(69.8)
Other overhead expenses		(30.2)	(25.5)
Depreciation expense on operating assets		(2.8)	(2.9)
NET OVERHEAD EXPENSE	**5.1**	**(23.3)**	**(19.0)**
Other income and expense		(2.6)	(2.2)
Depreciation expenses		(0.6)	(0.4)
Transaction costs		(2.0)	(1.8)
OTHER	**5.1**	**(5.2)**	**(4.5)**
Proceeds from disposal of investment properties		0.0	(0.1)
Net charge to provisions for risks and contingencies	5.1	(0.0)	(0.2)
Operating income before the share of net income of equity-method associates		**57.0**	**37.3**
Share in earnings of equity-method associates	5.1	16.6	19.9
Operating income after the share of net income of equity-method associates		**73.5**	**57.2**
Net borrowing costs	5.2	(6.0)	(7.3)
Financial expenses		(15.4)	(13.8)
Financial income		9.4	6.5
Change in value and income from disposal of financial instruments	5.2	(8.3)	(6.8)
Discounting of debt and receivables		–	(5.7)
Proceeds from the disposal of investments		4.7	0.0
Dividend		(0.0)	0.0
Income before tax		**63.9**	**37.5**
Income tax	5.3	6.2	74.6
Net income from continuing operations		**70.1**	**112.0**
o / w Net income from continuing operations attributable to Altareit shareholders		**64.4**	**105.5**
o / w Net income from continuing operations attributable to non-controlling interests in subsidiaries		5.7	6.6
Net income from discontinued operations		**(69.9)**	**(24.8)**
o / w Net income from discontinued attributable to Altareit SCA shareholders		**(69.9)**	**(24.8)**
o / w Net income from discontinued attributable to non-controlling interests in subsidiaries		–	–
Net icome		**0.2**	**87.2**
o / w Net income attributable to Altareit SCA shareholders		**(5.5)**	**80.6**
o / w Net income attributable to non-controlling interests in subsidiaries		5.7	6.6
Average number of non-diluted shares		1,748,201	1,748,199
Non-diluted Net Income from continuing operations attributable to shareholders of Altareit SCA per share (€)		36.82	60.32
Non-diluted Net Income from discontinued operations attributable to shareholders of Altareit SCA per share (€)		(39.99)	(14.20)
Basic Net Income attributable to shareholders of Altareit SCA per share (€)	**5.4**	**(3.17)**	**46.12**
Average number of diluted shares		1,748,201	1,748,199
Diluted Net Income from continuing operations attributable to shareholders of Altareit SCA per share (€)		36.82	60.32
Diluted Net Income from discontinued operations attributable to shareholders of Altareit SCA per share (€)		(39.99)	(14.20)
Diluted Net Income attributable to shareholders of Altareit SCA per share (€)	**5.4**	**(3.17)**	**46.12**

(*) Adjusted for the impact of the application of IFRIC Interpretation 21 “Levies” and of IFRS 5 “Non-current assets held for sale and discontinued operations”.

(€millions)	31/12/2015	31/12/2014 Adjusted (*)
NET INCOME FROM CONTINUING OPERATIONS	**70.1**	**112.0**
Actuarial differences on defined-benefit retirement plans	0.5	(0.2)
o / w Taxes	*(0.3)*	*0.1*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	0.5	(0.2)
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	**0.5**	**(0.2)**
COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS	**70.6**	**111.9**
o / w Net comprehensive income from continuing operations attributable to Altareit SCA shareholders	64.9	105.3
o / w Net comprehensive income from continuing operations attributable to minority interests in subsidiaries	5.7	6.6
NET INCOME FROM DISCONTINUED OPERATIONS	**(69.9)**	**(24.8)**
Actuarial differences on defined-benefit retirement plans	0.1	(0.1)
o / w Taxes	*(0.1)*	*0.1*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	0.1	(0.1)
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	**0.1**	**(0.1)**
COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS	**(69.8)**	**(24.9)**
o / w Net comprehensive income from discontinued operations attributable to Altareit SCA shareholders	(69.8)	(24.9)
o / w Net comprehensive income from discontinued operations attributable to non-controlling	–	–
NET INCOME	**0.2**	**87.2**
Actuarial differences on defined-benefit retirement plans	0.6	(0.3)
o / w Taxes	*(0.3)*	*0.2*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	0.6	(0.3)
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	**0.6**	**(0.3)**
COMPREHENSIVE INCOME	**0.8**	**86.9**
o / w Net comprehensive income attributable to Altareit SCA shareholders	(4.9)	80.3
o / w Net comprehensive income attributable to non-controlling interests in subsidiaries	5.7	6.6

(*) Adjusted for the impact of the application of IFRIC Interpretation 21 “Levies” and of IFRS 5 “Non-current assets held for sale and discontinued operations”.

The notes constitute an integral part of the consolidated financial statements.

3 CONSOLIDATED STATEMENT OF CASH FLOWS

(€millions)	Note	31/12/2015	31/12/2014 Adjusted (*)
Cash flow from operating activities			
Net income from continuing operations		**70.1**	**112.0**
Elimination of income tax expense (income)	5.3	(6.2)	(74.6)
Elimination of net interest expense (income)		6.0	7.3
Income before tax and before net interest expense (income)		**69.9**	**44.7**
Elimination of share in earnings of equity-method subsidiaries	4.5	(16.6)	(19.9)
Elimination of depreciation, amortization and provisions		3.5	4.0
Elimination of value adjustments		8.3	6.8
Elim. of proceeds from disposals		(4.8)	0.1
Elimination of dividend income		0.0	(0.0)
Estimated income and expenses associated with share-based payments	6.1	0.8	0.6
Net cash flow from continuing operations		**61.2**	**36.2**
Tax paid	5.3	(0.1)	(5.3)
Impact of change in operating working capital requirement (WCR)	7.2	(75.7)	55.5
CASH FLOW FROM CONTINUING OPERATING ACTIVITIES		**(14.6)**	**86.4**
Cash flow from investment activities			
Net acquisitions of assets and capitalized expenditures	8	(2.4)	(1.4)
Gross investments in equity-method subsidiaries and non-consolidated investments		(37.4)	(42.1)
Acquisitions of consolidated companies, net of cash acquired		(0.0)	(0.2)
Other changes in Group structure		(0.0)	(0.5)
Increase in loans and advances		(4.9)	(0.3)
Sale of non-current assets and repayment of advances and down payments		0.1	0.0
Disposals of holdings in equity-method subsidiaries and non-consolidated investments		14.6	19.6
Disposals of consolidated companies, net of cash transferred		4.5	(0.0)
Reduction in loans and other financial investments		3.4	7.1
Net change in investments and derivative financial instruments	8	(5.8)	(19.8)
Dividends received	4.5	8.4	11.5
Interest income		7.7	4.3
CASH FLOW FROM CONTINUING INVESTMENT ACTIVITIES		**(11.8)**	**(21.8)**
Cash flow from financing activities			
Capital increase		0.0	(0.0)
Dividends paid to Altareit SCA shareholders		(0.0)	(0.0)
Dividends paid to minority shareholders of subsidiaries		(2.9)	(7.1)
Issuance of debt and other financial liabilities	6.2	353.7	569.2
Repayment of borrowings and other financial liabilities	6.2	(311.4)	(521.7)
Net sales (purchases) of treasury shares	6.1	0.0	(0.0)
Net change in security deposits and guarantees received		0.2	0.0
Interest paid		(14.0)	(12.8)
CASH FLOW FROM CONTINUING FINANCING ACTIVITIES		**25.6**	**27.6**
Net cash flow from discontinued operations	4.4	(42.9)	(0.0)
Change in cash balance		**(43.7)**	**92.2**
Cash balance at the beginning of the year	**8**	**249.6**	**157.5**
Cash and cash equivalents		250.1	178.9
Bank overdrafts		(0.5)	(21.4)
Cash balance at period-end	**8**	**206.0**	**249.6**
Cash and cash equivalents		208.3	250.1
Bank overdrafts		(2.3)	(0.5)

(*) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and the application of IFRS 5, "Non-current assets held for sale and discontinued operations."

The notes constitute an integral part of the consolidated financial statements.

4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€millions)	Share capital	Additional paid-in-capital	Reserves and retained earnings	Equity attributable to Altareit SCA shareholders	Equity attributable to minority shareholders of subsidiaries	Total shareholders' equity
At January 1, 2014	**2.6**	**76.3**	**207.7**	**286.6**	**13.4**	**300.0**
Net income	–	–	*80.6*	***80.6***	*6.6*	***87.2***
Actuarial difference relating to pension obligations	–	–	*(0.3)*	***(0.3)***	–	***(0.3)***
Comprehensive income	–	–	80.3	**80.3**	6.6	**86.9**
Dividend distribution	–	–	*(0.0)*	***(0.0)***	*(7.1)*	***(7.1)***
Capital increase	–	–	*0.0*	***0.0***	*0.0*	***0.0***
Measurement of share-based payments	–	–	*0.5*	***0.5***	–	***0.5***
Effect of the repurchase of Altarea SCA shares (to be delivered to employees)	–	–	*(0.2)*	***(0.2)***	–	***(0.2)***
Elimination of treasury shares	–	–	*(0.0)*	***(0.0)***	–	***(0.0)***
Transactions with shareholders	–	–	0.4	**0.4**	(7.1)	**(6.8)**
Changes in ownership interests without taking or losing control of subsidiaries	–	–	0.1	**0.1**	0.0	**0.1**
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	**–**	–	**0.0**
Other	–	–	–	**–**	0.0	**0.0**
At December 31, 2014	**2.6**	**76.3**	**288.5**	**367.3**	**12.9**	**380.2**
Net income	–	–	*(5.5)*	***(5.5)***	*5.7*	***0.2***
Actuarial difference relating to pension obligations	–	–	*0.6*	***0.6***	–	***0.6***
Comprehensive income	–	–	(4.9)	**(4.9)**	5.7	**0.8**
Dividend distribution	–	–	*(0.0)*	***(0.0)***	*(2.9)*	***(2.9)***
Capital increase	–	*(0.0)*	*0.0*	***0.0***	*0.0*	***0.0***
Measurement of share-based payments	–	–	*0.6*	***0.6***	–	***0.6***
Effect of the repurchase of Altarea SCA shares (to be delivered to employees)	–	–	–	**–**	–	**–**
Elimination of treasury shares	–	–	*0.0*	***0.0***	–	***0.0***
Transactions with shareholders	–	(0.0)	0.7	**0.7**	(2.9)	**(2.3)**
Changes in ownership interests without taking or losing control of subsidiaries	–	–	(0.0)	**(0.0)**	(0.0)	**(0.0)**
Changes in ownership interests associated with taking or losing control of subsidiaries	–	0.0	–	**0.0**	–	**0.0**
Other	(0.0)	(0.0)	0.0	**0.0**	0.0	**0.0**
At December 31, 2015	**2.6**	**76.3**	**284.2**	**363.1**	**15.7**	**378.7**

Consolidated equity is presented for financial year 2014 taking into account the adjustment for the impact of the application of the IFRIC Interpretation 21 – Levies.

The notes constitute an integral part of the consolidated financial statements.

5 CONSOLIDATED INCOME STATEMENT BY SEGMENT

(€ millions)	31/12/2015			31/12/2014 Adjusted (*)		
	Funds from operations (FFO)	Change in value, estimated expenses and transaction costs	Total	Funds from operations (FFO)	Change in value, estimated expenses and transaction costs	Total
Revenue	881.8	–	881.8	754.5	–	754.5
Cost of sales and other expenses	(810.5)	–	(810.5)	(699.7)	–	(699.7)
Net property income	71.3	–	71.3	54.8	–	54.8
External services	(0.2)	–	(0.2)	0.7	–	0.7
Production held in inventory	69.0	–	69.0	58.9	–	58.9
Operating expenses	(93.2)	(1.1)	(94.2)	(81.0)	(1.0)	(82.0)
Net overhead expenses	(24.4)	(1.1)	(25.4)	(21.3)	(1.0)	(22.3)
Share of equity-method affiliates	5.2	0.6	5.8	4.3	(1.3)	3.0
Net allowances for depreciation and impairment	–	(2.8)	(2.8)	–	(3.0)	(3.0)
Transaction costs	–	(1.5)	(1.5)	–	(0.1)	(0.1)
NET RESIDENTIAL PROPERTY INCOME (LOSS)	52.1	(4.8)	47.4	37.8	(5.4)	32.4
Revenue	114.2	–	114.2	59.0	–	59.0
Cost of sales and other expenses	(100.0)	–	(100.0)	(52.7)	–	(52.7)
Net property income	14.2	–	14.2	6.2	–	6.2
External services	7.4	–	7.4	7.3	–	7.3
Production held in inventory	12.8	–	12.8	12.4	–	12.4
Operating expenses	(16.6)	(0.3)	(16.9)	(15.5)	(0.3)	(15.8)
Net overhead expenses	3.6	(0.3)	3.4	4.1	(0.3)	3.9
Share of equity-method affiliates	8.9	0.1	9.0	7.5	2.4	9.8
Net allowances for depreciation and impairment	–	(0.0)	(0.0)	–	(0.3)	(0.3)
Transaction costs	–	(0.5)	(0.5)	–	–	–
NET OFFICE PROPERTY INCOME (LOSS)	26.7	(0.7)	26.0	17.8	1.8	19.6
External services	–	–	–	–	–	–
Operating expenses	0.7	(0.0)	0.7	0.1	(0.0)	0.1
Net overhead expenses	0.7	(0.0)	0.7	0.1	(0.0)	0.1
Share of equity-method affiliates	8.8	(2.3)	6.6	9.2	(2.1)	7.1
Net allowances for depreciation and impairment	–	(0.6)	(0.6)	–	(0.4)	(0.4)
Income / (loss) from the disposal of assets	–	–	–	–	–	–
Transaction costs	–	–	–	–	–	–
NET DIVERSIFICATION INCOME	9.5	(2.9)	6.7	9.3	(2.4)	6.8
Other	(1.7)	–	(1.7)	–	(1.7)	(1.7)
OPERATING INCOME	86.6	(8.3)	78.3	64.9	(7.7)	57.2
Net borrowing costs	(5.5)	(0.5)	(6.0)	(6.2)	(1.1)	(7.3)
Discounting of debt and receivables	–	–	–	–	(5.7)	(5.7)
Change in value and income from disposal of financial instruments	–	(8.3)	(8.3)	–	(6.8)	(6.8)
Proceeds from the disposal of investments	–	–	–	–	0.0	0.0
Dividend	(0.0)	–	(0.0)	0.0	–	0.0
INCOME BEFORE TAX	81.1	(17.2)	63.9	58.7	(21.3)	37.5
Corporate income tax	(0.0)	6.2	6.2	(0.5)	75.1	74.6
NET INCOME FROM CONTINUING OPERATIONS	81.0	(11.0)	70.1	58.2	53.8	112.0
Non-controlling interests in continuing operations	(5.7)	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET INCOME FROM CONTINUING OPERATIONS, Group share	75.4	(11.0)	64.4	51.6	53.8	105.4
NET INCOME FROM DISCONTINUED OPERATIONS (1)	–	(69.9)	(69.9)	(19.6)	(5.3)	(24.8)
Non-controlling interests in discontinued operations	–	0.0	0.0	–	–	–
NET INCOME FROM DISCONTINUED OPERATIONS, Group share	–	(69.9)	(69.9)	(19.6)	(5.3)	(24.8)
NET INCOME	81.0	(80.9)	0.2	38.6	48.6	87.2
Non-controlling interests	(5.7)	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET INCOME, Group share	75.4	(80.9)	(5.5)	32.0	48.6	80.6
Average number of shares after dilution	*1 748 201*	*1 748 201*	*1 748 201*	*1 748 199*	*1 748 199*	*1 748 199*
DILUTED EARNINGS FROM CONTINUING OPERATIONS PER SHARE, Group share (€)	43.11	(6.28)	36.82	29.53	30.79	60.32
DILUTED EARNINGS PER SHARE, Group share (€)	43.11	(46.29)	(3.17)	18.33	27.79	46.12

(*) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and IFRS 5 "Non-current assets held for sale and discontinued operations."

(1) Composed in 2015 of the operating losses of the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same activity (Rue du Commerce) (see note 4.4 "Operation held for sale").

The notes constitute an integral part of the consolidated financial statements.

6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 INFORMATION CONCERNING THE COMPANY

Altareit is a société en commandite par actions (a French partnership limited by shares), the shares of which are traded on the Euronext Paris regulated market, (Compartment B). Its registered office is located at 8 avenue Delcassé in Paris.

Altareit is a significant player in the Residential and Office Development, which controls 100% of Cogedim.

Altareit is 99.86% owned by Altarea, whose shares are listed on Euronext Paris, compartment A.

Altareit's financial statements and notes to the financial statements are expressed in millions of euros.

The Supervisory Board convened on March 9, 2016 reviewed the consolidated financial statements for the year ended December 31, 2015 as drawn up by the Executive Management.

2 ACCOUNTING PRINCIPLES AND METHODS

2.1 Accounting standards applied by the Group

The accounting principles adopted for preparation of the consolidated financial statements are in line with IFRS standards and IASB interpretations, as adopted by the European Union at December 31, 2015 and available at:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The accounting principles adopted on December 31, 2015 are the same as those used for the consolidated financial statements at December 31, 2014, with the exception of the change in the presentation of the financial statements described below (note 2.4 – "Restatement of information of prior financial years") and the standards and interpretations adopted by the European Union applicable at January 1, 2015 and without material impact on the Group's financial statements.

The information regarding the financial year ended on December 31, 2014, presented in the registration document filed with the AMF on April 29, 2015 under number D15-0434, are incorporated by reference.

The standards, interpretations and amendments are applicable as from the year commencing January 1, 2015:

• **IFRIC 21** – Levies;

• **Annual improvements to IFRS** (2011-2013).

Accounting standards and interpretations applied in advance on December 31, 2015 and mandatory for periods commencing on or after January 1, 2016:

None.

Accounting standards and interpretations in effect at January 1, 2015 and mandatory after December 31, 2015:

• **Amendments to IAS 1** "Presentation of financial statements"

– Disclosure initiative, Information to be provided;

• **Annual improvements to IFRS** (2012-2014) (issued by the IASB on September 25, 2014);

• **Amendments to IAS 16 and IAS 38** – Clarification of acceptable methods of depreciation and amortization;

• **Amendments to IFRS 11** – Accounting for acquisitions of interests in joint operations;

• **Amendments to IAS 16 and IAS 41**: Agriculture – "Bearer Plants".

Other essential standards and interpretations released by the IASB but not yet approved by the European Union:

• **IFRS 9** – Financial instruments (phase 1: classification and assessment of financial assets and liabilities) and subsequent

amendments;

• **IFRS 14** – Regulatory deferral accounts for the first to adopt (pending a draft standard regarding regulated activities);

• **IFRS 15** – Revenue from contracts with customers.

Analysis is underway specifically with regard to development activities whose revenue is recognized based on the percentage of completion method described at § 2.3.17.a.

• **IFRS 16** – Rental agreements.

Analysis is underway. The company does not expect any material effects.

• **Amendments limited to IFRS 10, IFRS 12 and IAS 28**: Consolidation exemption applicable to investment entities;

• **Amendments to IFRS 10 and IAS 28** – Sale or contribution of assets between an investor and its associate or joint venture;

• **Amendments to IAS 12** – Recognition of deferred tax assets on unrealized losses;

• **Amendments to IAS 7** – Disclosure initiative, information to be provided.

2.2 Use of estimates

Management reviews its estimates and assumptions on a regular basis using its past experience and various other factors deemed reasonable in the circumstances. These estimates represent the basis for its assessment of the carrying amount of income or the classification of expense items and assets and liabilities. They have an impact on the amount of income and expense items and on the carrying amount of assets and liabilities. It is conceivable that the actual amounts may subsequently differ from the estimates adopted.

The main items that require estimates at the balance sheet date based on assumptions about the future, and for which there is significant risk of a material change in value from that recorded on

the balance sheet, concern the following:

Measurement of intangible assets not subject to amortization

No evidence of impairment in the carrying value was detected during 2015 for the Residential and Office Property CGU combinations. This Residential segment includes goodwill and brand assets from Cogedim's acquisition in 2007.

In the absence of evidence of impairment, they are tested annually at the end of the reporting period at December 31. This test did not detect any impairment at December 31, 2015.

Measurements of other assets and liabilities

- measurement of inventories (see note 2.3.8 "Inventories");
- measurement of deferred tax assets (see notes 2.3.16 "Taxes" and 5.3 "Corporate income tax");
- measurement of share-based payments (see note 6.1 "Equity");
- measurement of financial instruments (see note 9 "Management of financial risks");
- under the Macron Act of August 6, 2015, the task of developing and managing the Marché d'Intérêt National de la région parisienne (the Rungis National Interest Market, or MIN) and all of the facilities related directly to the activity of this market is assigned, by the government, to SEMMARIS until December 31, 2049. Thus, the amortization plan for the intangible asset subject to amortization and the provision for replacement expenses in accordance with the IFRIC Interpretation 12 were reviewed and recalculated up to December 31, 2049. This constitutes a change in accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and thus has no retrospective effect on the financial statements.

Operating income estimates

- measurement of Net property income and services using the Percentage-of-completion method (see note 2.3.17 "Revenue and revenue-related expenses").

Non-current assets held for sale and discontinued operations

In accordance with the provisions of IFRS 5, the Group determines whether the criteria used to determine whether an asset or a group of assets should be classified as held for sale or if an operation is to be discontinued are met (see note 2.3.6 "Non-current assets held for sale and discontinued operations". In 2015, the online retail business was classified as a discontinued operation, based on the advanced status of the disposal process on the closing date. The disposal of Rue du Commerce took place on January 1, 2016.

2.3 Accounting principles and methods of the Company

2.3.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

• **IFRS 10** – Consolidated Financial Statements;

• **IFRS 11** – Joint Arrangements;

• **IFRS 12** – Disclosure of interests in other entities;

• **IAS 28** – Investments in associates and joint ventures.

IFRS 10 defines control as follows: "An investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee." The Company has power over an investee when it has existing substantive rights that give it the current ability to direct the relevant activities, defined as activities that significantly affect the investee's returns.

To assess control as defined by IFRS 10, the Company has developed a framework for analyzing the governance of entities with which the company has relations, particularly where there exist joint arrangements governed by broad contractual terms such as bylaws, shareholders' agreements, etc. It also takes into account the facts and circumstances.

In accordance with IFRS 10, ad hoc entities are consolidated when, in substance, the relation between the Company and the entity is such that the Company is considered to exercise control over the latter.

Exclusively controlled entities

Exclusively controlled subsidiaries are fully consolidated. All intragroup balances and transactions as well as income and expense from internal transactions and dividends are eliminated.

Any modification in the Company's interest in a subsidiary not resulting in a loss of control is recognized as a capital transaction. If the Company loses the control over a subsidiary, the assets and liabilities and equity of this former subsidiary are derecognized. Any gain or loss resulting from this loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is recognized at fair value on the date of loss of control according to the recognition method required under IFRS 11, IAS 28 or IAS 39.

Entities subject to joint control

According to IFRS 11, companies are subject to joint control when important decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint control may be exercised through joint operation or a joint venture. According to IFRS 11, the joint operation is distinguished from the joint venture by the existence or not of directly held rights to certain assets and direct obligations for certain liabilities of the entity, whereas the joint venture confers a right to the entity's net assets. For joint operations, the Company records, in its accounts, the assets, liabilities, income and expenses relating to its interests in the joint operation. For joint ventures, the Company's interest in the entity's net assets is recognized according to the equity method described in IAS 28.

Investments in joint operations or joint ventures are presented in accordance with IFRS 12.

Entities subject to significant influence

In accordance with IAS 28, the equity method also applies to all associates in which the Company exercises a significant influence without possessing control, which is considered to exist when the percentage of voting rights held is greater than or equal to 20%. Each investment is analyzed, regardless of the percentage of interest held, taking into account the facts and circumstances in order to determine if the Company exercises a significant influence.

According to the equity method, the Company's interest in the associate is initially recognized at the acquisition cost of its proportionate share of the investee's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method associates" line item in the income statement. These investments are presented in the balance sheet under "Securities and investments in equity affiliates and non-consolidated interests" with the corresponding investment-related receivables.

The financial statements of associates are prepared for the same accounting period as those for the parent company. If necessary, corrections are made to achieve consistency with the Group's accounting policies.

Investments in associates are presented in accordance with IFRS 12.

2.3.2 Classification of assets and liabilities between current and non-current items

In accordance with IAS 1, the Group presents its assets and liabilities by distinguishing between current and non-current items:

- assets and liabilities that are components of the working capital requirement for the normal operating cycle of the activity concerned are classified as current;
- capitalized assets are classified as non-current, with the exception of (i) financial assets that are split into current and non-current portions and (ii) trading instruments, which are current by nature;
- derivative assets and liabilities are classified as current assets or liabilities;
- provisions arising from the normal operating cycle of the activity concerned are classified as current, as is the share of other provisions portion due in less than one year. Provisions that meet neither of these criteria are classified as non-current liabilities;
- financial liabilities that must be settled within 12 months of the closing date are classified as current. Conversely, the portion of financial liabilities due in more than 12 months is classified as non-current;
- deposits and security interests received under leases are classified as non-current;
- deferred taxes are all shown as non-current assets or liabilities.

2.3.3 Business combinations and goodwill

In accordance with the provisions of IFRS 1, Altareit has chosen not to restate business combinations that occurred prior to January 1, 2004.

Business combinations are recognized using the acquisition method described in IFRS 3. According to this method, when the Group acquires control of an entity and consolidates it for the first time, the identifiable assets and liabilities, including contingent liabilities, are recognized at fair value on the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Under IFRS 3, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill representing future economic benefits resulting from assets that are not individually identified or separately recognized. In accordance with revised IFRS 3, the acquisition cost of the shares is expensed.

Goodwill:

- if positive, goodwill is recognized on the balance sheet and must be tested for impairment at least once a year;
- if negative, goodwill is taken directly to income.

In accordance with revised IFRS 3, the interests of non-controlling shareholders may be measured either at fair value or at the proportionate share of the acquiree's assets; the choice is made on an acquisition-by-acquisition basis.

The standard allows a period of 12 months from the acquisition date for final measurement of the acquisition; any adjustments of measurements made must reflect facts and circumstances that existed as of the acquisition date. As such, any contingent consideration is recognized in net income for the year after this 12- month period unless it is in the form of an equity instrument.

According to revised IFRS 3, the purchase or sale of shares in an entity controlled by the same party or parties both before and after the transactions are deemed to be transactions between shareholders and are recognized in equity: they have no impact on goodwill or the income statement. In the event of loss of control, the residual interest is measured at fair value and the gain or loss on disposal is recognized in the income statement.

The Group conducts impairment testing of goodwill at the end of each financial year and each interim period (i.e. at least once a year) and more frequently where evidence of impairment exists.

Goodwill results mainly from controlling interests acquired in Cogedim in 2007.

Goodwill results from controlling interests acquired in Cogedim in 2007 is allocated to CGUs (the programs) corresponding to the residential and office operating segments. The principal evidence of impairment for Residential and Office Property development sectors are a slower absorption rate for programs or a contraction in margin levels combined with a decline in new business (reservations, backlog, portfolio, etc.).

On an exceptional basis, acquisitions of isolated assets carried out through the purchase of shares in a company, the sole purpose of which is to hold investment assets and, in the absence of any productive activities implying the existence of contracts related to the asset or employees, are recognized in accordance with IAS 40 – "Investment Property" or IAS 2 – "Inventories."

2.3.4 Intangible assets

The Group's intangible assets consist essentially of software, brands and customer relationships.

In accordance with IAS 38,

• acquired or created software is recognized at cost and amortized over its useful life, which is generally between 1 year and 5 years;

• brands are amortized over their estimated useful lives when resulting from the identification of a finite life asset derived from an acquisition. They are tested for impairment where, as applicable, evidence of such impairment exists.

The Cogedim brand, as an indefinite life intangible asset, is allocated to the Residential segment;

• customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortization at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options, at the rate at which development programs are launched. They are tested for impairment where, as applicable, evidence of such impairment exists.

2.3.5 Property, plant and equipment

Property, plant and equipment correspond primarily to general plant, transport equipment, office equipment and IT equipment. In accordance with IAS 16, these items are recognized at cost and depreciated over their useful life, estimated to be between 5 and 10 years. No other significant component of these assets has been identified.

2.3.6 Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset is classified as "held for sale" if its carrying amount is to be recovered primarily through a sale transaction rather than through ongoing use.

This is the case if the asset is available for immediate sale in its current state, subject only to the usual and customary conditions for the sale of such an asset, and if its sale is highly probable.

Indications of a high probability of sale include the existence of a plan by Group management to sell the asset and an active program to find a buyer and close a sale within the following 12 months. Management assesses the situations. When at the end of the reporting period there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

The asset is measured at fair value, which is generally the amount agreed to between the parties minus selling costs.

For an operation to be discontinued, the Company determines, according to the facts and circumstances, whether or not there exists a single and coordinated plan to dispose of a separate major line of business or geographical area of operations.

2.3.7 Re-measurement of non-current assets (other than financial assets) and impairment losses

In accordance with IAS 36, tangible assets and intangible assets subject to amortization are tested for impairment whenever any internal or external evidence of impairment is observed.

Goodwill and other intangible assets with an indeterminate life, such as the Cogedim brand, are systematically tested for impairment annually or more frequently if internal or external events or circumstances indicate that their value may have declined.

The value of assets (and certain associated liabilities) on the balance sheet, when they are directly related or attributable to cash generating units (CGUs) or groups of CGUs including intangible assets and goodwill, if applicable, is compared to the recoverable amount of the CGU or group of CGUs, defined as the higher of the sale price net of any costs that may be incurred for the sale and value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (see note 7.2 "Intangible assets and goodwill").

Value in use of the CGU or the combination of several CGUs is determined using the discounted cash flow (DCF) method in accordance with the following principles:

- cash flows (before tax) are derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate is determined on the basis of a weighted average cost of capital;
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalized cash flow and a growth rate for the activity concerned. This assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

An impairment loss is recognized, if applicable, if the value of the assets (and certain associated liabilities) on the balance sheet is higher than the recoverable amount of the CGU or group of CGUs, and is written off in priority against goodwill, then against other intangible and tangible assets on a prorata basis for their book value. The impairment thus recognized is reversible, except for any portion charged to goodwill.

2.3.8 Inventories

Inventories relate to:

- programs for Property Development operations for third parties;
- programs where its nature or specific administrative situation prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

Finance costs attributable to programs are included in inventories in accordance with IAS 23.

"New operations" correspond to programs identified, not yet developed and for which land has not been acquired. These programs are stated at cost and include the cost of pre-launch design studies (design and management fees). These outlays are capitalized if the probability that the transaction will be completed is high. If not, these costs are expensed as incurred. At the balance sheet date, a review is conducted of these "new operations" and if completion is deemed improbable, incurred costs are expensed.

"Programs at land stage" are measured at the cost of buying land plus all costs incurred in buying the land, particularly engineering and management fees. Work has not yet begun.

"Construction work in progress" transactions are carried at production cost less the portion of cost retired on a Percentage-of-completion basis for off-plan sale (VEFA) or Property Development contract transactions. The cost price includes:

- the acquisition cost of land;
- construction costs (including roads and utilities works);
- all technical and program management fees, whether internal or external to the Group;
- program marketing fees and sales commissions when this involves services provided by third parties external to the Group for the sale of lots that are part of the programs and that may be assigned specifically to a lot;
- sales commissions to Group employees attributable directly to the lots marketed when the marketing is carried out by the Group;

- related expenses associated directly with the construction program.

Any profit on internal fees for services performed within the Group is eliminated.

"Completed transactions" are programs for which construction work has been completed. They consist of lots remaining to be sold once the declaration of completion has been filed. An impairment loss is recognized whenever realizable value net of marketing costs is less than the carrying amount.

Whenever the net realizable value of inventories and work in progress is less than the production cost, impairment losses are recognized.

2.3.9 Trade receivables and other accounts receivable

Trade receivables and other receivables are measured at face value less any allowances for impairment to reflect actual possibilities of recovery.

For long-term contracts accounted for using the Percentage-of-completion method, this line item includes:

- calls for funds issued but not yet settled by buyers, for a completed percentage of work;
- "amounts to be invoiced", which correspond to calls for funds not yet issued under off-plan sale or Property Development contracts;
- any advances between calls for funds and the actual percentage of completion at the end of the period. These receivables are not due.

2.3.10 Financial Assets and Liabilities (excluding trade and other receivables)

The Group has elected not to apply the hedge accounting proposed in IAS 39.

Application principles for IAS 32 and 39 and IFRS 7 are as follows:

1. Measurement and recognition of financial assets

- The assets available for sale consist of equity securities of non consolidated companies and are carried at fair value. Changes in fair value are registered in a separate equity line item under "other comprehensive income." A charge is registered in the income statement upon evidence of impairment and, where applicable, any reversals are recognized directly in equity without going through profit or loss. If these securities are not listed or fair value cannot be reliably determined, they will be recognized at cost.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. The change in fair value of derivatives is recognized in the income statement.
- The Company has no held-to-maturity assets.
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in money-market funds that are redeemable or tradable in the very short term (i.e. initial maturity of less than three months) and carry no significant risk of loss through fluctuations in interest rates. The Company exclusively holds money market funds and short-term investments. These assets are carried on the balance sheet at fair value. Changes in the fair value of these instruments are recognized in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries.

2. Measurement and recognition of financial liabilities

- All borrowings and interest-bearing liabilities are initially recognized at the fair value of the amount received less directly attributable transaction costs. Thereafter, they are carried at amortized cost using the effective interest rate method. The initial effective interest rates were determined by an actuary. The effective interest rates were not reviewed given the backdrop of a decline in interest rates because the impact on the effective interest rates was not material.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. Changes in the fair value of these instruments are recognized in the income statement if the requirements for hedge accounting are not met.

- The portion of borrowings and financial liabilities due in less than one year is shown under current liabilities.

3. Determination of the fair value of financial instruments (other than interest-bearing debt)

Financial assets and liabilities are initially recognized at the fair value of the price paid, including acquisition-related costs. After initial recognition, such assets and liabilities are recognized at fair value.

For financial assets and liabilities such as listed shares that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the balance sheet date.

For other financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models and in compliance with guidance for IFRS 13 “Fair value measurement.” A mathematical model is used to bring together calculation methods based on recognized financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea vis-à-vis its bank counterparties and the risk of its counterparties vis-à-vis Altarea (Credit Value Adjustment / Debit Value Adjustment). Altarea applies the probability calculation method by default used by the secondary market (according to estimated bond spreads of its counterparties).

As a last resort, the Company measures financial assets and liabilities at cost less potential impairment. This applies exclusively to non-consolidated participating interests.

The net realizable value of financial instruments may differ from the fair value calculated at the balance sheet date of each financial year.

2.3.11 Total shareholders’ equity

Equity represents the residual value of assets, after liabilities have been deducted.

Issuance costs for equity securities including merger-related costs are deducted from the proceeds of the issue.

Own equity instruments that have been bought back (treasury shares) are deducted from equity. No gain or loss is recognized in income when own equity instruments of the Company are purchased, sold, issued or canceled.

2.3.12 Share-based payments

Share-based payments are transactions based on the value of shares of the issuing company: stock options, stock grant awards and company savings plans.

These rights may be settled in equity instruments or cash: At Altareit Group, all plans concerning the Altarea shares must be settled in equity instruments.

In accordance with the provisions of IFRS 2, share-based payments to officers and employees of Altareit or Group companies are accounted for in the financial statements as follows: the fair value of the equity instrument awarded is recognized in the income statement as a staff cost, with a corresponding increase in equity on the balance sheet if the plan has to be settled in equity instruments, or decrease in equity if the plan must be settled in cash.

The staff cost representing the benefit conferred (corresponding to the fair value of the services rendered by the employees) is valued at the option grant date by an actuary firm using the binomial Cox- Ross-Rubinstein mathematical model on the basis of turnover determined over the last three years. This model is adapted to suit plans that provide for a vesting period and a lock-up period. The expense is spread over the vesting period. Stock grant plans and employee investment plans are measured on the basis of market value.

2.3.13 Earnings per share

a. Basic earnings per share (in €)

Basic earnings per share is calculated by dividing income attributable to Group Shareholders by the weighted average number of ordinary shares in issue during the period.

b. Diluted earnings per share (in €)

Diluted earnings per share is calculated using the share repurchase method. Under this method, the funds received from the exercise of warrants or options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altareit shares.

The theoretical number of shares that would be repurchased at this market price is subtracted from the total number of shares produced by the exercise of warrants and options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

When the theoretical number of shares to be bought at market price is greater than the number of potentially dilutive shares, the difference is disregarded. The weighted average number of shares after dilution is then equal to the average number of shares before dilution.

Potential shares are treated as dilutive if their conversion into ordinary shares would cause a reduction in earnings per share.

At December 31, 2015 and 2014, dilution derived exclusively from rights to bonus shares granted to employees or corporate officers of the Group.

2.3.14 Employee benefits

In accordance with IAS 19 and amendments adopted by the European Union in June 2012, employee benefits are recognized under "Personnel costs" in the income statement, with the exception of liability (or asset) revaluations recognized directly in equity and recorded in "Other comprehensive income."

a. Benefits payable at retirement

Benefits payable at retirement are paid to employees at the time of retirement based on length of service and final salary. These benefits belong to defined benefit plans. Accordingly, to measure the amount of its retirement obligations, the Group uses the retrospective projected unit credit method prescribed by IAS 19.

This method represents the probable present value of the vested rights taking into account salary increases until retirement, the probability of retirement and the probability of survival.

The formula for the past service obligation can be broken down into four main terms, as follows:

Past service cost = (benefit rights earned by the employee) × (probability that the entity will pay the benefits) × (discounting to present value) × (payroll tax coefficient) × (length of service to date / length of service at retirement)

The main assumptions used for estimating the pension obligation are as follows:

- Discount rate: Rate of return on AA-rated corporate bonds (Eurozone) with maturity of more than 10 years;
- Mortality table: TF and TH 2000-2002;
- Reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- Turnover: annual average turnover observed over the last three years;
- Long-term salary adjustment rate (including inflation): 2.4%.

Actuarial gains and losses and valuation adjustments are recorded directly in equity under other comprehensive income.

The amount of the obligation determined using this method is then reduced by the value of any assets held to cover it. In the Group's case, there is such an asset in the form of an eligible insurance policy written specifically to cover obligations in respect of Cogedim employees.

The provisions of the 2008 French Social Security Financing Act (voluntary retirement beyond 65) did not have a material impact on the amount of the obligation.

b. Other post-employment benefits

These benefits are offered under defined contribution plans. As such, the Group has no obligation except to pay its share of contributions. The expense corresponding to contributions paid is recognized in the income statement as incurred.

c. Other long-term benefits

There are no other long-term benefits granted by the Group.

d. Severance pay

Where applicable, payments for termination of an employment contract are provisioned on the basis of the collective agreement.

e. Short-term benefits

Short-term benefits include in particular an incentive agreement for employees to share in the profit recorded by their economic and social unit, signed by the service companies of the Group that are members of the economic and social unit, and the works council. Benefits also include an employee profit-sharing applicable to the profit of the economic and social unit as required under ordinary Law.

Short-term employee benefits including those arising from these profit-sharing plans are expensed as incurred.

2.3.15 Provisions and contingent Liabilities

In accordance with IAS 37, a provision is recognized when an obligation to a third party will certainly or probably result in an outflow of resources without any equivalent benefits being received in consideration, and when the amount required to settle the obligation can be reliably estimated. The provision is maintained as long as the timing and amount of the outflow of resources are not known with precision.

In general, provisions are not linked to the Group's normal operating cycle. Provisions are discounted when appropriate using a pre-tax yield that reflects the risks specific to the liability.

Non-current provisions consist mainly of provisions arising from litigation between the Group and third parties.

Contingent liabilities correspond to a potential obligation for which the probability of occurrence or a reliable estimate of the amount cannot be determined. They are not recognized on the balance sheet.A disclosure is made in the notes unless the amounts at stake can reasonably be expected to be small.

2.3.16 Tax

Income taxes are recognized in accordance with IAS 12.

The Group is subject to the ordinary rules of taxation .

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced if it is no longer probable that sufficient future taxable profits will be available to permit utilization of all or part of the deferred tax assets. Deferred tax assets are reassessed at each balance sheet date and are recognized where it is likely that future taxable profits will allow their recovery based on a business plan for tax purposes prepared by management and derived from the Group's business plan drawn up for a reasonable period.

Deferred tax assets and liabilities are measured using the liability method at the tax rates expected to apply when the asset will be realized or the liability settled, on the basis of known tax rates at the balance sheet date.

Taxes on items recognized directly in equity are also recognized in equity, not in the income statement.

Deferred tax assets and liabilities are offset when they relate to the same tax entity and the same tax rate.

2.3.17 Revenue and revenue-related expenses

Income from ordinary activities is recognized when it is probable that future economic benefits will flow to the Group and the amounts of income can be reliably measured.

a. Net property income

Net property income is the difference between revenues and cost of sales, selling expenses and net allowances for impairment on doubtful receivables and inventories. It corresponds primarily to the income margin on Residential and Office Property sectors.

- For **property development activities**, Net property income is recognized in the Group' financial statements using the Percentage-of- completion method. This method is used for all off-plan (VEFA) and Property Development contract transactions. Losses on "new operations" are included in Net property income. For these programs, revenues from sales effected via notarial closing are recognized – in accordance with IAS 18 "Income from ordinary activities" and IFRIC Interpretation 15 "Agreements for the Construction of real Estate" – in proportion to the percentage of completion of the program, as measured by cumulative costs incurred as a percentage of the total forecast budget (updated at each balance sheet date) for costs directly related to construction (not including the cost of land) and to the percentage of sales realized, determined relative to budgeted total sales. The event giving rise to revenue recognition is the commencement of construction work combined with the signature of valid deeds of sale (sales that have closed). In other words, Net property income on Property Development transactions is measured according to the Percentage-ofcompletion method based on the following criteria: - project accepted by the other party to the contract, - existence of documented projections reliable enough to provide a sound estimate of the overall economics of the transaction (selling price, stage of completion of construction work, no risk of non-completion);

- For **property trading activities**, Net property income is recognized upon delivery, that is, when sales have closed.

b. Net overhead expenses

The "Net overhead costs" line item includes income and expense items that are inherent in the business activities of the Group's service companies.

Income

For each operating segment, income includes payments for services provided to third parties, such as delegated project management fees related to development activities, and fees for marketing and other services (additional work borne by acquirers).

Expenses

Expenses includes staff costs, overhead costs (miscellaneous fees, rent, etc.), as well as depreciation of operating assets. Capitalized production and production held in inventory is deducted from this amount.

c. Other income and expense

Other income and expenses relate to Group companies that are not service providers. They correspond to overhead costs and miscellaneous management fee income. Amortization of intangible assets and depreciation of tangible assets other than portfolio assets in operation are also included in this line item.

2.3.18 Leases

According to IAS 17, a lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. IAS 17 distinguishes between finance leases, which transfer substantially all the risks and rewards incidental to ownership of the leased asset, and operating leases, which do not.

The Group is not tied by significant leasing-financing contracts as tenant nor as landlord.

2.3.19 Borrowing costs or costs of interest-bearing liabilities

In accordance with revised IAS 23, borrowing costs directly attributable to the construction of qualifying assets are included in the cost of these assets.

Finance costs attributable to programs are capitalized as part of the cost of inventories under development and construction, during the construction phase of the asset, except in certain cases.

The net cost of debt includes interest incurred on borrowings, other financial liabilities, income from loans and advances to participating interests, gains on sale of marketable securities and the impact of interest-rate swaps used as interest-rate hedges.

Where there is a significant delay in the construction project, Management may decide, if the delay is unusually long not to capitalize finance costs attributable to the program any longer. Management estimates the date at which the capitalization of finance costs may resume.

2.3.20 Discounting of payables and receivables

This line item shows the combined effect of discounting payables and receivables due in more than one year to present value.

2.3.21 Cash flow statement

The cash flow statement is presented using the indirect method permitted under IAS 7. Tax expense is shown as a single item in cash flows from operating activities. Interest paid is shown in cash flows from financing activities, and interest received is shown in cash flows from investing activities. Dividends paid are classified as cash flows from financing activities.

2.3.22 Operating segments (IFRS 8)

IFRS 8 “Operating segments” requires the presentation of operating segments to reflect the Group’s organization and internal reporting system, which is presented in compliance with IFRS recognition and measurement principles. An operating segment represents a corporate activity that incurs income and expense, and whose operating results are regularly reviewed by the company’s management and executive bodies. Each segment includes separate financial information.

The Company’s internal reporting is based on an analysis of the period’s results in accordance with:

- Funds from operations (FFO)(1);
- changes in value, estimated expenses, and transaction costs.

According to these analytical criteria, operating income, including earnings from equity affiliates, is monitored on an operating segment basis.

In addition to operating income, asset book values (and certain related liabilities) are monitored by operating segment when they are directly related or can be allocated to a sector. They are considered operating assets of the sector in question.

The Company has the following operating segments:

- Residential: Residential property development;
- Office: Office Property Development and investor services;
- Diversification: hotel business and management of Rungis National Interest Market trought SEMMARIS.

Items under “Other” allow reconciliation of various reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments and gains and losses from their disposal, taxes, and earnings from noncontrolling interests are not allocated by sector. Balance-sheet items such as financial assets and liabilities cannot be allocated, nor can deferred-tax assets corresponding to the recognition of tax losses.

a. Funds from operations (FFO)

This item measures the creation of wealth available for distribution from net income (Group share of FFO). Funds from operations is defined as net income, Group share (i.e., attributable to equity holders of the parent), exclusive of changes in value, estimated expenses, transaction costs, and changes in deferred tax, as defined below.

OPERATING INCOME LINE

Operating cash flow is defined as operating income exclusive of changes in value, estimated expenses, and transaction costs, as defined below.

Each segment’s **operating cash flow** is presented within the following framework:

- Net income of the segment, including impairment of current assets:
  - Residential and Office: net property income;
- Net overhead expenses including the provision of services that offset a portion of overhead and operating expenses.
- Operating expenses defined as:
  - staff costs excluding estimated expenses and related items defined below,
  - other operating expenses exclusive of net allowances for depreciation, amortization, and non-current provisions,
  - other segment income and expenses excluding transaction expenses defined below,
  - expenses covered by reversals of provisions used;
- Share of joint ventures or affiliates: the share of equity affiliates, excluding the share in income recognized from changes in value.

NET BORROWING COSTS LINE

Net borrowing costs excluding estimated expenses defined below.

TAX LINE

Current taxes excluding deferred taxes.

NON-CONTROLLING-INTERESTS LINE

The share of funds from operations attributable to non-controlling owners of subsidiaries. After deduction of the share of funds from operations attributable to non-controlling interests, the **Group share of funds from operations** (i.e., the share attributable to shareholders of Altareit SCA) is presented, followed by the **Group share of funds from operations** (per share).

b. Changes in value, estimated expenses, and transaction costs

These changes in value measure the value created or realized by the Company during the period.

The relevant indicator for monitoring changes in value is Net income.

OPERATING INCOME LINE

Changes in value and in estimated expenses include:

- expenses or net allowances for the period related to share-based payments or other benefits granted to employees;
- allowances for depreciation and amortization net of reversals for non-current assets, including allowances relating to intangible assets or goodwill identified during business combinations;
- allowances for non-current provisions net of used or unused reversals.

Transaction costs include fees and other non-recurring expenses incurred from corporate development projects that are ineligible for capitalization (e.g., expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (e.g. certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

BORROWING COSTS LINE

Estimated expenses that correspond to the amortization of bond issuance costs.

LINE CONCERNING CHANGES IN VALUE AND GAINS AND LOSSES ON THE SALE OF FINANCIAL INSTRUMENTS

Changes in value represent fair-value adjustments of financial instruments and the discounting of receivables and payables. Results from the disposal of financial instruments represent the balance for amounts incurred in the period from restructuring or canceling financial instruments.

TAX LINE

Deferred tax recognized for the period.

NON-CONTROLLING-INTERESTS LINE

The share attributable to non-controlling interests of subsidiaries for changes in value, estimated expenses, transaction costs, and deferred tax.

2.4 Restatement of information from prior financial years

2.4.1 Change in method in 2015

IFRIC Interpretation 21 "Levies deducted by a public authority" was adopted by the European Union on June 13, 2014 and was not applied in advance by the Group on January 1, 2014. It is mandatory, retrospectively, starting January 1, 2015. The financial statements presented in comparison with those for the financial year closed on December 31, 2015 were thus restated.

This interpretation sets out arrangements for recognizing, on the liabilities side of the balance sheet, levies falling under the scope of IAS 37 "Provisions, contingent liabilities and contingent assets." It is based on the event that triggers their recognition. It leads entities to record a debt immediately once an obligation to pay exists. The interim recognition schedule for select levies, such as the French corporate social solidarity contribution and land taxes, is affected by the interpretation. They were previously recorded in the interim accounts on a pro rata basis. However, this standard does not address the balancing entry to the liability in the income statement.

Nearly all of the impacts of the interpretation on the consolidated financial statements of the Group at December 31, 2014 are attributable to the French corporate social solidarity contribution and are not material.

2.4.2 Application of IFRS 5 – "Non-current assets held for sale and discontinued operations"

The Group identified an operation held for sale under IFRS 5 "Noncurrent assets held for sale and discontinued operations", the online retail operation of the Rue du Commerce subsidiary, which was sold on January 1, 2016.

In accordance with the provisions of IFRS 5, the statement of comprehensive income, the cash flow statement, and the consolidated income statement (presenting the Group's operating segments) were restated for the 2014 and 2015 financial years to clearly distinguish ongoing operations from the discontinued operation. The statement of financial position presents Rue du Commerce on a single line of assets and liabilities at December 31, 2015; as the position at December 31, 2014 is unchanged in accordance with IFRS 5 (see note 4.4 "Operation held for sale").

3 INFORMATION ON OPERATING SEGMENTS

3.1 Consolidated income statement by operating segment

(€millions)	31/12/2015 Funds from operations (FFO)	31/12/2015 Change in value, estimated expenses and transaction costs	31/12/2015 Total	31/12/2014 Restated Funds from operations (FFO)	31/12/2014 Restated Change in value, estimated expenses and transaction costs	31/12/2014 Restated Total
Revenue	881.8	–	881.8	754.5	–	754.5
Cost of sales and other expenses	(810.5)	–	(810.5)	(699.7)	–	(699.7)
Net property income	**71.3**	**–**	**71.3**	**54.8**	**–**	**54.8**
External services	(0.2)	–	(0.2)	0.7	–	0.7
Production held in inventory	69.0	–	69.0	58.9	–	58.9
Operating expenses	(93.2)	(1.1)	(94.2)	(81.0)	(1.0)	(82.0)
Net overhead expenses	**(24.4)**	**(1.1)**	**(25.4)**	**(21.3)**	**(1.0)**	**(22.3)**
Share of equity-method affiliates	**5.2**	**0.6**	**5.8**	**4.3**	**(1.3)**	**3.0**
Net allowances for depreciation and impairment	**–**	**(2.8)**	**(2.8)**	**–**	**(3.0)**	**(3.0)**
Transaction costs	**–**	**(1.5)**	**(1.5)**	**–**	**(0.1)**	**(0.1)**
NET RESIDENTIAL PROPERTIY INCOME	**52.1**	**(4.8)**	**47.4**	**37.8**	**(5.4)**	**32.4**
Revenue	114.2	–	114.2	59.0	–	59.0
Cost of sales and other expenses	(100.0)	–	(100.0)	(52.7)	–	(52.7)
Net property income	**14.2**	**–**	**14.2**	**6.2**	**–**	**6.2**
External services	7.4	–	7.4	7.3	–	7.3
Production held in inventory	12.8	–	12.8	12.4	–	12.4
Operating expenses	(16.6)	(0.3)	(16.9)	(15.5)	(0.3)	(15.8)
Net overhead expenses	**3.6**	**(0.3)**	**3.4**	**4.1**	**(0.3)**	**3.9**
Share of equity-method affiliates	**8.9**	**0.1**	**9.0**	**7.5**	**2.4**	**9.8**
Net allowances for depreciation and impairment	**–**	**(0.0)**	**(0.0)**	**–**	**(0.3)**	**(0.3)**
Transaction costs	**–**	**(0.5)**	**(0.5)**	**–**	**–**	**–**
NET OFFICE PROPERTY INCOME	**26.7**	**(0.7)**	**26.0**	**17.8**	**1.8**	**19.6**
External services	–	–	–	–	–	–
Operating expenses	0.7	(0.0)	0.7	0.1	(0.0)	0.1
Net overhead expenses	**0.7**	**(0.0)**	**0.7**	**0.1**	**(0.0)**	**0.1**
Share of equity-method affiliates	**8.8**	**(2.3)**	**6.6**	**9.2**	**(2.1)**	**7.1**
Net allowances for depreciation and impairment	**–**	**(0.6)**	**(0.6)**	**–**	**(0.4)**	**(0.4)**
Net gains / loss on the disposal of assets	**–**	**–**	**–**	**–**	**–**	**–**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
DIVERSIFICATION INCOME	**9.5**	**(2.9)**	**6.7**	**9.3**	**(2.4)**	**6.8**
Other	**(1.7)**	**–**	**(1.7)**	**–**	**(1.7)**	**(1.7)**
OPERATING INCOME	**86.6**	**(8.3)**	**78.3**	**64.9**	**(7.7)**	**57.2**
Net borrowing costs	**(5.5)**	**(0.5)**	**(6.0)**	**(6.2)**	**(1.1)**	**(7.3)**
Discounting of debt and receivables	**–**	**–**	**–**	**–**	**(5.7)**	**(5.7)**
Change in value and income from disposal of financial instruments	**–**	**(8.3)**	**(8.3)**	**–**	**(6.8)**	**(6.8)**
Proceeds from the disposal of investments	**–**	**–**	**–**	**–**	**0.0**	**0.0**
Dividend	**(0.0)**	**–**	**(0.0)**	**0.0**	**–**	**0.0**
Profit BEFORE TAX	**81.1**	**(17.2)**	**63.9**	**58.7**	**(21.3)**	**37.4**
Corporate income tax	**(0.0)**	**6.2**	**6.2**	**(0.5)**	**75.1**	**74.6**
Tax due	(0.0)	–	(0.0)	(0.5)	–	(0.5)
Deferred tax	–	6.2	6.2	–	75.1	75.1
NET INCOME FROM CONTINUING OPERATIONS	**81.0**	**(11.0)**	**70.1**	**58.2**	**53.8**	**112.0**
Non-controlling interests in continuing operations	**(5.7)**	**(0.0)**	**(5.7)**	**(6.6)**	**0.0**	**(6.6)**
NET INCOME FROM CONTINUING OPERATIONS, attributable to Group shareholders	**75.4**	**(11.0)**	**64.4**	**51.6**	**53.8**	**105.4**
NET INCOME FROM DISCONTINUED OPERATIONS (1)	**–**	**(69.9)**	**(69.9)**	**(19.6)**	**(5.3)**	**(24.8)**
Non-controlling interests in discontinued operations						
NET INCOME FROM DISCONTINUED OPERATIONS, attributable to Group shareholders						
NET INCOME	**81.0**	**(80.9)**	**0.2**	**38.6**	**48.6**	**87.2**
Non-controlling interests	**(5.7)**	**(0.0)**	**(5.7)**	**(6.6)**	**0.0**	**(6.6)**
NET INCOME , attributable to Group shareholders	**75.4**	**(80.9)**	**(5.5)**	**32.0**	**48.6**	**80.6**
Average number of shares after dilution	*1,748,201*	*1,748,201*	*1,748,201*	*1,748,199*	*1,748,199*	*1,748,199*
DILUTED EARNINGS FROM CONTINUING OPERATIONS PER SHARE, attributable to Group shareholders	**43.11**	**(6.28)**	**36.82**	**29.53**	**30.79**	**60.32**
DILUTED EARNINGS PER SHARE, attributable to Group shareholders (€ / share)	**43.11**	**(46.29)**	**(3.17)**	**18.33**	**27.79**	**46.12**

(1) Composed in 2015 of the operating losses on the operation held for sale (-€35.9 million in 2015 compared to a loss of -€24.8 million in 2014) and the loss of value of that same operation (Rue du Commerce) (see note 4.4 "Operation held for sale").

3.2 Reconciliation of the consolidated statement of comprehensive income

(€millions)	31/12/2015 Funds from operations (FFO)	31/12/2015 Change in value, estimated expenses and transaction costs	31/12/2015 Total	31/12/2014 Restated Funds from operations (FFO)	31/12/2014 Restated Change in value, estimated expenses and transaction costs	31/12/2014 Restated Total
Revenue	996.0	–	996.0	813.5	–	813.5
Cost of sales	(858.6)	–	(858.6)	(701.1)	–	(701.1)
Selling expenses	(44.8)	–	(44.8)	(44.4)		(44.4)
Net charge to provisions for current assets	(7.1)	–	(7.1)	(6.9)	–	(6.9)
NET PROPERTY INCOME	**85.4**	**–**	**85.4**	**61.0**	**–**	**61.0**
External services	7.2	–	7.2	8.0	–	8.0
Own work capitalized and production held in inventory	81.8	–	81.8	71.3	–	71.3
Personnel costs	(78.0)	(1.4)	(79.4)	(68.6)	(1.2)	(69.8)
Other overhead expenses	(30.2)	–	(30.2)	(25.5)	–	(25.5)
Depreciation expense on operating assets	–	(2.8)	(2.8)	–	(2.9)	(2.9)
NET OVERHEAD EXPENSE	**(19.2)**	**(4.1)**	**(23.3)**	**(14.8)**	**(4.2)**	**(19.0)**
Other income and expense	(2.6)	(0.0)	(2.6)	(2.2)	(0.0)	(2.2)
Depreciation expenses	–	(0.6)	(0.6)	–	(0.4)	(0.4)
Transaction costs	–	(2.0)	(2.0)	–	(1.8)	(1.8)
OTHER	**(2.6)**	**(2.6)**	**(5.2)**	**(2.2)**	**(2.2)**	**(4.5)**
Proceeds from disposal of investment properties	–	0.0	0.0	–	(0.1)	(0.1)
Net charge to provisions for risks and contingencies	–	(0.0)	(0.0)	–	(0.2)	(0.2)
Operating income before the share of net income of equity-method affiliates	**63.7**	**(6.7)**	**57.0**	**44.0**	**(6.7)**	**37.3**
Share in earnings of equity-method affiliates	18.2	(1.6)	16.6	20.9	(1.0)	19.9
Operating income after the share of net income of equity-method affiliates	**81.9**	**(8.3)**	**73.5**	**64.9**	**(7.7)**	**57.2**
Net borrowing costs	(5.5)	(0.5)	(6.0)	(6.2)	(1.1)	(7.3)
Financial expenses	*(14.8)*	*(0.5)*	*(15.4)*	*(12.7)*	*(1.1)*	*(13.8)*
Financial income	*9.4*	*–*	*9.4*	*6.5*	*–*	*6.5*
Change in value and income from disposal of financial instruments	–	(8.3)	(8.3)	–	(6.8)	(6.8)
Discounting of debt and receivables	–	–	–	–	(5.7)	(5.7)
Proceeds from the disposal of investments	4.7	–	4.7	–	0.0	0.0
Dividend	(0.0)	–	(0.0)	0.0	–	0.0
Income before tax	**81.1**	**(17.2)**	**63.9**	**58.7**	**(21.3)**	**37.5**
Income tax	(0.0)	6.2	6.2	(0.5)	75.1	74.6
Tax due	*(0.0)*	*–*	*(0.0)*	*(0.5)*	*–*	*(0.5)*
Deferred tax	*–*	*6.2*	*6.2*	*–*	*75.1*	*75.1*
Net income from continuing operations	**81.1**	**(11.0)**	**70.1**	**58.2**	**53.8**	**112.0**
o / w Net income attributable to Altareit SCA shareholders	**75.4**	**(11.0)**	**64.4**	**51.6**	**53.8**	**105.5**
o / w Net income attributable to non-controlling interests in subsidiaries	(5.7)	(0.0)	(5.7)	(6.6)	0.0	(6.6)
Net income from discontinued operations	**–**	**(69.9)**	**(69.9)**	**(19.6)**	**(5.3)**	**(24.8)**
o / w Net income attributable to Altarea SCA shareholders	**–**	**(69.9)**	**(69.9)**	**(19.6)**	**(5.3)**	**(24.8)**
o / w Net income attributable to non-controlling interests in subsidiaries	–	–	–	–	–	–
Net income	**81.1**	**(80.9)**	**0.2**	**38.6**	**48.6**	**87.2**
o / w Net income attributable to Altarea SCA shareholders	**75.4**	**(80.9)**	**(5.5)**	**32.0**	**48.6**	**80.6**
o / w Net income attributable to non-controlling interests in subsidiaries	(5.7)	(0.0)	(5.7)	(6.6)	0.0	(6.6)
Average number of non-diluted shares	1,748,201	1,748,201	1,748,201	1,748,199	1,748,199	1,748,199
Basic Net Income from continuing operations attributable to shareholders of Altarea SCA per share (€)	43.11	(6.28)	36.82	29.53	30.79	60.32
Basic Net Income from discontinued operations attributable to shareholders of Altarea SCA per share (€)	–	(39.99)	(39.99)	(11.20)	(3.00)	(14.20)
Basic Net Income attributable to shareholders of Altareit SCA per share (€)	**43.11**	**(46.28)**	**(3.17)**	**18.33**	**27.79**	**46.12**
Average number of diluted shares	1,748,201	1,748,201	1,748,201	1,748,199	1,748,199	1,748,199
Diluted Net Income from continuing operations attributable to shareholders of Altareit SCA per share (€)	43.11	(6.28)	36.82	29.53	30.79	60.32
Diluted Net Income from discontinued operations attributable to shareholders of Altareit SCA per share (€)	–	(39.99)	(39.99)	(11.20)	(3.00)	(14.20)
Diluted Net Income attributable to shareholders of Altareit SCA per share (€)	**43.11**	**(46.28)**	**(3.17)**	**18.33**	**27.79**	**46.12**

3.3 Balance sheet items by operating segment

At December 31, 2015

(€millions)	Residential	Office	Diversification	Total
Operating assets and liabilities				
Intangible assets	173.6	9.0	0.0	**182.6**
Property, Plant and Equipment	3.5	0.0	2.0	**5.5**
Securities and investments in equity affiliates and non-consolidated interests	62.5	45.3	73.5	**181.2**
Operational working capital requirement	304.3	38.5	(0.5)	**342.2**
o / w Net inventories and work in progress	*608.4*	*82.7*	*0.0*	***691.2***
o / w Trade receivables and other accounts receivable	*229.5*	*45.8*	*1.8*	***277.1***
o / w Accounts payable and other operating liabilities	*533.6*	*90.0*	*2.4*	***626.0***
Total Operating assets and liabilities	543.9	92.8	74.9	**711.6**

The online retail business no longer constitutes an operating segment of the Company, as it is an operation held for sale (the sale is effective January 1, 2016).

At December 31, 2014

(€millions)	Residential	Office	E-commerce	Diversification	Total
Operating assets and liabilities					
Intangible assets	**173.8**	**9.0**	**41.4**	**0.0**	**224.3**
Property, Plant and Equipment	**4.0**	**0.0**	**3.4**	**2.3**	**9.7**
Securities and investments in equity affiliates and non-consolidated interests	**56.4**	**26.4**	**0.1**	**69.1**	**152.0**
Operational working capital requirement	**264.2**	**3.9**	**(9.5)**	**(2.6)**	**256.0**
o / w Net inventories and work in progress	*526.0*	*44.7*	*40.3*	*0.0*	***611.1***
o / w Trade receivables and other accounts receivable	*202.5*	*19.3*	*57.4*	*2.5*	***281.6***
o / w Accounts payable and other operating liabilities	*464.3*	*60.1*	*107.1*	*5.1*	***636.6***
Total Operating assets and liabilities	**498.4**	**39.4**	**35.3**	**68.8**	**641.9**

Revenue par zone geographique

In 2015, one customer represented more than 10% of the revenue of the Group, for total revenue of €140 million in the Residential and Office segments. In 2014, no customer represented 10% of Group revenue.

	31/12/2015			31/12/2014		
(€millions)	France	Other	Total	France	Other	Total
Revenue	881.8	–	881.8	754.5	–	754.5
External services	(0.2)	–	(0.2)	0.7	–	0.7
RESIDENTIAL	**881.6**	**–**	**881.6**	**755.3**	**–**	**755.3**
Revenue	114.2	–	114.2	59.0	–	59.0
External services	6.8	0.6	7.4	5.8	1.4	7.3
OFFICES	**121.0**	**0.6**	**121.6**	**64.8**	**1.4**	**66.2**
Total revenues	**1,002.6**	**0.6**	**1,003.2**	**820.0**	**1.4**	**821.5**

4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

DISPOSAL OF RUE DU COMMERCE

As announced on August 24, 2015, the Group sold 100% of the share capital of Rue du Commerce to the Carrefour Group. This sale is effective on January 1, 2016.

Consequently, the online retail operation is presented as a discontinued operation and as held for sale at December 31, 2015 in accordance with IFRS 5, which deals specifically with discontinued operations.

The indicators of ongoing operations no longer include the impact of the contribution of Rue du Commerce.

RESIDENTIAL

Active in the Paris Region and 10 of the most economically and demographically dynamic regional metropoles[1], the Group targets areas where housing is in short supply and the need for new housing is the greatest.

This market is driven primarily by private investors: The Pinel initiative has confirmed its attractiveness and has revived investors' interest in real estate. Many had pulled out of the market after the Scellier Law was replaced.

However, the residential market recovery is less robust, as buyers still find it difficult to obtain financing, despite low interest rates.

In 2015, the Group's activity in this segment continued to progress both in terms of revenue and reservations (see the business review).

Altarea Cogedim and the SNI Group signed a five-year partnership for the sale of middle-income housing. In 2015, the negotiations concluded with an agreement on 2,000 units, including 1,250 middleincome units and 750 low-income units.

[1] Lyon, Nice, Marseille, Toulouse, Bordeaux, Grenoble, Annecy, Montpellier, Nantes and Strasbourg.

OFFICE

Regarding Office Property, the Group developed an original model enabling it to play a significant role in this market, with limited risks:

- as an investor through the AltaFund investment fund[2] for which the Group is the exclusive operator and a main shareholder, with capital share between 17% and 30%;
- as a property developer[3] with a particularly strong position on the market for turnkey projects;
- as a service provider for large institutional investors[4(5)].

Overall, the Group is able to operate at each step of the value creation chain with a diversified revenue mix (margins, fees, capital gains, etc.) for an optimized capital allocation.

In 2015, this segment grew significantly within the Group, both in terms of revenue and of investments (see the business review).

On May 19, 2015, a new Shareholders' Agreement was signed between the investors in the AltaFund investment fund. Its ordinary activity is to invest, in the Paris region, in office buildings to be redeveloped and then sold under the terms and conditions defined in the Agreement. The fund is now structured in two portfolios: the Group owns 16.66% of the first portfolio and 30.11% in the second, whose investment period runs until December 31, 2016.

[2] AltaFund is a discretionary investment fund created in 2011.
[3] Off-plan sales or leases and property development contracts.
[4] Under delegated project management contracts.

4.2 Scope

			31/12/2015			31/12/2014		
COMPANY	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Diversification								
ALTA CINE INVESTISSEMENT SAS	482277100		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA DELCASSE SAS	501705362		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA FAVART SAS	450042338		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA REIM SAS (EX ALTA MONTAIGNE SAS)	790197263		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA RUNGIS SAS	500539150		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SEVRES SNC	791885528		FC	100.0%	100.0%	FC	100.0%	100.0%
OPEC SARL	379873128		FC	100.0%	100.0%	FC	100.0%	100.0%
L'EMPIRE SAS	428133276		FC	100.0%	100.0%	FC	100.0%	100.0%
SEMMARIS	662012491	Affiliate	EM	33.3%	33.3%	EM	33.3%	33.3%
Online Retail								
ALTA PENTHIEVRE SAS	518991476		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTACOM SAS	537392276		FC	100.0%	100.0%	FC	100.0%	100.0%
MAXIDOME	509105375		FC	100.0%	100.0%	FC	100.0%	100.0%
RUE DU COMMERCE SAS	422797720		FC	100.0%	100.0%	FC	100.0%	100.0%
Residential								
COGEDIM RESIDENCES SERVICES SNC	394648455	Joint venture	EM	65.0%	65.0%	EM	65.0%	65.0%
CSE SAS	790172860	Joint venture	EM	65.0%	65.0%	EM	65.0%	65.0%
41 RUE DE LA LEGION D'HONNEUR SCCV	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
6 RUE RAYER SCCV	811252188	Affiliate	EM	55.6%	55.6%	NI	0.0%	0.0%
72 CARTIER BRESSON SCCV	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
MARSEILLE MICHELET SNC	792774382		FC	100.0%	100.0%	FC	100.0%	100.0%
TOULON METROPOLITAIN SNC	750297137		FC	100.0%	100.0%	FC	100.0%	100.0%
ALBATROS SNC	803307354	Affiliate	EM	46.2%	46.2%	EM	46.2%	46.2%
ALTA CRP MOUGINS SNC	453830663		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA FAUBOURG SAS	444560874		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA PERCIER SAS	538447475		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA PROXIMITE SNC (ex ALTA BOULOGNE)	538765975		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SAINT-GERMAIN SAS	808067375		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREIT SCA	552091050		FC	100.0%	100.0%	FC	100.0%	100.0%
AUDITAFUL SARL	511472318	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
Altarea Cogedim Grands Projets	810926519		FC	100.0%	100.0%	NI	0.0%	0.0%
Altarea Cogedim IDF Grande Metropole	810928135		FC	100.0%	100.0%	NI	0.0%	0.0%
Altarea Cogedim Regions	810847905		FC	100.0%	100.0%	NI	0.0%	0.0%
Altarea Cogedim ZAC VLS (SNC)	811910447		FC	100.0%	100.0%	NI	0.0%	0.0%
BALCONS DU GENEVOIS SCCV	532227741	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
BOUCLES DE SEINE SNC	482315405	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
CHAMPAGNE-ARDENNES SNC	492961487	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
EAGLE SNC	788652568	Affiliate	EM	37.1%	37.1%	EM	37.1%	37.1%
EUROPE RIVE SUD SCCV	522391846	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
GARANCE MEISSONNIER SCCV	513696724	Affiliate	EM	27.8%	27.8%	EM	27.8%	27.8%
SCCV GARDEN LIFE	813861507		FC	90.0%	100.0%	NI	0.0%	0.0%
HISTOIRE ET PATRIMOINE FINANCEMENT SARL	504638784	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE GESTION SAS	401165089	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE MOD SAS	394203509	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE PARTENARIATS SASU	452727985	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE PROMOTION EURL	792751992	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE SAS	480309731	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
HISTOIRE ET PATRIMOINE DEVELOPPEMENT SASU	480110931	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LA COTE BLEUE SNC	497538348	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LA SCAMA SCI	538362674	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LES JARDINS DU CARMEL SARL	497538124	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
LES VERRIERS SCI	538394271	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
MASSY GRAND OUEST SNC - AF050	793338146		FC	100.0%	100.0%	FC	100.0%	100.0%
METBURY EURL	493279178	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
MICHELET BAUER SCCV	480727999	Affiliate	NI	0.0%	0.0%	EM	27.8%	27.8%
SCCV MONTMAGNY COEUR DE VILLE	813523875	Joint venture	EM	51.0%	51.0%	NI	0.0%	0.0%
ODONIA SCCV	752636860	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
RESIDENCE DU THEATRE SCCV	494094212	Affiliate	EM	27.8%	27.8%	EM	27.8%	27.8%
SCCV DES 13 FRANCS-TIREURS	751201567	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DE LA PLAINE	490746419	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES COTES ATLANTIQUES	490743101	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES EGLANTIERS	501581318	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC DES GALETS	481045763	Affiliate	NI	0.0%	0.0%	EM	55.6%	55.6%
SNC DES VIGNES	480169507	Affiliate	EM	55.6%	55.6%	EM	55.6%	55.6%
SNC VITROLLES LION1	811038454		FC	100.0%	100.0%	NI	0.0%	0.0%
SNC VITROLLES LION2	811038439		FC	100.0%	100.0%	NI	0.0%	0.0%
SNC VITROLLES LION3	811038363		FC	100.0%	100.0%	NI	0.0%	0.0%
SNC VITROLLES SALIN1	811038389		FC	100.0%	100.0%	NI	0.0%	0.0%
SNC VITROLLES SALIN2	811038413		FC	100.0%	100.0%	NI	0.0%	0.0%
SYNDECO SAS	790128433	Affiliate	EM	55.6%	55.6%	FC	100.0%	100.0%
SCCV SURESNES 111 VERDUN	507385003	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC 12 RUE OUDINOT PARIS 7E	378484653		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV BESONS GABRIEL PERI	793727322		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC 36 RUE RIVAY LEVALLOIS	343760385		NI	0.0%	0.0%	FC	100.0%	100.0%
SNC 46 JEMMAPES	572222347		FC	100.0%	100.0%	FC	100.0%	100.0%

			31/12/2015			31/12/2014		
COMPANY	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV TOULOUSE LES ARGOULETS	513822601		NI	0.0%	0.0%	FC	100.0%	100.0%
SNC AIX LA VISITATION	452701824		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV RACINE CARRE - AIX LA DURANNE	801954132	Joint venture	EM	49.0%	49.0%	EM	49.0%	49.0%
SCCV CONFIDENCE GARLABAN	PENDING		FC	70.0%	100.0%	NI	0.0%	0.0%
SCCV MARSEILLE PARANQUES SUD	809939382		FC	100.0%	100.0%	NI	0.0%	0.0%
SCCV ALFORTVILLE MANDELA	814412391		FC	51.0%	100.0%	NI	0.0%	0.0%
SCCV QUAI DE SEINE A ALFORTVILLE	803321942	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV AMIENS PLACE VADE	801598624	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV ANGLET BELAY	512392325		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV ANNEMASSE FOSSARD	803779438		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV ANTIBES 4 CHEMINS	537695801	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
SAS ARBITRAGES ET INVESTISSEMENTS	444533152		NI	0.0%	0.0%	FC	100.0%	100.0%
SAS ARBITRAGES ET INVESTISSEMENT 2	479815847		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV ARCACHON LAMARQUE	527725246		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI ARGENTEUIL FOCH-DIANE	484064134	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV ARGENTEUIL JEAN JAURES	533885604		FC	95.0%	100.0%	FC	95.0%	100.0%
SCCV VITRY ARMANGOT	789655396		FC	90.0%	100.0%	FC	90.0%	100.0%
SCI ASNIERES AULAGNIER ILOTS E, F ET H1	483537866	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV ASNIERES ALPHA	529222028	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI CHAUSSON A/B	517868192	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV ASNIERES LAURE FIOT	532710308		FC	75.0%	100.0%	FC	75.0%	100.0%
SCCV LAMY ILOT AUBERVILLIERS	798364030		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV BAGNEUX - TERTRES	789328804	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
SCCV BAGNEUX FONTAINE GUEFFIER 1	794841189	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
SCCVBAGNEUX FONTAINE GUEFFIER 2	794757245		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV BAGNEUX PAUL ELUARD	789253549		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV BAGNEUX BLAISE PASCAL	533942884		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV BAGNOLET MALMAISON	517439402		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC BENOIT CREPU LYON	378935050		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC LE HAMEAU DES TREILLES	487955965		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV BOBIGNY PARIS	812846525		FC	51.0%	100.0%	NI	0.0%	0.0%
SNC BORDEAUX FAURE DURAND INFLUENCE	803042118	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV 236 AVENUE THIERS	493589550		FC	55.0%	100.0%	FC	55.0%	100.0%
SCI BRUGES AUSONE	484149802		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC BORDEAUX BACALAN INFLUENCE	803283910	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SARL BOULOGNE VAUTHIER	794305185		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV BOULOGNE VAUTHIER	533782546		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV TOULOUSE BOURRASSOL WAGNER	503431116		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV BRUGES GRAND DARNAL	511302002		NI	0.0%	0.0%	FC	100.0%	100.0%
SAS BRUN HOLDING	394648984		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV CACHAN DOLET HENOUILLE	791049000		FC	90.0%	100.0%	FC	90.0%	100.0%
SCCV CACHAN DOLET 62/66	788827111		FC	90.0%	100.0%	FC	90.0%	100.0%
SCCV CACHAN GABRIEL PERI 3	812051829		FC	100.0%	100.0%	NI	0.0%	0.0%
SCI CANNES 2 AV ST NICOLAS	482524758	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI CANNES 152/156 BOULEVARD GAZAGNAIRE	419700786	Joint venture	EM	49.0%	49.0%	EM	49.0%	49.0%
SCCV CARDINAL LEMOINE	812133080	Joint venture	EM	50.0%	50.0%	NI	0.0%	0.0%
SCCV TOULOUSE CARRE SAINT MICHEL	501982763		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV ROSSO	538357492		FC	70.0%	100.0%	NI	0.0%	0.0%
SCI CHATENAY HANOVRE 1	424831717		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC CLAUDEL	504308099		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV MARSEILLE LA POMMERAIE	502223522		FC	80.0%	100.0%	FC	80.0%	100.0%
SAS COGEDIM EST	419461546		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM PROVENCE	442739413		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM SAS	54500814		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM VALORISATION	444660393		NI	0.0%	0.0%	FC	100.0%	100.0%
SCI COLOMBES CHARLES DE GAULLE	489927996	Joint venture	EM	45.0%	45.0%	EM	45.0%	45.0%
SCI COLOMBES ETIENNE D'ORVES	479534885	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV COLOMBES AUTREMENT	528287642		FC	52.0%	100.0%	FC	52.0%	100.0%
SCCV 121-125 RUE HENRI BARBUSSE	494577455	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV CONFLANS FOCH	802774810		FC	60.0%	100.0%	FC	60.0%	100.0%
SNC CORIFIAL	306094079		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI COURBEVOIE - HUDRI	483107819		FC	80.0%	100.0%	FC	80.0%	100.0%
SCI COURBEVOIE ST DENIS FERRY	479626475	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC NOTRE DAME	432870061		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC GARCHES LE COTTAGE	562105569		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV DOMAINE DE LA GARDI	535109011		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV DOMAINE DES HAUTS DE FUVEAU	535072425		FC	100.0%	100.0%	FC	100.0%	100.0%
SARL ECOSPACE	517616017	Affiliate	NI	0.0%	0.0%	EM	10.0%	10.0%
SARL FINANCIERE BONNEL	400570743		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI FRANCHEVILLE-BOCHU	488154329	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC CHARENTON GABRIEL PERI	518408188		FC	60.0%	100.0%	FC	60.0%	100.0%
SNC GARCHES 82 GRANDE RUE	481785814	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV GARCHES LABORATOIRE EST	531559557		FC	51.0%	100.0%	FC	51.0%	100.0%
SNC D'ALSACE	493674196		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV HAILLAN MEYCAT	501411995		NI	0.0%	0.0%	FC	100.0%	100.0%
SNC HEBERT	504145004		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV HOUILLES ZAC DE L'EGLISE	531260776	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI VILLA HAUSSMANN RIVE SUD	437674955		FC	60.0%	100.0%	FC	60.0%	100.0%
SCI ILOT 6BD GALLIENI FORUM SEINE	433735479	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV IVRY GUNSBOURG	793375429		FC	54.0%	100.0%	FC	54.0%	100.0%
SNC DULAC - ROUMANILLE	513406942		FC	99.0%	100.0%	FC	99.0%	100.0%
SCCV JOINVILLE PARIS LIBERTE	814629655		FC	51.0%	100.0%	NI	0.0%	0.0%
SCCV DE L'ORAISON	794048959		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV L'ILE VERTE	509642005		FC	100.0%	100.0%	FC	100.0%	100.0%

			31/12/2015			31/12/2014		
COMPANY	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV COGESIR	753460062		FC	70.0%	100.0%	FC	70.0%	100.0%
SCCV LEVALLOIS MARCEAU	501580583		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV LA COURNEUVE JEAN JAURES	793341660		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC FONCIERE ILES D'OR	499385094		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LA MOLE VILLAGE 1	488424250		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LA MOLE VILLAGE 2	488423724		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LA MOLE VILLAGE 3	488424185		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV LA MOLE VILLAGE 5	488423310		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LA MOLE VILLAGE 6	488423260		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LA TESTE VERDUN	521333666		FC	70.0%	100.0%	FC	70.0%	100.0%
SNC LAENNEC RIVE GAUCHE	449666114		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LE CHESNAY 127 VERSAILLES	801526716		FC	90.0%	100.0%	FC	90.0%	100.0%
SCI LE CHESNAY LA FERME	485387286	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LE CLOS DU PARC	533718029	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV MASSY COGFIN	515231215	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LE JARDIN DU COUVENT	533714168	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV LE PARADISIO	537797649		FC	90.0%	100.0%	FC	90.0%	100.0%
SNC LE PINET	501286124		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV LE TOUQUET DUBOC	812050870	Joint venture	EM	50.0%	50.0%	NI	0.0%	0.0%
SCCV LES COLORIADES	538153248	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV TOULOUSE GUILHEMERY	512568007		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV DOUVAINE - LES FASCINES	514276369		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LES FELIBRES	531317220		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI PIERRE DUPONT N°16 LYON	428092118		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV JEAN MOULIN 23 LES LILAS	490158839	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI PHOCEENS	483115404		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC LES ROSES DE CARROS	524599388	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SAS LEVALLOIS 41-43 CAMILLE PELLETAN	489473249		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI LEVALLOIS ILOT 4.1	409853165		FC	50.0%	100.0%	FC	50.0%	100.0%
SCI 65 LACASSAGNE - LYON 3	451783732		FC	71.5%	100.0%	FC	71.5%	100.0%
SNC NOVEL GENEVE - LYON 6	481997609	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV RUE JEAN NOVEL - LYON 6	490160785	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV LYON 7 - 209 BERTHELOT	750698300		FC	60.0%	100.0%	FC	60.0%	100.0%
SCCV TUILERIES - LYON 9	452819725	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV MAISON ALFORT SANGNIER	791796543	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI MAISONS ALFORT VILLA MANSART	443937040	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV MALAKOFF DUMONT	752776591		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV MALAKOFF LAROUSSE	514145119		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ALTA CRP MANTES LE JOLIE	490886322		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV MANTES DUNANT	803318393	Joint venture	EM	60.0%	60.0%	EM	60.0%	60.0%
SCI MARSEILLE 514 MADRAGUE VILLE	482119567		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI COTE PARC	447789595		FC	58.0%	100.0%	FC	58.0%	100.0%
SCCV MARSEILLE SERRE	528065618		FC	70.0%	100.0%	FC	70.0%	100.0%
SCCV PROVENCE BORELLY	503396582		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV MASSY PQR	521333930		FC	75.0%	100.0%	FC	75.0%	100.0%
SCCV MASSY MN	521333476	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SAS MB TRANSACTIONS	425039138		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV MEUDON HETZEL CERF	518934690		FC	51.0%	100.0%	FC	51.0%	100.0%
SCI VAUGIRARD MEUDON	441990926		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV - ESPACE ST MARTIN	493348007	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI NANTERRE-ST MAURICE	481091288		FC	71.5%	100.0%	FC	71.5%	100.0%
SCCV NANTERRE PRIVINCES FRANCAISES LOT A3	793491812	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC NANTES CADENIERS	500650981		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV NANTES RENNES & CENS	752249482	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV NANTES RUSSEIL	514480557	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV BOURDON CHAUVEAU NEUILLY	489104125		FC	70.0%	100.0%	FC	70.0%	100.0%
SCCV BOURDON 74 NEUILLY	492900741		FC	70.0%	100.0%	FC	70.0%	100.0%
SCCV 66 CHAUVEAU NEUILLY	507552040	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC PLUTON / NICE PASTORELLI	494925662		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI FRATERNITE MICHELET A NOISY LE SEC	504969692		FC	50.0%	100.0%	FC	50.0%	100.0%
SCCV PANTIN MEHUL	807671656		FC	51.0%	100.0%	FC	51.0%	100.0%
SNC CHERCHE MIDI 118 PARIS 6e	423192962		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COUR SAINT LOUIS	531197176	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC PARIS 11e PASSAGE SAINT AMBROISE	479985632		NI	0.0%	0.0%	FC	100.0%	100.0%
SCI BRILLAT SAVARIN 86 PARIS XIII	487504300	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV PARIS CAMPAGNE PREMIERE	530706936		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC MURAT VARIZE	492650288		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV PARIS 19 MEAUX 81 -83	537989667		FC	60.0%	100.0%	FC	60.0%	100.0%
SAS PARIS 8E 35 RUE DE PONTHIEU	477630057	Joint venture	NI	0.0%	0.0%	EM	50.0%	50.0%
SCI PENITENTES	379799745		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV CACHAN GABRIEL PERI 1	537407140		FC	90.0%	100.0%	FC	90.0%	100.0%
SCCV PORTE DE DESMONT	811049626	Joint venture	EM	50.0%	50.0%	NI	0.0%	0.0%
SCCV PUTEAUX LES PASTOURELLES	802997510		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV RADOIRE ORDET	PENDING		FC	80.0%	100.0%	FC	80.0%	100.0%
SNC REPUBLIQUE	443802392		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV REZE-JEAN-JAURES	788521375		FC	51.0%	100.0%	FC	51.0%	100.0%
SCI DU RIO D'AURON	443924774		NI	0.0%	0.0%	FC	60.0%	100.0%
SCCV RIVES D'ALLAUCH	494440464	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC RIVIERE SEINE	502436140		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV ROMAINVILLE HORIZON	813650769		FC	51.0%	100.0%	NI	0.0%	0.0%
SCCV COEUR DE LA BOUVERIE	490874021		NI	0.0%	0.0%	FC	100.0%	100.0%
SCI RUE DE LA GARE	533718177	Joint venture	EM	45.0%	45.0%	EM	45.0%	45.0%
SCI ST-CLOUD 9/11 RUE DE GARCHES	444734669	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LES CELESTINES	481888196	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%

			31/12/2015			31/12/2014		
COMPANY	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCCV PHOENIX	487776551		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV SAINT MANDE MOUCHOTTE	529452773	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SARL LES JARDINS DE DAUDET	444326797	Joint venture	EM	37.5%	37.5%	EM	37.5%	37.5%
SCI DOMAINE DE MEDICIS	450964465		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV SAINTE MARGUERITE	501662233	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI SALON DE PROVENCE - PILON BLANC	488793381		NI	0.0%	0.0%	FC	100.0%	100.0%
SAS ROURET INVESTISSEMENT	441581030		FC	100.0%	100.0%	FC	100.0%	100.0%
SAS SAINT-OUEN-PARKING BATELIERS NORD	790807150	Affiliate	EM	28.2%	28.2%	EM	28.2%	28.2%
SCCV ANTONY GRAND PARC 2	752973818		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV ANTONY GRAND PARC HABITAT 1	524010485		FC	51.0%	100.0%	FC	51.0%	100.0%
SNC BAUD MONT - BAUD RIVAGE	501222038		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV CARTOUCHERIE ILOT 1.5 A	790832190	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV COTO	814221453		FC	51.0%	100.0%	NI	0.0%	0.0%
SCCV FONTAINE DE LATTES	790866339		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV HOUILLES SEVERINE	522144609	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV MASSY COLCOGE	504685884		FC	100.0%	100.0%	FC	80.0%	100.0%
SCCV NICE GOUNOD	499315448		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV SAINT ORENS LE CLOS	515347953		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV TASSIN CONSTELLATION	499796159	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI DE LA PAIX	800702003	Joint venture	EM	36.0%	36.0%	EM	36.0%	36.0%
SCI LES OPALINES	413093170		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV HANOI GUERIN	499516151	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI SERRIS QUARTIER DU PARC	444639926	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV SEVRAN FREINVILLE	801560079		FC	60.0%	100.0%	FC	60.0%	100.0%
SCCV SEVRES FONTAINES	789457538		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV SEVRES GRANDE RUE	531294346		FC	51.0%	100.0%	FC	51.0%	100.0%
SNC A.G. INVESTISSEMENT	342912094		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ALTAREA HABITATION	479108805		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ALTAREA INVESTISSEMENT	352320808		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC LA BUFFA	394940183	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC COGEDIM AQUITAINE	388620015		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM ATLANTIQUE	501734669		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM CITALIS	450722483		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM DEVELOPPEMENT	318301439		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM GRAND LYON	300795358		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM GRENOBLE	418868584		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM LANGUEDOC ROUSSILLON	532818085		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM MEDITERRANEE	312347784		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM MIDI-PYRENEES	447553207		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM PARIS METROPOLE	319293916		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM PATRIMOINE	420810475		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM SAVOIES-LEMAN	348145541		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM TRADITION	315105452		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM VENTE	309021277		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC CORESI	380373035		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC CSI	751560483		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC DU RHIN	501225387		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC COGEDIM GESTION	380375097		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC PROVENCE L'ETOILE	501552947		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC RIVIERA - VILLA SOLANA	483334405		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ST GENIS - RUE DARCIEUX	793115908		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV SAINT CLOUD PALISSY	792326704		FC	51.0%	100.0%	FC	51.0%	100.0%
SCCV SAINT CYR COEUR DE PLAINE	813335148		FC	80.0%	100.0%	NI	0.0%	0.0%
SCCV SAINT HERBLAIN PLAISANCE	498619444		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV ST OUEN LES COULEURS DU PARC	789712528		FC	92.4%	100.0%	FC	92.4%	100.0%
SCCV TERRA MEDITERRANEE	503423782		NI	0.0%	0.0%	FC	100.0%	100.0%
SNC DANUBE	483158382		NI	0.0%	0.0%	FC	100.0%	100.0%
SCI 123 AV CH. DE GAULLE	420990889		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV THONON - CLOS ALBERT BORDEAUX	512308404		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV RIOU	490579224		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI LE PARC DE BORDEROUGE	442379244	Joint venture	NI	0.0%	0.0%	EM	40.0%	40.0%
SCCV SAINTE ANNE	499514420		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV TOULOUSE HARAUCOURT	501635437		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV TOULOUSE BUSCA	511512071		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV VALLEIRY LE VERNAY	750744575		FC	70.0%	100.0%	FC	70.0%	100.0%
SCI VANVES MARCHERON	484740295	Joint venture	EM	37.5%	37.5%	EM	37.5%	37.5%
SCCV VANVES BLEUZEN	513178830	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC VAUBAN	501548952		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV GREEN ATTITUDE	807582267		FC	90.0%	100.0%	FC	90.0%	100.0%
SNC PROVENCE LUBERON	520030206		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV LC2 -VENISSIEUX	532790052		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC VERCO	504664798		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC LES AQUARELLES	492952635		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC VAUGRENIER1214 V.LOUBET	434342648		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC VILLEURBANNE LA CLEF DES PINS	961505641		NI	0.0%	0.0%	FC	100.0%	100.0%
SNC CARNOT	433906120		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC D'ALBIGNY	528661721		NI	0.0%	0.0%	FC	100.0%	100.0%
SCCV VITRY 82	793287392		FC	75.0%	100.0%	FC	75.0%	100.0%
SCI CIRY-VIRY	490793221		FC	100.0%	100.0%	FC	100.0%	100.0%
SCCV VITRY BALZAC	807649355		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC WAGRAM	500795034		FC	100.0%	100.0%	FC	100.0%	100.0%
Offices								
ALTAREA COGEDIM ENTREPRISE PROMOTION SNC	535056378		FC	100.0%	100.0%	FC	100.0%	100.0%

COMPANY	SIREN		31/12/2015 Method	31/12/2015 Interest	31/12/2015 Consolidation	31/12/2014 Method	31/12/2014 Interest	31/12/2014 Consolidation
ACEP INVEST 2 CDG NEUILLY / EX ACEP INVEST 4	794194274	Affiliate	EM	16.7%	16.7%	EM	16.7%	16.7%
ACEP INVEST 2 HOLDING SCI	794194274	Affiliate	EM	16.7%	16.7%	EM	16.7%	16.7%
ACEP INVEST 3	751731530	Affiliate	NI	0.0%	0.0%	EM	16.7%	16.7%
AF INVESTCO 4 (SCI)	798601936	Affiliate	EM	8.4%	8.4%	EM	8.3%	8.3%
AF INVESTCO 5 (SCI)	798601936	Affiliate	EM	30.1%	30.1%	EM	16.7%	16.7%
MONTIGNY NEWTON SNC	750297137		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA VAI HOLDCO A	424007425		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAFUND General Partner sarl	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAFUND OPCI (SPPICAV)	539124529	Affiliate	EM	16.7%	16.7%	EM	16.7%	16.7%
ALTAREA COGEDIM ENTREPRISE ASSET MANAGEMENT SNC	534207386		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA COGEDIM ENTREPRISE HOLDING SNC	534129283		FC	100.0%	100.0%	FC	100.0%	100.0%
ANDROMEDE CAMPUS SNC	798013280		FC	100.0%	100.0%	FC	100.0%	100.0%
GERLAND 1 SNC	503964629	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
GERLAND 2 SNC	503964702	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PASCALHOLDCO (SPICCAV)	809845951	Affiliate	EM	15.1%	15.1%	NI	0.0%	0.0%
PASCALPROPCO (SAS)	437929813	Affiliate	EM	15.1%	15.1%	NI	0.0%	0.0%
WATT SNC	812030302		FC	100.0%	100.0%	NI	0.0%	0.0%
SCCV BALMA ENTREPRISE	524105848	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC ISSY 25 CAMILLE DESMOULINS	390030542		FC	100.0%	100.0%	FC	100.0%	100.0%
SARL CLICHY EUROPE 4	442736963	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC COEUR D'ORLY PROMOTION	504160078	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SAS COGEDIM OFFICE PARTNERS	491380101	Affiliate	EM	16.5%	16.5%	EM	16.5%	16.5%
SNC EUROMED CENTER	504704248	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC FORUM 11	434070066	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SNC ISSY 11.3 GALLIENI	492450168	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LEVALLOIS ANATOLE FRANCE FRONT DE SEINE	343926242		NI	0.0%	0.0%	FC	85.0%	100.0%
SCI AXE EUROPE LILLE	451016745	Joint venture	EM	45.0%	45.0%	EM	45.0%	45.0%
SCCV SILOPARK	799237722	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV TECHNOFFICE	799125109	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC ROBINI	501765382	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCCV SAINT ETIENNE - ILOT GRUNER	493509723		NI	0.0%	0.0%	FC	100.0%	100.0%
SARL ASNIERES AULAGNIER	487631996	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SAS ALTA RICHELIEU	419671011		FC	100.0%	100.0%	FC	100.0%	100.0%
SAS CLAIRE AULAGNIER	493108492		FC	95.0%	100.0%	FC	95.0%	100.0%
SAS COP BAGNEUX	491969952	Affiliate	EM	16.5%	16.5%	EM	16.5%	16.5%
SAS LIFE INTERNATIONAL COGEDIM	518333448		FC	50.1%	100.0%	FC	50.1%	100.0%
SCI COP BAGNEUX	492452982	Affiliate	EM	16.5%	16.5%	EM	16.5%	16.5%
SNC COGEDIM ENTREPRISE	424932903		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC SAINT-DENIS LANDY 3	494342827	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC DU PARC INDUSTRIEL DE SAINT-PRIEST	443204714		FC	80.0%	100.0%	FC	80.0%	100.0%
SCCV BLAGNAC GALILEE	501180160		FC	100.0%	100.0%	FC	100.0%	100.0%
SCI ZOLA 276 - VILLEURBANNE	453440695		FC	75.0%	100.0%	FC	75.0%	100.0%

4.3 Changes in in the scope of consolidation

(in number of companies)	31/12/2014	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2015
Fully-consolidated subsidiaries	216	1	20		(25)	(1)	211
Joint ventures *	75		4	(1)	(1)		77
Affiliates *	46	1	2	(3)	(6)	1	41
Total	**337**	**2**	**26**	**(4)**	**(32)**	**–**	**329**

* Entities consolidated under the equity method.

Inclusions in the scope of consolidation pertain in particular to the acquisition of SAS Pascal Propco, which holds the Pascal Towers – La Défense through the AltaFund investment fund, and a residential development company, SCCV Rosso.

Removals from the scope of consolidation pertain in particular to the disposal of an office building in Paris (through the AltaFund investment fund), and three real estate development companies (two subsidiaries of the Histoire et Patrimoine Group and one subsidiary of Cogedim SAS).

4.4 Operation held for sale

In the summer of 2015, Carrefour made a commitment to the Group to purchase Rue du Commerce, under the terms of a preliminary sales agreement. The sale took place on January 1, 2016.

The Group's online retail operation, which was composed exclusively of the Rue du Commerce subsidiary is thus shown, in accordance with IFRS 5, as a discontinued operation.

The Group ceased amortization of the assets of this operation as of the date when they were classified as a discontinued operation.

Net income from this activity and its cash flow are shown on a separate line, respectively, in the consolidated statement of comprehensive income, the consolidated income statement, and the cash flow statement.

The assets and liabilities of this activity are presented on separate lines of the Group's balance sheet at December 31, 2015, without restating the balance sheet for the prior financial year.

Indicators of income and cash flow for the operation held for sale are presented as follows:

Indicators of income

(€millions)	31/12/2015	31/12/2014
Distribution and other revenue	*245.1*	*305.5*
Cost of sales and other expenses	*(242.6)*	*(293.9)*
Retail margin	2.5	11.7
Marketplace commissions	10.8	11.1
Operating expenses	(43.4)	(42.2)
Net allowances for depreciation and impairment	(3.9)	(4.3)
Transaction costs	(2.6)	(0.4)
Operating Income	**(36.6)**	**(24.1)**
Net borrowing costs	**(0.0)**	**(0.5)**
Income before tax	**(36.6)**	**(24.7)**
Corporate income tax	**0.7**	**(0.2)**
NET INCOME	**(35.9)**	**(24.8)**
Non-controlling interests in discontinued operations	**–**	**0.0**
NET INCOME , attributable to Group shareholders	**(35.9)**	**(24.8)**
Impairment of the discontinued operation less costs to sell	**(34.0)**	**–**
NET INCOME from discontinued operations, attributable to Group shareholders	**(69.9)**	**(24.8)**

Indicators of cash flow

(€millions)	31/12/2015	31/12/2014
Cash flow from operating activities	(23.8)	(21.1)
Cash flow from investment activities	(10.7)	(9.6)
Cash flow from financing activities	(0.8)	30.6
Net cash flow	**(35.3)**	**(0.0)**
Cash balance at period-end	(7.6)	
Net cash flow discontinued operations (1)	**(42.9)**	**(0.0)**

(1) Line presented in the Group's cash flow statement.

These cash flows do not take costs to sell into account.

4.5 Securities and receivables in equity affiliates and unconsolidated interests

In application of IFRS 10, 11 and 12, the following are recognized under securities and investments in equity affiliates: investments in joint ventures and affiliate companies, including receivables from these holdings.

4.5.1 Changes in securities and investments in equity affiliates and non-consolidated interests

(€millions)	Equity-accounting value of joint ventures	Equity accounting value of affiliated companies	Value of stake in equity-method affiliates	Non-consolidated securities	Receivables from joint ventures	Receivables from affiliated companies	Receivables from equity-method subsidiaries and non-consolidated interests	Total securities and investments in equity affiliates and non-consolidated interests
At January 1, 2014	**20.4**	**78.2**	**98.5**	**0.2**	**21.8**	**8.7**	**30.6**	**129.3**
Dividend per share	(9.0)	(2.4)	**(11.4)**	**–**	–	–	**–**	**(11.4)**
Share of earnings	6.2	13.7	**19.9**	**–**	–	–	**–**	**19.9**
Capital increase	6.5	(9.7)	**(3.3)**	**–**	–	–	**–**	**(3.3)**
Change in financial receivables	(0.0)	0.0	**0.0**	**(0.0)**	13.6	(2.0)	**11.5**	**11.5**
Allocations to and reversals of provisions	–	–	**–**	**(0.0)**	–	–	**–**	**(0.0)**
Other variations	(5.6)	(0.3)	**(5.9)**	**(0.0)**	–	–	**–**	**(5.9)**
Change in scope of consolidation	(0.1)	11.8	**11.7**	**0.2**	(2.6)	2.6	**0.0**	**11.9**
At December 31, 2014	**18.3**	**91.2**	**109.5**	**0.3**	**32.8**	**9.4**	**42.1**	**152.0**
Dividend per share	(5.5)	(2.9)	**(8.4)**	**–**	–	–	**–**	**(8.4)**
Share of earnings	9.6	7.0	**16.6**	**–**	–	–	**–**	**16.6**
Capital increase	0.0	6.0	**6.0**	**–**	–	–	**–**	**6.0**
Change in financial receivables	–	0.0	**0.0**	**(0.0)**	(1.8)	18.5	**16.8**	**16.7**
Allocations to and reversals of provisions	–	–	**–**	**0.0**	–	–	**–**	**0.0**
Other variations	(0.5)	(0.2)	**(0.7)**	**(0.0)**	–	–	**–**	**(0.8)**
Change in scope of consolidation	(0.0)	0.3	**0.3**	**(0.0)**	(0.0)	(1.1)	**(1.2)**	**(0.9)**
At December 31, 2015	**21.9**	**101.4**	**123.2**	**0.2**	**30.9**	**26.8**	**57.7**	**181.2**

4.5.2 Equity-accounting value of joint ventures and affiliated companies

(€millions)	Net value of equity-method affiliates 31/12/2015	Net value of equity-method affiliates 31/12/2014
Joint ventures :		
Online retail	**–**	–
Residential	**16.7**	6.6
Office	**5.2**	11.7
Equity-accounting value of joint ventures	**21.9**	**18.3**
Affiliates :		
Online retail	**–**	–
Diversification	**73.5**	69.1
Residential	**16.0**	17.2
Office	**11.9**	4.9
Equity-accounting value of affiliated companies	**101.4**	**91.2**
Value of equity investments in joint ventures and affiliated companies	**123.2**	**109.5**

4.5.3 Principal balance sheet and income statement items of joint ventures

Share of balance sheet items of joint ventures

(€millions)	Residential	Office	31/12/2015	Residential	Office	31/12/2014
Non-current assets	2.2	0.3	**2.5**	1.3	0.3	**1.6**
Current assets	114.9	48.0	**162.9**	85.4	49.6	**134.9**
Total assets	**117.1**	**48.3**	**165.4**	**86.7**	**49.8**	**136.6**
Non-current liabilities	10.4	1.3	**11.7**	13.8	3.6	**17.4**
Current liabilities	90.0	41.8	**131.8**	66.3	34.6	**100.9**
Total liabilities	**100.4**	**43.1**	**143.5**	**80.1**	**38.1**	**118.2**
Net assets (equity-accounting basis)	**16.7**	**5.2**	**21.9**	**6.6**	**11.7**	**18.3**

Share of income statement items

(€millions)	Residential	Offices	31/12/2015	Residential	Offices	31/12/2014
Operating income	**6.8**	**3.4**	**10.1**	**1.0**	**3.0**	**4.0**
Net borrowing costs	(0.0)	(0.0)	**(0.0)**	(0.1)	0.0	**(0.0)**
Pre-tax income	**6.8**	**3.3**	**10.1**	**0.9**	**3.0**	**3.9**
Corporate income tax	(0.8)	0.2	**(0.5)**	–	2.4	**2.3**
Net income after tax	**6.0**	**3.5**	**9.6**	**0.8**	**5.4**	**6.2**
Non-Group income or loss	–	–	**–**	0.0	–	**0.0**
Net income , attributable to Group shareholders	6.0	3.5	**9.6**	0.8	5.4	**6.2**

Group revenues from joint ventures amounted to €9.8 million d'euros at December 31, 2015, compared to €11.4 million one year earlier.

4.5.4 Principal balance sheet and income statement items of affiliated companies

Share of balance sheet items of affiliates

(€millions)	Residential	Office	Diversification	31/12/2015	Residential	Office	Diversification	31/12/2014
Non-current assets	7.8	58.4	87.0	**153.2**	7.1	24.7	82.5	**114.4**
Current assets	66.6	9.9	33.2	**109.7**	86.2	16.0	31.1	**133.3**
Total assets	**74.4**	**68.3**	**120.2**	**262.9**	**93.3**	**40.7**	**113.6**	**247.7**
Non-current liabilities	2.2	45.3	21.2	**68.7**	5.3	20.4	21.6	**47.3**
Current liabilities	56.2	11.1	25.6	**92.9**	70.8	15.4	22.9	**109.1**
Total liabilities	**58.4**	**56.4**	**46.8**	**161.6**	**76.1**	**35.8**	**44.5**	**156.5**
Net assets (equity-accounting basis)	**16.0**	**11.9**	**73.5**	**101.4**	**17.2**	**4.9**	**69.1**	**91.2**

Share of income statement items

(€millions)	Residential	Office	Diversification	31/12/2015	Residential	Office	Diversification	31/12/2014
Operating income	**(0.9)**	**1.7**	**9.2**	**10.0**	**3.3**	**5.4**	**9.9**	**18.6**
Net borrowing costs	(0.1)	(0.9)	0.2	**(0.8)**	0.0	(0.5)	0.3	**(0.2)**
Change in value of hedging instruments	–	(0.0)	–	**(0.0)**	–	(0.1)	–	**(0.1)**
Proceeds from the disposal of investments	(0.2)	–	–	**(0.2)**	–	0.0	(0.0)	**(0.0)**
Dividend per share	(0.0)	–	0.5	**0.5**	–	–	0.6	**0.6**
Pre-tax income	**(1.2)**	**0.8**	**9.9**	**9.5**	**3.4**	**4.8**	**10.7**	**18.9**
Corporate income tax	1.0	(0.1)	(3.4)	**(2.5)**	(1.2)	(0.4)	(3.6)	**(5.2)**
Net income after tax	**(0.3)**	**0.7**	**6.6**	**7.0**	**2.2**	**4.4**	**7.1**	**13.7**
Non-Group income or loss	0.0	–	–	**0.0**	0.0	–	–	**0.0**
Net income , attributable to Group shareholders	(0.3)	0.7	6.6	**7.0**	2.2	4.4	7.1	**13.7**

Group revenues from affiliates amounted to €2.9 million at December 31, 2015 compared to €3.3 million at the end of 2014.

4.5.5 Commitments given or received in connection with joint ventures (in Group share)

Commitments given

Cogedim Résidences Services undertook to pay rent in connection with the leasing of the Résidences Services Cogedim Club®. In exchange, Cogedim Résidence Services receives the lease payments of the sub-lessees.

Completion guarantees were given in connection with Property Development activities for joint ventures in the amount of €15.0 million.

Commitments received

Those commitments are not significant at December 31, 2015.

5 INCOME

5.1 Operating income

5.1.1 Net property income

The €72.1 million in Net property income for the Residential business, up by €17.3 million, is related to the high level of business activity in 2014 and 2015. Net property income for the Office business increased by €8.0 million, reaching €14.2 million, driven mainly by the completion of the Safran regional office in Blagnac (Andromède urban development zone) in the Toulouse metropolitan area and the future complex intended to house the "headquarters" operations of Sanofi's Animal Health and Vaccination divisions (Merial and Sanofi-Pasteur) in Lyon.

5.1.2 Net overhead expenses

Net overhead expenses relating to the Group's service providers came to €23.3 million in 2015, compared to €19.0 million for the prior year.

These include:

- staff costs;
- other overhead costs including operating expenses (rent for the registered office) and normal fees;
- services provided by Group service companies for third parties or on a proprietary basis.

PERSONNAL COSTS

(€millions)	31/12/2015	31/12/2014
Personnel compensation	(47.7)	(45.4)
Social security contributions	(21.5)	(20.3)
Share-based payments to personnel	(0.8)	(0.8)
Incentive and profit-sharing	(4.2)	(0.0)
Other personnel expenses	(4.6)	(2.9)
Benefits payable at retirement (IFRS)	(0.5)	(0.4)
Personnel expense	**(79.4)**	**(69.8)**

5.1.3 Other items contributing to operating income

OTHER INCOME AND EXPENSE

These include primarily fees, taxes and duties, and bank fees incurred by Group companies that are not service providers, and ancillary income and expenses outside of the Group's activities.

DEPRECIATION EXPENSES

These relate to operating assets of the Group's ancillary activities.

TRANSACTION COSTS

These concerned mainly transaction costs unrelated to ordinary business operations. No transactions costs were incurred in 2015 and 2014.

NET CHARGE TO PROVISIONS FOR RISKS AND CONTINGENCIES

At December 31, 2015, this amount is slightly negative.

SHARE IN EARNINGS OF EQUITY-METHOD AFFILIATES

The share of earnings of equity-method associates accounted for income of €16.6 million in 2015 compared to €19.9 million in 2014. (see note "Securities and investments in equity affiliates and non-consolidated interests").

5.2 Net borrowing cost and other financial items

5.2.1 Net borrowing cost and other financial items

(€millions)	31/12/2015	31/12/2014
Bank interest expenses(1)	(17.0)	(16.4)
Interest on partners' advances	(0.4)	(0.5)
Interest rate on hedging instruments	(0.1)	(0.3)
Non-use fees	(0.3)	(0.1)
Other financial expenses	(1.7)	(1.0)
Capitalized finance costs	4.0	4.4
Financial expenses	**(15.4)**	**(13.8)**
Net proceeds from the sale of marketable securities	0.1	0.4
Interest on partners' advances	1.5	0.6
Other interest income	0.1	0.1
Interest income on bank current accounts	–	0.0
Interest on rate hedging instruments	7.7	5.5
Financial income	**9.4**	**6.5**
NET BORROWING COSTS	**(6.0)**	**(7.3)**

(1) Interest costs on loans from credit institutions include the effect of amortizing issuance costs in accordance with IAS 32 and IAS 39, for an amount of -€5.0 million compared to -€1.1 million. These fees incurred in the past have no cash impact over the period.

Interest costs on loans from credit institutions include the effect of amortizing issuance costs in accordance with IAS 32 and IAS 39.

Capitalised interest expenses relate only to companies carrying an asset under development or construction (Residential and Office Property operating segments) and are deducted from interest paid to credit institutions.

The capitalization rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets is the interest rate on financing assigned specifically to asset development or, if there is no specific financing, to the average cost of debt borne by the Group and not assigned specifically to another purpose.

5.2.2 Impact of income from financial instruments

Changes in value of financial instruments and proceeds from their disposal resulted in a net charge of -€8.3 million at December 31, 2015 compared to a net charge of -€6.8 million at December 31, 2014. This figure reflects the aggregate changes in value of interest rate economic hedging instruments used by the Group and amounts paid to restructure several hedging instruments. Balancing cash payments at December 31, 2015 represented an outflow of €5.8 million.

5.3 Income tax

ANALYSIS OF TAX EXPENSE

Tax expense is analyzed as follows:

(€millions)	31/12/2015	31/12/2014 (*)
Tax due	**(0.0)**	**(0.5)**
Tax loss carry forwards and / or use of deferred losses	(8.7)	58.2
Valuation differences	0.0	0.1
Fair value of hedging instruments	0.9	(4.5)
Net property income on a Percentage-of-completion basis	12.8	21.0
Other temporary differences	1.3	0.3
Deferred tax	**6.2**	**75.1**
Total tax income (expense)	**6.2**	**74.6**

(*) The discontinued operation in 2015 is restated in the figures shown for 2014.

EFFECTIVE TAX RATE

(€millions)	31/12/2015	31/12/2014 (*)
Pre-tax income of consolidated companies	**47.3**	**17.5**
Group tax savings (expense)	**6.2**	**74.6**
Effective tax rate	**13.10%**	**N/A**
Tax rate in France	34.43%	34.43%
Theoretical tax charge	**(16.3)**	**(6.0)**
Difference between theoretical and effective tax charge	**22.5**	**80.6**
Differences related to treatment of losses	28.8	75.8
Other permanent differences and rate differences	(6.3)	4.8

(*) The operation held for sale in 2015 is restated in the figures shown for 2014.

Differences related to the treatment of losses correspond to the tax expense for unrecognized losses incurred in the period and / or to tax savings from the use or recognition of a previously unrecognized loss.

DEFERRED TAX ASSETS AND LIABILITIES

(€millions)	Tax loss carry forwards	Valuation differences	Fair value of financial instruments	Net property income on a percentage-of-completion basis	Other temporary differences	TOTAL	
At January 1, 2014	**104.3**	**(33.9)**	**0.1**	**(55.4)**	**20.1**	**35.1**	**(*)**
Expense (income) recognized in the income statement	58.2	0.7	(4.5)	21.0	(0.5)	75.0	
Deferred taxes recognized in equity	–	–	–	–	(0.0)	(0.0)	
Other changes	–	(0.1)	–	26.1	(26.6)	(0.6)	
Change in scope of consolidation	–	–	–	(1.2)	1.1	(0.1)	
At December 31, 2014	**162.5**	**(33.3)**	**(4.4)**	**(9.5)**	**(5.9)**	**109.4**	**(*)**
Reclassification of the assets / liabilities of the discontinued operation	–	10.4	–	(0.0)	(0.1)	10.3	(**)
Expense (income) recognized in the income statement	(8.7)	–	0.9	12.8	1.3	6.2	
Deferred taxes recognized in equity	–	–	–	–	(0.5)	(0.5)	
Change in scope of consolidation	–	–	–	(0.9)	0.9	0.0	
At December 31, 2015	**153.7**	**(22.9)**	**(3.5)**	**2.4**	**(4.4)**	**125.3**	**(**)**

(*) The operation held for sale in 2015 is not restated in the figures shown for 2014.

(**) Deferred taxes from the discontinued operation are reversed in 2015 for the balance at January 1, 2015.

(€millions)	Deferred tax assets	Deferred tax liabilities	Net deferred tax
At December 31, 2014	**109.6**	**0.2**	**109.4**
At December 31, 2015	**125.4**	**0.1**	**125.3**

Deferred taxes recognized in equity relate to the stock option and stock grant plans of Altarea SCA which owns 99,86% of Altareit's capital (expensed under staff costs with a corresponding adjustment to equity in accordance with IFRS 2 and IFRIC 11 interpretation) and the cancellation of gains and losses arising on the sale of treasury shares.They also relate to valuation differences on defined-benefit pension plans (actuarial gains and losses).

Deferred taxes relating to valuation differences correspond primarily to the brands held by the Group.

Deferred taxes relating to recognition of tax losses primarily relate to losses recognized in the Altareit tax group.

Proposed adjustments

Coresi, a Property Development subsidiary, underwent a tax audit that concluded on March 23, 2015. In its proposed adjustment of May 29, 2015, the tax authorities mainly questioned the deductibility of provisions for impairment of securities – acquired solely to dispose of land – in the basic amount of €82.4 million, or a possible impact of cash outflow of €7 million, given the tax situation of its partners.

Coresi has several bases for rejecting these proposed adjustments.

On the advice of its counsel, the Group plans to continue its challenge procedure, which is only at the administrative stage. The Company had the opportunity to present its case before representatives of the tax authorities and is waiting to speak with its departmental contact person. Consequently, no provision was recorded at December 31, 2015.

TAX WORKING CAPITAL REQUIREMENT

(€millions)	Tax receivables	Tax payables	Tax WCR continuing operations	Tax WCR of discontinued operations	Tax WCR
At January 1, 2014	**–**	**(1.3)**	**(1.3)**	**0.9**	**(0.3)**
Tax paid over the year	3.7	1.7	5.3	(0.0)	5.3
Tax charge for the period	–	(0.5)	(0.5)	–	(0.5)
Other changes	–	0.1	0.1	–	0.1
Change in scope of consolidation	0.2	0.0	0.2	–	0.2
Accretion on receivables and payables	–	–	–	–	–
At December 31, 2014	**3.8**	**(0.0)**	**3.8**	**0.9**	**4.7**
Tax paid over the year	0.0	0.1	0.1	–	0.1
Tax charge for the period	–	(0.0)	(0.0)	–	(0.0)
Other changes	–	–	–	–	–
Change in scope of consolidation	–	–	–	–	–
Accretion on receivables and payables	–	–	–	–	–
Reclassification of the discontinued operation	–	–	–	(0.9)	(0.9)
At December 31, 2015	**3.8**	**(0.0)**	**3.8**	**–**	**3.8**
Change in WCR at December 31, 2014	**3.7**	**1.7**	**5.3**	**(0.0)**	**5.3**
Change in WCR at December 31, 2015	**0.0**	**0.1**	**0.1**	**–**	**0.1**

There is none over one-year payable tax.

5.4 Earnings per share

Basic net earnings per share (basic earnings per share) is the income attributable to Group Shareholders compared to the weighted average number of shares in issue during the period, less the weighted average number of treasury shares.

To calculate the diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the potentially dilutive effect of all equity instruments issued by the company.

At December 31, 2015 and 2014, dilution derived only from the granting of rights to bonus shares in Altarea SCA to employees or corporate officers of the Group.

Potential ordinary shares shall be treated as dilutive if the conversion in ordinary shares implies a reduction in the result per share.

(€ millions)	31/12/2015	31/12/2014
Numerator		
Net income from continuing operations attributable to Group shareholders	64.4	105.4
Net income from discontinued operations attributable to Group shareholders	(69.9)	(24.8)
Total net income attributable to Group shareholders	(5.5)	80.6
Denominator		
Weighted average number of shares before dilution	1,748,201	1,748,199
Effect of dilution		
Stock options		
Rights to grant stock awards		
Total potential dilutive effect	–	–
Weighted diluted average number of shares	1,748,201	1,748,199
Basic earnings from continuing operations per share (in €)	**36.82**	**60.32**
Basic earnings from discontinued operations per share (in €)	(39.99)	(14.21)
Basic earnings per share (in €)	**(3.17)**	**46.12**
Diluted earnings from continuing operations per share (in €)	**36.82**	**60.32**
Diluted earnings from discontinued operations per share (in €)	(39.99)	(14.21)
Diluted earnings per share (in €)	**(3.17)**	**46.12**

(*) Adjusted for the impact of the application of IFRIC Interpretation 21 – "Levies" and the application of IFRS 5, "Non-current assets held for sale and discontinued operations."

6 LIABILITIES

6.1 Total shareholders' equity

6.1.1 Share capital, share-based payments and treasury shares

SHARE CAPITAL

(number of shares and in €)	Number of shares	Nominal amount	Share capital
Number of shares outstanding at December 31, 2013	**1,750,487**	**1.50**	**2,626,731 (*)**
No change in 2014			
Number of shares outstanding at December 31, 2014	**1,750,487**	**1.50**	**2,626,731 (*)**
No change in 2015			
Number of shares outstanding at December 31, 2015	**1,750,487**	**1.50**	**2,626,731 (*)**

(*) : Share capital includes an amount of €1,000€ which corresponds to the nominal value of the 10 shares attributed to the managing general partner.

CAPITAL MANAGEMENT

The aim of the Group's capital management is to ensure liquidity and optimize its capital structure.

SHARE-BASED PAYMENTS

Share-based payments are transactions based on the value of securities of Altarea SCA, a listed company that controls Altareit; settlement may be in equity or cash instruments, however plans for Altarea SCA will be settled exclusively in shares.

No stock option plan was underway at December 31, 2015.

The gross cost recorded on the income statement for share-based payments was (€0.8) million in 2015, compared to (€0.8) million in 2014.

STOCK GRANT AWARDS

Over the year 2015, no plans were put in place.

Award date	Number of rights awarded	Vesting date	Rights in issue at 31/12/2014	Awarded (*)	Delivery	Right cancelled (**)	Rights in issue at 31/12/2015
Stock grant plans							
February 18, 2013	48,600	February 18, 2016	33,592			(2,600)	30,992
Total	**48,600**		**33,592**	**–**	**–**	**(2,600)**	**30,992**

(*) The award of rights depends on the respect of assumed fulfilled of-market performance conditions.
(**) Rights cancelled for reasons of departure, lack of certainty that performance criteria have been met or changes in plan terms.

TREASURY SHARES

The acquisition cost of treasury shares (allocated to a liquidity contract) was €50 thousands at December 31, 2015 for 302 shares , compared with €65 thousands at December 31, 2014 for 430 shares.

Treasury shares are eliminated and offset directly in equity.

In addition, a net income on disposal of treasury shares was recognized directly in equity in the amount of +€8.4 thousands before tax at December 31, 2015 (€5.5 thousands after tax) compared with a loss of €4.3 thousands before tax at December 31, 2014 (€2.8 thousands after tax).

The impact on cash flow from purchases and disposals over the period came to €6 thousands at December 31, 2015 compared to €12 thousands at December 31, 2014.

6.1.2 Dividends proposed and paid

No dividend was distributed over 2015.

No distribution of dividend shall be proposed at the General shareholders' meeting over the 2015 accounts which is planned for April 15, 2016.

6.2 Net financial debt and guarantees

CURRENT AND NON-CURRENT BORROWINGS AND FINANCIAL LIABILITIES, AND NET CASH

(€millions)	Treasury notes	Bank borrowings, excluding accrued interest and overdrafts	**Net bank debt, excluding accrued interest and overdrafts**	Accrued interest on bank borrowings	**Bank debt, excluding overdrafts**	Cash and cash-equivalents	Bank overdrafts	**Net cash**	**Net bank debt**	Participating loans and Shareholders' advances	Accrued interest on Shareholders' advances	**Net financial debt from continuing operations**	**Net financial debt from discontinued operations**	**Net financial debt**
At January 1, 2014	**–**	**494.2**	**494.2**	**3.6**	**497.8**	**(153.2)**	**21.4**	**(131.8)**	**365.9**	**51.5**	**0.0**	**417.4**	**(20.6)**	**396.8**
Increase	213.0	346.4	**559.4**	0.6	**560.0**	–	–	**–**	**560.0**	9.6	–	**569.6**	**31.2**	**600.8**
Decrease	(186.0)	(334.4)	**(520.4)**	(0.4)	**(520.8)**	–	–	**–**	**(520.8)**	–	–	**(520.8)**	**–**	**(520.8)**
o / w spreading of issue costs	*–*	*1.1*	***1.1***	*–*	***1.1***	*–*	*–*	***–***	***1.1***	*–*	*–*	***1.1***	***–***	***1.1***
o / w appropriation of income to current accounts	*–*	*–*	***–***	*–*	***–***	*–*	*–*	***–***	***–***	*–*	*–*	***–***	***–***	***–***
Change	–	–	**–**	–	**–**	(71.7)	(21.0)	**(92.7)**	**(92.7)**	–	–	**(92.7)**	**0.0**	**(92.7)**
Change in scope of consolidation	–	–	**–**	–	**–**	0.5	0.0	**0.5**	**0.5**	0.5	–	**1.0**	**–**	**1.0**
At December 31, 2014	**27.0**	**506.2**	**533.2**	**3.7**	**536.9**	**(224.5)**	**0.5**	**(224.0)**	**313.0**	**61.6**	**0.0**	**374.5**	**10.6**	**385.1**
Increase	202.5	139.8	**342.3**	1.0	**343.3**	–	–	**–**	**343.3**	35.5	–	**378.9**	**5.7**	**384.6**
Decrease	(209.0)	(83.9)	**(292.9)**	(0.2)	**(293.1)**	–	–	**–**	**(293.1)**	(6.5)	(0.0)	**(299.6)**	**(0.7)**	**(300.4)**
o / w spreading of issue costs	*–*	*0.5*	***0.5***	*–*	***0.5***	*–*	*–*	***–***	***0.5***	*–*	*–*	***0.5***		***0.5***
o / w appropriation of income to current accounts	*–*	*–*	***–***	*–*	***–***	*–*	*–*	***–***	***–***	*–*	*–*	***–***		***–***
Change	–	–	**–**	(0.0)	**(0.0)**	16.1	1.8	**18.0**	**18.0**	–	–	**18.0**	**18.1**	**36.0**
Reclassification of the discontinued operation	–	–	**–**	–	**–**	–	–	**–**	**–**	–	–	**–**	**(33.6)**	**(33.6)**
Change in scope of consolidation	–	–	**–**	–	**–**	0.0	(0.0)	**0.0**	**0.0**	0.1	–	**0.1**		**0.1**
At December 31, 2015	**20.5**	**562.1**	**582.6**	**4.6**	**587.2**	**(208.3)**	**2.3**	**(206.0)**	**381.2**	**90.7**	**–**	**471.8**	**–**	**471.8**
Current assets at end of 2014	*–*	*–*	***–***	*–*	***–***	*(224.5)*	*–*	***(224.5)***	***(224.5)***	*–*	*–*	***(224.5)***	***(25.7)***	***(250.1)***
Non-current liabilities at end of 2014	*–*	*432.5*	***432.5***	*–*	***432.5***	*–*	*–*	***–***	***432.5***	*0.2*	*–*	***432.6***	***–***	***432.6***
Current liabilities at end of 2014	*27.0*	*73.8*	***100.8***	*3.7*	***104.5***	*–*	*0.5*	***0.5***	***105.0***	*61.4*	*0.0*	***166.3***	***36.2***	***202.6***
Current assets at end of 2015	*–*	*–*	***–***	*–*	***–***	*(208.3)*	*–*	***(208.3)***	***(208.3)***	*–*	*–*	***(208.3)***	***–***	***(208.3)***
Non-current liabilities at end of 2015	*–*	*489.8*	***489.8***	*–*	***489.8***	*–*	*–*	***–***	***489.8***	*0.0*	*–*	***489.8***	***–***	***489.8***
Current liabilities at end of 2015	*20.5*	*72.3*	***92.8***	*4.6*	***97.4***	*–*	*2.3*	***2.3***	***99.7***	*90.6*	*–*	***190.3***	***–***	***190.3***

Bank loans, excluding accrued interest and bank overdrafts, consist of:
- borrowings from credit institutions amounting to € 420.1 million compared with € 376.2 million at December 31, 2014, including the 100% drawdown of a corporate credit line (over €30 million),
- bank financing of Development operations for € 141.9 million compared with € 129.9 million as of December 31, 2014.

The current account with Altarea SCA amounted to €70.2 million at December 31, 2015 versus €66.8 million at December 31, 2014.

Cost of debt is analyzed in the "Income" note.

BREAKDOWN OF BANK DEBT BY MATURITY

(€millions)	31/12/2015	31/12/2014
< 3 months	13.2	39.1
3 to 6 months	56.1	16.7
6 to 9 months	9.7	26.1
9 to 12 months	20.7	23.9
Less than 1 year	**99.7**	**105.7**
2 years	219.8	75.4
3 years	25.7	133.8
4 years	233.8	22.3
5 years	0.9	203.0
1 to 5 years	**480.2**	**434.5**
More than 5 years	**11.6**	**–**
Issuance cost to be amortized	(2.0)	(2.0)
Total gross bank debt	**589.5**	**538.2**

Some financing operations have led to extending the duration of the debt, with the portion above five years representing 2% of gross bank debt at December 31, 2015, compared to 0% at December 31, 2014.

BREAKDOWN OF BANK DEBT BY GUARANTEE

(€millions)	31/12/2015	31/12/2014
Mortgage Commitments	144.2	129.9
Moneylender lien	19.9	4.2
Pledging of securities	200.0	200.0
Altarea SCA security deposit	200.0	170.0
Not Guaranteed	27.4	36.1
Treasury notes	*20.5*	*27.0*
Bank borrowings	*–*	*4.9*
Bank overdrafts	*2.3*	*3.7*
Accrued interest not yet due	*4.6*	*0.5*
Total	**591.5**	**540.2**
Issuance cost to be amortized	(2.0)	(2.0)
Total gross bank debt	**589.5**	**538.2**

Mortgage commitments and the lender's preferential right concern development activities. Pledges of securities and sureties are guarantees given for corporate financing or acquisition of shares.

BREAKDOWN OF BANK DEBT BY INTEREST RATE

	Gross bank debt		
(€millions)	Variable rate	Fixed rate	Total
At December 31, 2015	489.5	100.0	589.5
At December 31, 2014	438.2	100.0	538.2

The market value of fixed rate debt stood at €98.5 million at December 31, 2015.

SCHEDULE OF FUTURE INTEREST EXPENSES

(€millions)	31/12/2015	31/12/2014
< 3 months	1.1	1.4
3 to 6 months	0.9	1.2
6 to 9 months	0.7	1.0
9 to 12 months	0.7	0.9
Less than 1 year	**3.4**	**4.6**
2 years	4.4	2.4
3 years	5.4	3.7
4 years	2.9	5.2
5 years	–	2.6
1 to 5 years	**12.7**	**14.0**

These future interest charges concern borrowings and financial instruments.

6.3 Provisions

(€millions)	Provision for benefits payable at retirement	Other provisions: Residential	Other provisions: Office	Total Other provisions	Continuing operations	Operation held for sale	Total
At January 1, 2014	**6.0**	**5.6**	**0.9**	**6.5**	**12.5**	**4.7**	**17.3**
Increases	0.6	1.4	–	1.4	2.0	0.8	2.8
Reversals used	(0.2)	(0.7)	(0.0)	(0.7)	(0.9)	(2.1)	(3.0)
Reversals of unused provisions	0.0	(0.5)	–	(0.5)	(0.5)	(1.6)	(2.1)
Transfers to another heading	–	(0.1)	–	(0.1)	(0.1)	–	(0.1)
Change in scope of consolidation	(0.0)	–	–	–	(0.0)	–	(0.0)
Actuarial gains and losses	0.2	–	–	–	0.2	0.2	0.4
At December 31, 2014	**6.7**	**5.7**	**0.9**	**6.6**	**13.3**	**2.0**	**15.3**
Increases	0.6	1.1	–	1.1	1.8	0.6	2.3
Reversals used	(0.1)	(0.8)	(0.2)	(1.0)	(1.1)	(2.0)	(3.1)
Reversals of unused provisions	–	(0.3)	(0.3)	(0.6)	(0.6)	–	(0.6)
Transfers to another heading	–	–	–	–	–	0.7	0.7
Change in scope of consolidation	–	(0.0)	–	(0.0)	(0.0)	–	(0.0)
Actuarial gains and losses	(0.7)	–	–	–	(0.7)	(0.2)	(0.9)
Reclassification of the discontinued operation	–	–	–	–	–	(1.1)	(1.1)
At December 31, 2015	**6.5**	**5.8**	**0.4**	**6.1**	**12.6**	**–**	**12.6**
o / w non-current at end of 2014	6.7	5.7	0.9	6.6	13.3	2.0	15.3
o / w current at end of 2014	–	–	–	–	–	–	–
o / w non-current at end of 2015	6.5	5.8	0.4	6.1	12.6	–	12.6
o / w current at end of 2015	–	–	–	–	–	–	–

Residential and Office Property provisions

Provisions for this business mainly cover the risk of disputes arising from construction operations and the risk of the failure of certain partners. Estimates of residual risks involving completed programs (litigation, 10-year guarantee, definitive general statement, etc.) are also included.

Pension commitments

At December 31, 2015, as at one year earlier, the Group engaged an outside actuary to calculate the post-employment benefits in the form of a retirement severance payment to employees.

These benefits fall under the category of a defined benefit plan. Upon retirement, employees receive, from the Altarea Group, a lump sum benefit defined in the collective agreement to which they belong, based on their seniority and monthly salary at retirement.

The main assumptions used when evaluating this commitment are turnover, the salary escalation rate and the change in the discount rate. A deviation from these assumptions represents the principal risk to the benefit scheme.

WEIGHTED-AVERAGE ASSUMPTIONS USED TO CALCULATE PENSION OBLIGATIONS

	2015	2014
Retirement age	Voluntary retirement on the date of eligibility for full pension benefits	Voluntary retirement on the date of eligibility for full pension benefits
Discount rate	1.93%	1.70%
Expected return on investments	1.70%	3.12%
Rate of salary increase	2.40%	2.50%
Cogedim Turnover	4.68%	4.51%
Inflation rate	1.90%	2.00%

The discount rate used is equivalent to the iBoxx rate (rate of return on AA-rated Eurozone corporate bonds with a residual life of more than 10 years).

Expected return on investments, set at 1.70%, represents the discount rate at the end of the previous period, in compliance with IAS 19, as amended.

A change of plus or minus 25 basis points in the expected investment

CHANGE IN COMMITMENT

(€millions)	31/12/2015	31/12/2014
Gross liability at beginning of the year	7.3	6.8
Rights vested during the year	0.5	0.5
Interest expense	0.1	0.2
Service cost	(0.2)	(0.7)
Transfer	–	0.0
Actuarial differences observed	*(0.5)*	*(0.8)*
Actuarial differences assumed	*(0.2)*	*1.2*
Actuarial gains / losses	(0.7)	0.5
Liabilities of the discontinued operation	(0.5)	–
Gross liability at end of the year	6.5	7.3
Plan assets at beginning of the year	0.1	0.5
Withdrawal of funds for payment purposes	(0.1)	(0.5)
Return on plan assets	0.0	0.0
Actuarial gains and losses	–	0.0
Plan assets at end of the year	–	0.1
Net provisions at beginning of the year	7.2	6.3
Net provisions at end of the year	6.5	7.2
(Expense) / income for the period	(0.7)	(0.5)

The existing fund covered the pension commitments of Cogedim employees up to €0.1 million at December 31, 2014. At December 31, 2015, the fund was at zero and no contributions to the insurance policy are expected to be made during the year.

SENSITIVITY OF RESULTS TO ASSUMPTIONS USED

The sensitivity of post-employment benefit measurements is highlighted here. A change of plus or minus 0.25% was applied to the following assumptions: discount rate, salary escalation rate and turnover and plus or minus 10% change to the turnover tables used.

(€millions)	31/12/2015
Value of the commitment at 31/12/2015	**6.5**
Discount rate of -0.25%	0.2
Discount rate of +0.25%	(0.2)
Rate of wage increase of -0.25%	(0.2)
Rate of wage increase of +0.25%	0.2
Turnover rate of -10%	0.1
Turnover rate of +10%	(0.1)

HISTORY OF THE PROVISION

(€millions)	2015	2014	2013	2012	2011
Commitment	6.5	7.3	6.8	7.3	5.7
Financial assets	–	(0.1)	(0.5)	(1.0)	(1.0)
Financial cover	**6.5**	**7.3**	**6.3**	**6.3**	**4.8**
Actuarial (losses) and gains recognized in equity on obligation	(0.7)	0.5	(0.7)	1.0	0.1
Actuarial (losses) and gains recognized in equity on assets	–	(0.0)	(0.0)	(0.0)	(0.0)

MATURITY OF THE BOND

(€millions)	31/12/2015
Length of commitment	10
Payment scheduled for 2016	0.9
Payment scheduled for 2017	0.2
Payment scheduled for 2018	0.3
Payment scheduled for 2019	0.8
Payment scheduled for 2020	0.3
Payment scheduled for between 2021 and 2025	2.0

DETAIL OF INVESTED ASSETS

At December 31, 2015, there were no longer any assets invested.

(€millions)	2015	2014
Shares	–	0.0
Government bonds	–	0.0
Corporate bonds	–	0.0
Property	–	0.0
Detail of invested assets	**–**	**0.1**

7 ASSETS AND IMPAIRMENT TESTS

7.1 Intangible assets and goodwill

Gross (€millions)	Goodwill	Brands	Customer Relationship	Other intangible assets				Continuing operations	Dis-continued operation	Total
				Software	Leasehold Right	Other	Total			
At January 1, 2014	**356.8**	**66.6**	**181.6**	**7.2**	**2.2**	**3.7**	**13.0**	**618.0**	**89.0**	**707.0**
Acquisitions	–	–	–	0.9	0.1	0.0	0.9	**0.9**	**9.9**	**10.9**
Disposals / write-offs	–	–	–	–	–	–	–	**–**	**(1.6)**	**(1.6)**
Transfers	–	–	–	3.5	–	(3.5)	–	**–**	**–**	**–**
At December 31, 2014	**356.8**	**66.6**	**181.6**	**11.6**	**2.2**	**0.2**	**14.0**	**618.9**	**97.3**	**716.2**
Acquisitions	–	–	–	1.1	–	–	1.1	**1.1**	**10.3**	**11.3**
Disposals / write-offs	–	–	–	(0.1)	–	–	(0.1)	**(0.1)**	**(1.5)**	**(1.6)**
Transfers	–	–	–	–	–	–	–	**–**	**(1.4)**	**(1.4)**
Changes in scope	–	–	–	(0.0)	–	–	(0.0)	**(0.0)**	**–**	**(0.0)**
Reclassification of the discontinued operation	–	–	–	–	–	–	–	**–**	**(104.6)**	**(104.6)**
At December 31, 2015	**356.8**	**66.6**	**181.6**	**12.6**	**2.2**	**0.2**	**14.9**	**619.9**	**–**	**619.9**

Depreciations (€millions)	Goodwill	Brands	Customer relationship	Other intangible assets				Continuing operations	Dis-continued operation	Total
				Software	Leasehold Right	Other	Total			
At January 1, 2014	**(243.7)**	**–**	**(181.6)**	**(4.9)**	**(1.5)**	**(3.1)**	**(9.5)**	**(434.8)**	**(52.9)**	**(487.6)**
Impairment, depreciation and amortization	–	–	–	(1.0)	(0.2)	(0.0)	(1.2)	**(1.2)**	**(3.1)**	**(4.3)**
Reversals / Disposals	–	–	–	–	–	–	–	**–**	**0.0**	**0.0**
Transfers	–	–	–	(3.1)	–	3.1	–	**–**	**–**	**–**
At December 31, 2014	**(243.7)**	**–**	**(181.6)**	**(9.0)**	**(1.7)**	**(0.0)**	**(10.7)**	**(436.0)**	**(55.9)**	**(491.9)**
Impairment, depreciation and amortization	–	–	–	(1.0)	(0.2)	(0.0)	(1.2)	**(1.2)**	**(4.2)**	**(5.5)**
Reversals / Disposals	–	–	–	0.0	–	–	0.0	**0.0**	**–**	**0.0**
Transfers	–	–	–	–	–	–	–	**–**	**1.4**	**1.4**
Changes in scope of consolidation	–	–	–	–	–	–	–	**–**	**0.0**	**0.0**
Reclassification of the discontinued operation	–	–	–	–	–	–	–	**–**	**58.7**	**58.7**
At December 31, 2015	**(243.7)**	**–**	**(181.6)**	**(10.0)**	**(2.0)**	**(0.0)**	**(11.9)**	**(437.2)**	**–**	**(437.2)**

	Goodwill	Brands	Customer relationship	Other intangible assets				Continuing operations	Dis-continued operation	Total
				Software	Leasehold Right	Other	Total			
Net values at 01/01/2014	113.0	66.6	–	2.4	0.7	0.5	3.6	**183.2**	**36.1**	**219.3**
Net values at 31/12/2014	113.0	66.6	–	2.6	0.5	0.2	3.2	**182.9**	**41.4**	**224.3**
Net values at 31/12/2015	113.0	66.6	–	2.6	0.2	0.2	3.0	**182.6**	**–**	**182.6**

The balance of goodwill, for €113 million, concerns development activities, specifically, the Cogedim brand.

Goodwill resulting from the acquisition of Cogedim

The monitoring of business indicators in the business review for the Residential and Office segments did not reveal any evidence of impairment for these activities.

The main assumptions used in the valuation of these assets were:

- a discount rate of 9.0%;
- free cash flow over the period of the business plan based on assumptions regarding business volumes and the level of operating margin, which take account of economic and market forecasts in place at the time of preparation;
- ranges for terminal values for the Residential (excl. the stake in Histoire et Patrimoine) and Office segments (excl. the AltaFund investment fund) were calculated using a growth rate of 1.5% starting in 2021 applied to normative

revenues, a normative EBITA range and a normative WCR.

At December 31, 2015, on the basis of these assumptions, the fair value of the economic assets in the Residential and Office segments were higher than their net book value at the same date regardless of the EBITA rate retained. No impairment charge was recognized.

Changes to the assumptions used, deemed reasonable by Management – namely, a growth rate of 1% instead of 1.5% and a discount rate of 9.5% instead of 9.0% – would result in valuations for operating assets (taking account of the average WCR for the period) exceeding their carrying values at December 31, 2015, on the basis of range of normative EBITA. This phenomenon includes intangible assets and goodwill of the Residential and Office segments.

Goodwill recognized in the acquisition of Cogedim thus remained unchanged at €113 million at December 31, 2015.

Brands

Cogedim Brand

The Cogedim brand was assessed individually and as part of the residential CGU (see the previous paragraph).

7.2 Operational working capital requirement

Summary of components of working capital requirement

(€millions)	Net inventories and work in progress	Net trade Receivables	Other Operating receivables – net	Trade and other operating recei-vables – net	Trade payables	Other operating payables	Trade payables and other operating payables	Operational WCR of continuing operations	Operational WCR of discontinuing operations	Operational WCR
At January 1, 2014	**563.8**	110.0	168.6	**278.6**	(255.4)	(273.3)	**(528.7)**	**313.7**	**(7.8)**	**305.9**
Change	8.0	(44.7)	(9.6)	(54.2)	6.2	(14.6)	(8.4)	(54.6)	0.2	(54.4)
Net impairment losses	(0.7)	(0.2)	(0.0)	(0.2)	–	–	–	(0.9)	(1.9)	(2.7)
Transfers	(0.4)	1.1	(0.4)	0.7	4.2	1.9	6.0	6.3	–	6.3
Change in scope of consolidation	0.0	(0.2)	(0.4)	(0.6)	0.1	1.5	1.6	1.0	–	1.0
At December 31, 2014	**570.8**	66.0	158.3	**224.2**	(244.9)	(284.6)	**(529.5)**	**265.5**	**(9.5)**	**256.0**
Change	121.0	29.2	24.3	53.5	(54.5)	(43.5)	(98.0)	76.5	(11.0)	65.5
Net impairment losses	(0.6)	0.1	(0.4)	(0.2)	–	–	–	(0.8)	3.4	2.6
Transfers	–	–	(0.2)	(0.2)	0.0	1.2	1.2	1.0	–	1.0
Change in scope of consolidation	(0.0)	0.0	(0.2)	(0.2)	(0.0)	0.3	0.3	0.0	0.7	0.7
Reclassification of the discontinued operation	–	–	–	–	–	–	–	–	16.4	16.4
At December 31, 2015	**691.2**	95.3	181.8	**277.1**	(299.5)	(326.6)	**(626.0)**	**342.2**	**–**	**342.2**
Change in WCR at end of 2014	**(7.4)**	44.9	9.6	**54.5**	(8.6)	(20.8)	**(29.4)**	**55.5**	**1.6**	**57.2**
Change in WCR at end of 2015	**(120.4)**	(29.3)	(24.0)	**(53.3)**	(54.5)	(43.5)	**(98.0)**	**(75.7)**	**7.6**	**(68.1)**

Nota : presentation excluding payables and receivables on the sale or acquisition of fixed assets.

The Group's operational working capital requirement is essentially linked to the development operating segment.

At December 31, 2015, the operational WCR represented 34.1% of revenues from continuing operations (over 12 months rolling) compared to 32.3% at December 31, 2014.

7.2.1 Inventories and work in progress

(€millions)	Gross inventories	Impairment	Net inventories of continuing operations	Net inventories of the discontinuing operation	Net inventories
At January 1, 2014	**568.2**	**(4.4)**	**563.8**	**35.2**	**599.0**
Change	8.0	0.0	8.0	5.2	13.2
Increases	–	(1.4)	(1.4)	(0.1)	(1.5)
Reversals	–	0.7	0.7	–	0.7
Reclassifications	(0.3)	(0.1)	(0.4)	–	(0.4)
At December 31, 2014	**576.0**	**(5.2)**	**570.8**	**40.3**	**611.1**
Change	121.0	–	121.0	0.0	121.0
Increases	–	(0.6)	(0.6)	–	(0.6)
Reversals	–	0.1	0.1	0.1	0.1
Change in scope of consolidation	(0.0)	–	(0.0)	–	(0.0)
Reclassification of the discontinued operation	–	–	–	(40.4)	(40.4)
At December 31, 2015	**696.9**	**(5.8)**	**691.2**	**–**	**691.2**

Breakdown of net inventory by stage of completion and by activity sector

At December 31, 2015	Residential	Office	Diversification	Total net inventories and work in progress
New programs	36.7	8.6	–	**45.3**
Programs at land stage	119.2	39.6	–	**158.7**
Ongoing programs	429.5	21.0	–	**450.5**
Completed programs	18.1	7.0	–	**25.1**
Dealer transactions	5.0	6.5	–	**11.5**
Goods and merchandise	–	–	0.0	**0.0**
Total	**608.4**	**82.7**	**0.0**	**691.2**

At December 31, 2014	Residential	Office	Diversification	Online retail	Total net inventories and work in progress
New programs	37.2	4.5	–	–	**41.7**
Programs at land stage	37.6	12.0	–	–	**49.6**
Ongoing programs	434.8	13.6	–	–	**448.4**
Completed programs	13.1	8.3	–	–	**21.3**
Dealer transactions	3.3	6.4	–	–	**9.7**
Goods and merchandise	–	–	0.0	40.3	**40.3**
Total	**526.0**	**44.7**	**0.0**	**40.3**	**611.1**

7.2.2 Trade receivables and other accounts receivable

(€millions)	31/12/2015	31/12/2014
Gross trade receivables	**95.9**	**100.2**
Opening impairment	**(5.8)**	**(3.9)**
Increases	(0.0)	(3.1)
Reversals	0.2	1.2
Reclassification of the discontinued operation	5.2	–
Closing impairment	**(0.6)**	**(5.8)**
Net trade Receivables	**95.3**	**94.3**
Advances and down payments paid	29.6	34.2
VAT receivables	123.0	97.7
Sundry debtors	17.7	24.2
Prepaid expenses	15.5	20.0
Principal accounts in debit	–	14.9
Total other operating receivables	**185.8**	**191.0**
Opening impairment	**(3.7)**	**(3.7)**
Increases	(0.9)	(0.2)
Reversals	0.6	0.2
Closing impairment	**(4.1)**	**(3.7)**
Net operating receivables	**181.8**	**187.2**
Trade and other receivables	**277.1**	**281.6**
Receivables on sale of assets	0.2	0.2
Trade and other receivables	**277.3**	**281.8**

TRADE RECEIVABLES

Receivables on off-plan sales (VEFA) are recorded inclusive of all taxes and represent revenues on a percentage of completion basis less receipts received from customers.

Breakdown of trade receivables due:

(€millions)	31/12/2015
Total gross trade receivables	**95.9**
Impairment of trade receivables	(0.6)
Total net trade receivables	**95.3**
Trade accounts to be invoiced	(4.4)
Receivables lagging completion	(9.8)
Trade accounts receivables due	**81.2**

(€millions)	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivables due	**81.2**	63.3	0.0	7.4	1.2	9.2

ADVANCES AND DOWN PAYMENTS PAID

Advances and down payments correspond primarily to compensation for loss of use paid by Cogedim to the sellers of land when preliminary sales agreements are signed (for those not covered by guarantees) as part of its development business. They are offset against the price to be paid on completion of the purchase.

Land advances are provisioned in the amount of €3.2 million.

SUNDRY DEBTORS

The line item “Sundry debtors” mainly concerns real estate development sectors. In particular, this line item relates to advances paid by the developer (“prorated accounts”) in the event of joint construction site management and which are distributed and passed on to the companies carrying out the construction.

PREPAID EXPENSES

Prepaid expenses mainly concern the real estate development business and are comprised of marketing fees and sales commissions.

7.2.3 Accounts payable and other operating liabilities

(€millions)	31/12/2015	31/12/2014
Trade payables and related accounts	299.5	325.3
Trade payables and related accounts	**299.5**	**325.3**
Advances and down payments received from clients	220.6	197.7
VAT collected	40.3	40.5
Other tax and social security payables	27.0	27.6
Prepaid income	0.5	1.1
Other payables	38.2	29.6
Principal accounts in credit	–	14.9
Other operating payables	**326.6**	**311.3**
Amounts payable on non-current assets	0.0	0.0
Accounts payable and other operating liabilities	**626.1**	**636.7**

ADVANCES AND DOWN PAYMENTS RECEIVED FROM CLIENTS

This item includes advances – percentage of completion payments, which represent the excess of amounts received from clients, including taxes, over revenue recognized on a Percentage-ofcompletion basis, including taxes for Property Development.

This line item increases in line with progress in completing ongoing programs; amounts of payment requests progress more quickly relative to the percentage of completion of projects.

7.3 Receivables and other short-term and non-current investments

(€millions)	Accounts receivable from participating interests and Shareholders' accounts	Loans and other financial receivables	Deposits and advances paid	**Subtotal: loans and advances**	Other financial assets	**Total receivables and other gross assets**	Impairment	**Total receivables and net assets from continuing operations**	**Total receivables and net from the dis-continued operation**	**Total**
At January 1, 2014	**9.9**	**1.2**	**3.0**	**14.0**	**0.0**	**14.0**	**(0.3)**	**13.8**	**0.4**	**14.2**
Increases / Allowances	0.1	–	0.2	0.2	0.0	0.2	–	0.2	0.0	0.2
Decreases / Reversals	(6.5)	(0.3)	(0.2)	(7.0)	0.0	(7.0)	–	(7.0)	(0.0)	(7.0)
Transfers / Reclassifications	(0.3)	–	–	(0.3)	–	(0.3)	0.3	–	(0.0)	(0.0)
Change in scope of consolidation	2.6	–	–	2.6	(0.0)	2.6	–	2.6	–	2.6
At December 31, 2014	**5.8**	**0.9**	**2.9**	**9.6**	**0.0**	**9.6**	**–**	**9.6**	**0.3**	**9.9**
Increases / Allowances	2.3	(0.0)	0.3	2.6	0.0	2.6	–	2.6	0.0	2.6
Decreases / Reversals	(0.0)	(1.0)	(0.1)	(1.1)	(0.1)	(1.2)	–	(1.2)	–	(1.2)
Transfers / Reclassifications	(0.0)	–	–	(0.0)	–	(0.0)	–	(0.0)	–	(0.0)
Change in scope of consolidation	0.1	1.0	(0.0)	1.1	0.1	1.2	–	1.2	–	1.2
Reclassification of the discontinued operation	–	–	–	–	–	–	–	–	(0.3)	(0.3)
At December 31, 2015	**8.2**	**0.9**	**3.1**	**12.2**	**0.0**	**12.2**	**–**	**12.2**	**–**	**12.2**
o / w non-current at end of 2014	*0.1*	*0.9*	*2.9*	*3.9*	*0.0*	*3.9*	–	*3.9*	*0.3*	*4.2*
o / w current at end of 2014	*5.7*	–	–	*5.7*	*0.0*	*5.7*	–	*5.7*	–	*5.7*
o / w non-current at end of 2015	–	*0.9*	*3.1*	*4.0*	*0.0*	*4.0*	–	*4.0*	–	*4.0*
o / w current at end of 2015	*8.2*	–	–	*8.2*	*0.0*	*8.2*	–	*8.2*	–	*8.2*

ACCOUNTS RECEIVABLE FROM PARTICIPATING INTERESTS AND SHAREHOLDERS' ACCOUNTS

Accounts receivable from participating interests and Shareholders' accounts relate mainly to advances made to minority partners or deconsolidated companies.

LOANS

Loans mainly concern loans to "1% construction" organizations and loans granted to employees.

DEPOSITS AND ADVANCES PAID

This item mainly concerns the deposits and advances paid by the "Empire" Company to the owners of the walls of the hotel located at Avenue de Wagram in Paris and the guarantee deposits paid on buildings leased by the Group.

8 CASH FLOW STATEMENT

Operating cash flowfrom continuing operations totaled (€14.6) million in 2015, compared to €86.4 million 2014. This change is related mainly to the growth of Property Development activities, which spurred a more visible increase in its working capital needs, particularly with regard to land acquisition at high prices at year-end.

Cash generated / (used) by investing activities of continuing operations amounted to (€11.8) million in 2015 compared to (€21.8) million in 2014, corresponding to the requirements of the period. These changed requirements are the result of the acceleration of the 2015 growth in the Office business, with significant acquisitions through joint ventures, particularly the Pascal Towers (via AltaFund) and a building in Issy les Moulineaux (via SCI Issy Pont). Due to the continuing decline in interest rates, the mark-to-market of interest rate hedging instruments also had an impact on the period. Over 2015, €5.8 million in balancing cash payments was disbursed.

Cash generated / (used) by financing activities of continuing operations amounted to €25.6 million in 2015, compared to €27.6 million in 2014.

Cash flow from the operation held for sale concerns Rue du Commerce, which was financed by Group equity in 2014 and, in 2015, by consumption and management of its own cash.

NET CASH AND CASH EQUIVALENTS

(€millions)	Cash assets	Marketable securities	Cash and cash equivalents	Bank overdraft	Net cash from continuing operations	Net cash from the continuin g operation	Net cash
At January 1, 2014	**22.1**	**131.2**	**153.3**	**(21.4)**	**131.8**	**25.6**	**157.5**
Change during the period	36.5	35.2	71.7	21.0	92.7	(0.0)	92.7
Cash of acquired companies	0.0	–	0.0	(0.0)	(0.0)	–	(0.0)
Cash of companies sold	(0.0)	–	(0.0)	0.0	(0.0)	–	(0.0)
Impacts of other changes in scope	(0.5)	–	(0.5)	–	(0.5)	–	(0.5)
At December 31, 2014	**58.0**	**166.4**	**224.5**	**(0.5)**	**224.0**	**25.7**	**249.6**
Change during the period	73.1	(89.3)	(16.1)	(1.8)	(18.0)	(18.1)	(36.1)
Cash of acquired companies	–	–	–	–	–	–	–
Cash of companies sold	(0.0)	–	(0.0)	0.0	(0.0)	–	(0.0)
Reclassification of discontinued operation	–	–	–	–	–	(7.6)	(7.6)
At December 31, 2015	**131.1**	**77.2**	**208.3**	**(2.3)**	**206.0**	**–**	**206.0**
Net change at end of 2014	36.0	35.2	71.2	20.9	92.1	0.0	92.2
Net change at end of 2015	73.1	(89.3)	(16.2)	(1.8)	(18.0)	(25.7)	(43.7)

Marketable securities classified as cash equivalents are recognized at fair value at each reporting date and consist of money market and short term money market funds.

NET ACQUISITIONS OF ASSETS AND CAPITALIZED EXPENDITURES

(€millions)	31/12/2015	31/12/2014
Type of non-current assets acquired:		
Intangible assets	(1.1)	(0.9)
Property, plant and equipment	(1.3)	(0.5)
Total	**(2.4)**	**(1.4)**

9 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk, and currency risk.

9.1 Carrying amount of financial instruments by category in accordance with IAS 39

At December 31, 2015

			Financial assets and liabilities carried at amortized cost		Financial assets and liabilities carried at fair value				
(€millions)	Total carrying amount	Non-financial assets	Loans and Advances	Liabilities at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	*Level 1 **	*Level 2 ***	*Level 3 ****
NON-CURRENT ASSETS	**185.3**	**123.5**	**61.8**	**–**	**–**	**–**	**–**	**–**	**–**
Securities and investments in equity affiliates and non-consolidated interests	181.2	123.5	57.7	–	–	–	–	–	–
Loans and receivables (non-current)	4.0	–	4.0	–	–	–	–	–	–
CURRENT ASSETS	**508.0**	**–**	**416.6**	**–**	**–**	**91.4**	**77.2**	**14.2**	**–**
Trade and other receivables	277.3	–	277.3	–	–	–	–	–	–
Loans and receivables (current)	8.2	–	8.2	–	–	–	–	–	–
Derivative financial instruments	14.2	–	–	–	–	14.2	–	14.2	–
Cash and cash equivalents	208.3	–	131.1	–	–	77.2	77.2	–	–
NON-CURRENT LIABILITIES	**490.4**	**–**	**–**	**490.4**	**–**	**–**	**–**	**–**	**–**
Borrowings and financial liabilities	489.8	–	–	489.8	–	–	–	–	–
Deposits and security interests received	0.6	–	–	0.6	–	–	–	–	–
CURRENT LIABILITIES	**816.4**	**–**	**–**	**816.4**	**–**	**0.0**	**–**	**0.0**	**–**
Borrowings and financial liabilities	190.3	–	–	190.3	–	–	–	–	–
Derivative financial instruments	0.0	–	–	–	–	0.0	–	0.0	–
Accounts payable and other operating liabilities	626.1	–	–	626.1	–	–	–	–	–
Amount due to shareholders	–	–	–	–	–	–	–	–	–

** Financial instruments quoted on an active market.*
*** Financial instruments whose fair value is determined using valuation techniques.*
**** Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.*

Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

At December 31, 2014

(€millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortized cost			Financial assets and liabilities carried at fair value				
			Loans and Advances	Liabilities at amortized cost		Assets available for sale	Assets and liabilities at fair value through profit and loss	*Level 1**	*Level 2***	*Level 3****
NON-CURRENT ASSETS	**156.2**	**109.8**	**46.4**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Securities and investments in equity affiliates and non-consolidated interests	152.0	109.8	42.1	–	–	–	–	–	–	–
Loans and receivables (non-current)	4.2	–	4.2	–	–	–	–	–	–	–
CURRENT ASSETS	**552.7**	**–**	**371.2**	**–**	**–**	**–**	**181.5**	**166.4**	**15.1**	**–**
Trade and other receivables	281.8	–	281.8	–	–	–	–	–	–	–
Loans and financial receivables (current)	5.7	–	5.7	–	–	–	–	–	–	–
Derivative financial instruments	15.1	–	–	–	–	–	15.1	–	15.1	–
Cash and cash equivalents	250.1	–	83.7	–	–	–	166.4	166.4	–	–
NON-CURRENT LIABILITIES	**433.0**	**–**	**–**	**433.0**	**–**	**–**	**–**	**–**	**–**	**–**
Borrowings and financial liabilities	432.6	–	–	432.6	–	–	–	–	–	–
Deposits and security interests received	0.4	–	–	0.4	–	–	–	–	–	–
CURRENT LIABILITIES	**840.0**	**–**	**–**	**839.9**	**–**	**–**	**0.1**	**–**	**0.1**	**–**
Borrowings and financial liabilities	202.6	–	–	202.6	–	–	–	–	–	–
Derivative financial instruments	0.1	–	–	–	–	–	0.1	–	0.1	–
Accounts payable and other operating liabilities	637.3	–	–	637.3	–	–	–	–	–	–
Amount due to shareholders	–	–	–	–	–	–	–	–	–	–

** Financial instruments quoted on an active market.*
*** Financial instruments whose fair value is determined using valuation techniques.*
**** Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.*

Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

9.2 Interest rate risk

Altareit holds a portfolio of swaps, caps and collars designed to protect against interest rate risk on its floating rate debts.

Altareit did not elect not to account for these swaps as cash flow hedges under IAS 39.

Derivatives are carried at fair value.

In compliance with IFRS 13, these instruments are measured by taking into account the credit valuation adjustment (CVA) when positive, and the debit valuation adjustment (DVA) when negative.

This adjustment measures, by application on each cash flow date of the valuation a probability of default, the counterparty risk defined as an obligation to replace a hedging operation at the market rate in force following the default by one of the counterparties. CVA, calculated for a given counterparty, takes into account the probability of default for this counterparty. DVA, based on the Company's credit risk, corresponds to the counterparty's exposure to loss in the event of the Company's default.

The resulting impact is a negative change in the fair value of derivative financial instruments of €0.1 million on net income for the period.

POSITION IN DERIVATIVE FINANCIAL INSTRUMENTS

(€millions)	31/12/2015	31/12/2014
Interest-rate swaps	10.2	12.8
Interest-rate collars	(0.0)	(0.1)
Accrued interest not yet due	4.1	2.2
Premiums and balancing cash payments	–	–
Total	**14.2**	**15.0**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at December 31, 2015.

MATURITY SCHEDULE OF DERIVATIVE FINANCIAL INSTRUMENTS (NOTIONAL AMOUNTS)

At December 31, 2015

	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020
ALTAREIT - pay fixed - swap	100.0	100.0	–	–	–	–
ALTAREIT - pay fixed - collar	50.0	–	–	–	–	–
ALTAREIT - pay fixed - cap	–	–	–	–	–	–
Total	**150.0**	**100.0**	**–**	**–**	**–**	**–**
Average hedge ratio	0.48%	0.10%	0.00%	0.00%	0.00%	0.00%

At December 31, 2014

	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
ALTAREIT - pay fixed - swap	100.0	100.0	100.0	-	-	-
ALTAREIT - pay fixed - collar	50.0	50.0	–	-	-	-
ALTAREIT - pay fixed - cap	100.0	–	-	-	-	-
Total	**250.0**	**150.0**	**100.0**	**–**	**–**	**–**
Average hedge ratio	1.41%	1.75%	2.00%	0.00%	0.00%	0.00%

MANAGEMENT POSITION

At December 31, 2015

	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020
Fixed-rate bank loans	(104.1)	(104.1)	–	–	–	–
Floating-rate bank loans	(485.4)	(385.7)	(270.0)	(244.3)	(10.5)	(9.6)
Cash and cash equivalents (assets)	208.3	–	–	–	–	–
Net position before hedging	**(381.2)**	**(489.8)**	**(270.0)**	**(244.3)**	**(10.5)**	**(9.6)**
Swap	100.0	100.0	–	–	–	–
Collar	50.0	–	–	–	–	–
Cap	–	–	–	–	–	–
Total derivative financial instruments	**150.0**	**100.0**	**–**	**–**	**–**	**–**
Net position after hedging	**(231.2)**	**(389.8)**	**(270.0)**	**(244.3)**	**(10.5)**	**(9.6)**

At December 31, 2014

	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
Fixed-rate bank loans	(103.5)	(103.5)	(103.5)	–	–	–
Floating-rate bank loans	(434.7)	(329.0)	(253.6)	(223.3)	(203.0)	0.0
Cash and cash equivalents (assets)	250.1	–	–	–	–	–
Net position before hedging	**(288.0)**	**(432.5)**	**(357.1)**	**(223.3)**	**(203.0)**	**0.0**
Swap	100.0	100.0	100.0	–	–	–
Collar	50.0	50.0	–	–	–	–
Cap	100.0	–	–	–	–	–
Total derivative financial instruments	**250.0**	**150.0**	**100.0**	**–**	**–**	**–**
Net position after hedging	**(38.0)**	**(282.5)**	**(257.1)**	**(223.3)**	**(203.0)**	**0.0**

ANALYSIS OF INTEREST-RATE SENSITIVITY

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit institutions and derivative instruments.

	Increase / decrease in interest rates	Impact of the gain or loss on pre-tax profit	Impact on the value of the portfolio of financial instruments
31/12/2015	+50 bps -50 bps	-€1.9 million +€2.0 million	-€0.1 million +€0.1million
31/12/2014	+50 bps -50 bps	-€1.5 million +€1.3 million	+€0.0 million -€0.1 million

9.3 Liquidity risk

Cash

The Group had a positive cash position of €208.3 million at December 31, 2015, compared to €250.1 million at December 31, 2014. This represents the main tool for management of liquidity risk. (See the statement of cash flows and Note 8, “Notes to the cash flow statement”).

Part of this cash is classified as restricted for the Group, but is available for those subsidiaries that carry it. At December 31, 2015, the amount of this restricted cash was €131.9 million.

At December 31, 2015, the Group had €76.4 million of available cash (€55.9 million excluding cash from treasury notes).

On the closing date, new confirmed corporate lines were obtained in the amount of €134 million.

Covenants

The covenants (financial ratios) with which the Group must comply concern banking credits, for €400 million, including the €200 million banking credit subscribed by Cogedim SAS.

The bank credit subscribed by Cogedim SAS is also subject to leverage covenants.

	Altarea group covenants	31/12/15	Consolidated Cogedim covenants	31/12/15
Loan To Value (LTV)				
Net bond and bank financial debt / re-assessed value of the Company's assets	< 60%	44.5%		
Interest Cover Ration (ICR)				
Operating income (FFO column or cash flow from operations) / Company's net borrowing cost (FFO column)	> 2	7.3		
Leverage				
Leverage: Net financial debt / EBITDA			<= 5	2.6
Gearing: Net financial debt / Equity			<= 3	0.5
ICR: EBITDA / Net financial expenses			>= 2	8.3

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty.

The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

Currency risk

Because the Group operates exclusively in the euro zone, it has not entered into any currency hedges.

10 RELATED PARTY TRANSACTIONS

OWNERSHIP STRUCTURE OF ALTAREIT

Ownership of Altareit's shares and voting rights is as follows:

(percentage)	31/12/2015 % share capital	31/12/2015 % voting right	31/12/2014 % share capital	31/12/2014 % voting right
Altarea	99.63	99.65	99.63	99.66
Altarea France	0.11	0.11	0.11	0.11
Alta Faubourg	0.11	0.11	0.11	0.11
Altarea group controlling	*99.85*	*99.87*	*99.85*	*99.87*
Treasury shares	0.02	–	0.02	–
Public	0.13	0.13	0.13	0.13
Total	**100.0**	**100.0**	**100.0**	**100.0**

RELATED PARTY TRANSACTIONS

The related parties are legal entities whose directors are common with those of the company.

The main related parties retained by Altareit are:

- Altarea, the group's holding company, and its subsidiaries, particularly those providing services,
- Altafi 2, non-associate manager of the Company and whose Chairman is Mr. Alain Taravella,
- Companies of the founding shareholders who hold shares in Altarea:
  - AltaGroupe, AltaPatrimoine and Altager, represented by Mr Alain Taravella;
  - JN Holding, represented by Mr Jacques Nicolet.

Altarea owns 99.63% Altareit and Altarea France, which is 100% controlled by Altarea, holds 0.11% of Altareit, while Alta Faubourg, 100% owned by Altareit, holds 0, 11% of Altareit.

Transactions with these related parties come either from services provided by Altareit to related parties or from financing transactions (current accounts and guarantees). The amounts invoiced by the Altareit group to the related parties are at normal market conditions.

Altarea holds, under various loans, a joint surety of €200 million on behalf of Cogedim and carries a joint surety of €100 million on behalf of Alta Faubourg. Altarea granted a joint surety on behalf of Altareit for an amount of €100 million. In addition, Altarea has directly invested 50% in AF Investco 4 for the redevelopment of a building alongside the Altafund investment fund in which Altareit holds a 16.7% stake.

(€millions)	Altafi 2	Altarea and its subsidiaries	31/12/2015	31/12/2014
Operating revenue	**0.1**	**7.2**	**7.2**	**5.4**
Operating expenses	**(0.5)**	**(11.1)**	**(11.6)**	**(11.6)**
OPERATING INCOME	**(0.4)**	**(3.9)**	**(4.3)**	**(6.2)**
Net borrowing costs	–	**(1.9)**	(1.9)	(1.5)
NET INCOME	**(0.4)**	**(5.8)**	**(6.2)**	**(7.7)**

(€millions)	Altafi 2	Altarea and its subsidiaries		31/12/2015	31/12/2014
NON-CURRENT ASSETS	**–**	**0.1**		**0.1**	**0.1**
CURRENT ASSETS	**–**	**4.1**		**4.1**	**1.5**
TOTAL ASSETS	**–**	**4.2**		**4.2**	**1.7**
EQUITY		**–**		**–**	**0.1**
CURRENT LIABILITIES	**–**	**89.8**	**(a)**	**89.8**	**75.9**
TOTAL EQUITY AND LIABILITIES	**–**	**89.8**		**89.8**	**76.0**

(a) Mainly current account between Altareit and Altarea SCA

MANAGEMENT COMPENSATION

In accordance with article 14 of the bylaws, Altareit pays the management of Altafi 2 represented by Alain Taravella. In this respect, the following expense was recognized:

	Altafi 2 SAS	
(€millions)	31/12/2015	31/12/2014
Fixed executive compensation	0.5	0.5
TOTAL	**0.5**	**0.5**

COMPENSATION OF THE GROUP'S SENIOR EXECUTIVES

(€millions)	31/12/2015	31/12/2014
Gross salaries *	2.3	2.1
Social security contributions	1.1	1.0
Share-based payments**	0.1	0.8
Number of shares delivered during the period	9,000	6,000
Post-employment benefits***	0.0	0.0
Other short- or long-term benefits and compensation ****	0.0	0.0
Termination indemnities*****	–	–
30% employer contribution for stock grants	–	–
Loans	–	–
Post-employment benefit liability	0.4	0.4

** Fixed and variable compensation; variable compensation corresponds to performance-related pay.*
*** Charge calculated in accordance with IFRS 2.*
**** Pension service cost according to IAS 19, life insurance and medical care.*
***** Benefits in kind, director attendance fees and other compensation vested but payable in the future.*
****** Post-employment benefits, including social security costs.*

(In number of rights in Altarea SCA shares)	31/12/2015	31/12/2014
Rights to Altarea SCA's stock grant awards	3,000	12,000
Altarea share subscription warrants	–	–
Stock options on Altarea shares	–	–

Compensation paid to senior executives excludes dividends.

11 GROUP COMMITMENTS AND CONTINGENT LIABILITES

11.1 Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions.

Pledges of securities, assignments of receivables (intra-Group loans, interest rate hedges, VAT, insurance policies, etc.) and undertakings not to sell or assign ownership units are also made by the Company to secure certain loans.

These commitments appear in Note 6.2 “Net financial debt and guarantees”.

In addition, the company has received commitments from banks for unused credit lines, which are described in Note 9.3, “Liquidity risk”.

All other material liabilities are set out below:

(€millions)	31/12/2014	31/12/2015	Less than a year	1 to 5 years	More than 5 years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments received relating to company acquisitions	**4.7**	**4.6**	**0.3**	**2.0**	**2.3**
Commitments received relating to operating activities	**15.7**	**54.7**	**49.1**	**5.5**	**–**
Payment guarantees received from customers	15.7	54.7	49.1	5.5	–
Total	**20.4**	**59.3**	**49.4**	**7.5**	**2.3**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments given relating to company acquisitions	**87.1**	**114.9**	**0.4**	**114.6**	**–**
Commitments given relating to operating activities	**427.4**	**520.3**	**194.6**	**325.8**	**–**
Construction work completion guarantees (given)	364.6	418.8	121.5	297.3	–
Guarantees given on forward payments for assets	26.5	48.0	44.3	3.7	–
Guarantees for loss of use	31.8	39.2	19.8	19.4	–
Other sureties and guarantees granted	4.6	14.3	8.9	5.4	–
Total	**514.6**	**635.3**	**194.9**	**440.3**	**–**
Bilateral property purchase and other undertakings relating to operating activities	**59.7**	**42.0**	**42.0**	**–**	**–**
o / w Altarea as seller	–	–	–	–	–
o / w Altarea as purchaser	59.7	42.0	42.0	–	–
Total	**59.7**	**42.0**	**42.0**	**–**	**–**

Commitments received

COMMITMENTS RECEIVED RELATING TO ACQUISITIONS / DISPOSALS

Altarea and Mahjip hold reciprocal put and call options for the balance of Histoire et Patrimoine shares still held by Mahjip. These options are exercisable for 45-day periods starting from the date the financial statements are approved for the years ended December 31, 2017 and 2018. Altarea has also been given representations and warranties in connection with this acquisition.

In addition, the group benefits from a guarantee (s) of liability (s) obtained in connection with the acquisition of subsidiaries and participations within the real estate development activity**.**

COMMITMENTS RECEIVED RELATING TO OPERATING ACTIVITIES

Payment guarantees received from customers

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to Office Property Development operations.

Other commitments received

In its Property Development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract – non-costed commitment).

Commitments given

COMMITMENTS GIVEN RELATING TO ACQUISITIONS

The main commitments concern an undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €107.6 million (including a firm commitment for €50.4 million and €57.2 million unused).

The Group has granted indemnification commitments or earnout in case of disposals of investments relate to the Group's consolidated subsidiaries. Following the disposal of Rue du Commerce, representations and warranties were given for €6 million to the buyer Carrefour.

COMMITMENTS GIVEN RELATING TO OPERATING ACTIVITIES

Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales, and are provided on behalf of Group companies by financial institutions, mutual guarantee organizations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

Guarantees on forward payments for assets

These guarantors mainly cover purchases of land or buildings for the Property Development business.

Compensation for loss of use

As part of its Property Development activities, the Group signs preliminary sales agreements with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative permits. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a guarantee (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other sureties and guarantees granted

The other sureties and guarantees granted relate primarily to guarantees given to contractors at the signing of works contracts.

Reciprocal commitments

These commitments mainly include bilateral undertakings (secured by bank guarantees) relating to land or off-plan sales (VEFA) contracts.

Other commitments

In the conduct of its Residential property development, the Group signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether the customers meet the contingencies, particularly with respect to their ability to secure financing.

Moreover, as part of its Property Development business, the Group has a Property Portfolio consisting mainly of unilateral sales agreements.

The amount of these commitments is shown in the Review of Operations.

Minimum future rents to be paid

The total of minimum future revenues to be paid under noncancellable rental agreements over the period amounted to:

(€millions)	31/12/2015	31/12/2014
Less than 1 year	10.9	13.0
Between 1 and 5 years	14.5	24.7
More than 5 years	0.3	0.5
Guaranteed minimum rent	**25.7**	**38.1**

Rents to be paid concern:

- offices leased by the Group for its own operations;
- the hotel building on Avenue Wagram in Paris.

11.2 Litiges ou sinistres

No new litigation or governmental, legal, or arbitration proceedings that are likely to have significant effects on the Company's financial position or profitability arose in 2015 other than those for which a provision has been recognized (see Note 6.3 "Provisions") or that have been effectively challenged or are being challenged by the Company (see Note 5.3 "Corporate income tax" or 6.3 "Provisions").

12 POST-CLOSING EVENTS

The disposal of Rue du Commerce to Carrefour took place on January 1, 2016. The impairment recognized in the Company's financial statements at December 31, 2015 takes account of the sale price determined based on the financial statements of Rue du Commerce at December 31, 2015. No significant adjustment is expected in 2016. The Company has made, toward the purchaser, the standard undertakings for this kind of transaction.

On January 20, 2016, the General Meeting of Altarea SCA authorized Management to allot, on one or more occasions, bonus ordinary Company shares to employees or executive officers of the Company. On the closing date, 82,889 rights were granted under this scheme during the period from January 1, 2016 to the closing date.

On February 26, 2016, the Company acquired all the capital and voting rights of Pitch Promotion. In accordance with the agreements, the Terrassoux Group reinvested a portion of the sales proceeds, in the amount of €31.7 million, by subscribing 190,000 Altarea shares in a reserved capital increase, representing approximately 1.5% of the Altarea SCA capital.

On the transaction date, the amount disbursed by Altarea stood at €60 million.

On the transaction date, the amount disbursed by Altareit stood at €91.7 million.

In 2015, Pitch Promotion's activity represented less than 25% of the Company's activity.