2015 ANNUAL RESULTS
DECEMBER 31, 2015

CONTENTS

1 INTRODUCTION

1.1 PREAMBLE

€ millions	31/12/2015				31/12/2014 Restated		
	Funds From Operations (FFO) (FFO)		Changes in value, estimated expenses and transaction costs	TOTAL	Funds From Operations (FFO) (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Residential	881.6	*17%*	–	881.6	755.3	–	755.3
Office	121.6	*84%*	–	121.6	66.2	–	66.2
Diversification	-	-			-	–	–
REVENUE	**1 003.2**	***22.1%***	**–**	**1 003.2**	**821.5**	**–**	**821.5**
Residential	52.1	*37.8%*	(4.8)	47.4	37.8	(5.4)	32.4
Office	26.7	*49.5%*	(0.7)	26.0	17.8	1.8	19.6
Diversification	9.5	*2.8%*	(2.9)	6.7	9.3	(2.4)	6.8
Others	(1.7)		–	(1.7)	–	(1.7)	(1.7)
OPERATING INCOME	**86.6**	***33.3%***	**(8.3)**	**78.3**	**64.9**	**(7.7)**	**57.2**
Cost of net debt	(5.5)	*(11.7)%*	(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
Corporate income tax	(0.0)	*(91)%*	6.2	6.2	(0.5)	75.1	74.6
NET RESULTS FROM CONTINUING OPERATIONS	**81.0**	***39.2%***	**(11.0)**	**70.1**	**58.2**	**53.8**	**112.0**
Minority shares in continued operations	(5.7)	(13.7)%	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET RESULTS FROM CONTINUING OPERATIONS, Group share	**75.4**	***46.0%***	**(11.0)**	**64.4**	**51.6**	**53.8**	**105.4**
FFO FROM CONTINUING OPERATIONS, Group share, per share	**43.11**	***46.0%***			**29.53**		
Net result from activities in the process of being sold	–		(69.9)	(69.9)	(19.6)	(5.3)	(24.8)
NET PROFIT	**81.0**	***109.8%***	**(80.9)**	**0.2**	**38.6**	**48.6**	**87.2**
Non-controlling interests	(5.7)	(13.7)%	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**75.4**	**135.2%**	**(80.9)**	**(5.5)**	**32.0**	**48.6**	**80.6**
FFO (group share) per share	**43.11**	***135.2%***			**18.33**		
Average number of shares after dilution (in million)	*1.748*				*1.748*		

Paris, March 9, 2016, 6 pm. Following review by the Supervisory Board, Management approved the 2015 consolidated financial statements. The audit of the individual (Altarea SCA) and consolidated financial statements has been performed, and the audit reports for certification of these financial statements are currently being issued

1.2 THE YEAR'S HIGHLIGHTS

1.2.1 Sale of Rue du Commerce

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

Consequently, the indicators for the continuing operations in the financial statements at December 31, 2015 no longer include the impact of Rue du Commerce, recognized under "Activity held for sale" (in application of IFRS 5).

The Rue du Commerce experience provided the Group with a unique tool to collect and process customer data – the Digital Factory, which constitutes a genuine revolution in the area of asset management. Altarea Cogedim thus retains all of the expertise and technology acquired over the course of this experience..

1.2.2 Acquisition of Pitch Promotion

Cogedim reasserted its position among the three most active residential and commercial real estate developers in France when it acquired 100% of the share capital of Pitch Promotion on Febru-ary 26, 2016, as first announced on November 16, 2015.

Pitch Promotion will be consolidated in the Altareit's financial statements from 2016. For information, certain aggregated indicators are presented below.

Created in 1989, Pitch Promotion is a major real estate development player in both residential property (1,021 units sold in 2015 in Group share) and commercial property (€111 million secured in 2015). The company is active in the Paris region and the main regional cities[1] and has more than 160 employees.

The combined residential investments of the new "Cogedim + Pitch" group represents approximately 7%[2] of the pro forma residential market. In addition, "Altarea Cogedim + Pitch" was the real estate developer leader in France, with €674 million secured in 2015.

2015 reservations	Altarea Cogedim	Pitch Promotion	Altarea Cogedim + Pitch Promotion
Residential	1,417	236	1,653
Nb of units	*6,011*	*1,021*	*7,032*
Office	563	111	674
Total	**1,980**	**347**	**2,327**

Pitch Promotion will retain its trademark and operational independence. Significant synergies are expected in development and marketing. This will help to capture new markets and thus accelerate Cogedim's growth.

1.3 CHANGES IN ACCOUNTING

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

This interpretation is mandatory on a retrospective basis, from January 1, 2015. The 2014 data, as expressed below in the Group's financial statements, were restated accordingly (very slight impact).

[1] 7 locations: Paris, Toulouse, Lyon, Aix-en-Provence, Bordeaux, Montpellier, and Nice.

[2] Private development market estimated at 102,000 units (+17% increase at Q3 2015 applied to the market of 86,800 units in 2014 – Source: Commissariat du Développement Durable).

2 BUSINESS REVIEW

A 99.63% subsidiary of the Altarea Cogedim Group, ALTAREIT combines Altarea Cogedim Group's Residential and Office development activities as well as development and growth activities, including the stake held in the Rungis Market.

2.1 DIVERSIFICATION

2.1.1 Rungis National Interest Market (MIN): extension of the concession until 2049

Altareit Group has a 33.34% stake in Semmaris, the company that holds the Rungis MIN concession, together with the State (33.34%), sev-eral other public entities, and market operators[3].

RUNGIS MARKET

Rungis is the world's largest food wholesale market, spanning 2,340,000 m², with more than 1,000,000 m² of leasable surface area. The market's 1,200 operators employ nearly 12,000 people. Sales in 2014 stood at €8.9 billion.

SEMMARIS

La Société d'Exploitation du Marché International de Rungis a été créée par décret en 1965 à l'occasion du transfert du marché de gros de la région parisienne depuis son site historique des Halles au cœur de Paris. Sa mission est d'aménager, d'exploiter et de gérer les installations du MIN qu'elle loue aux entreprises en contrepartie de redevances facturées aux grossistes et aux utilisateurs du marché.

The Macron Act, which was passed in 2015, extends the Semmaris concession until 2049 (compared to 2034 previously). This extension provides Semmaris with sufficient visibility so that it can implement its new investment plan by 2025. Semmaris plans to build 264,000 m², demolish 132,000 m², and redevelop 88,000 m², at a total cost of €1 billion, half of which will be borne by Semmaris and the remainder by the businesses at the site.

SEMMARIS REVENUES

Semmaris' revenue is composed of charges billed to the market's companies and of access rights, for a 2015 total of €104.9 million.

€m	31/12/2015		31/12/2014
Indexed rents	15.7		16.1
Registered rents	41.5		40.3
Toll fees and parking costs	12.5		11.8
Others	5.4		4.7
Sub total	**75.1**	*+3.1%*	**72.9**
Recovered charges	29.8		28.2
REVENUE	**104.9**	*+3.8%*	**101.0**

As the Group holds only a 33.34% interest in Semmaris, the IFRS consolidated income for Semmaris appears on the line, "Share of earnings of equity method associates".

2.1.2 HOTEL BUSINESS

ALTAREIT, through its subsidiary SAS Empire, holds the business of the Hôtel **** Renaissance located 39-41 avenue Wagram in Paris.

The Renaissance Hotel designed by the architect Christian de Portzamparc opened on May 4, 2009, it includes 118 rooms and also hosts three furniture shops on the ground floor. A management contract was signed with the Marriott Group until May 31, 2029.

€m	31/12/2015	31/12/2014
REVENUE	**15.2**	**15.3**
Rental income	(4.2)	(4.2)
Other general operating expenses	(10.6)	(10.7)
Others	(0.6)	(0.5)
OPERATING INCOME	**(0.3)**	**(0.1)**

[3] The City of Paris holds 13.19%, the department of the Val de Marne holds 5.60%, the Caisse des Dépôts et Consignations holds 4.60%, and professionals and other operators hold 9.93%.

2.2 DEVELOPMENT

With €1,980 million in investments (Residential and Office) in 2015, Altareit has confirmed its ranking as one of the three leading developers in France[4].

With revenue of €1,003 million (+22%) and operating margin[5] of 7.9% (as compared with 6.8% in 2014), Residential and Office development contributed to the strong increase in the Group's income in 2015.

2.2.1 Residential[6]

2.2.1.1 Residential Market in 2015 and Future Prospects

There was an upturn in new sales in 2015[7]. Sales increased by 17% to approximately 102,000 new residences[8], primarily funded by private investors, as the appeal of the Pinel initia-tive was confirmed and led to the return of private investors who had become much less active on the market since the withdrawal of the Scellier law.

With interest rates expected to remain low, the extension of the Pinel initiative, and the expansion of the zero-interest loan (PTZ)[9] to help house-holds regain solvency, increased activity is ex-pected throughout the market in 2016, with respect to both institutional investors and private buyers.

2.2.1.2 Altarea Cogedim's Market Position

PRODUCT OFFERINGS THAT MEET CURRENT NEEDS

Active in the Paris Region and in 11 of the most economically and demographically dynamic metropolis[10], Altarea Cogedim targets areas where Residential is short in supply and where needs for new constructions are the strongest.

The Group offers a wide range of products, mak-ing it relevant in all market segments. Its products are divided into the following sectors:

High-End Products: These products are defined by high-end requirements in terms of architecture, quality, and location. This product line offers prices starting at €5,000 per m² in Île-de-France, and starting at €3,600 per m² in other regions, up to luxury developments such as Exaltis, a project in Paris's 16th Arrondissement (Porte d'Auteuil), the launch of which in November 2015 was a commercial success;

Mid-Range and Entry-Level Products: These programs, which represent two-thirds[11] of the Group's investments as of the end of 2015, are specifically designed to do the following:

• meet the need for affordable programme suited to the creditworthiness of our customers,

• fulfill individual investors' desires to take advantage of the new "Pinel" scheme,

• take advantage of local authorities' eagerness to develop affordable operations.

Serviced Residences: Under the Cogedim Club® brand, Altarea Cogedim designs serviced residences for active seniors, combining locations in the heart of the city with a broad range of à la carte services. In 2015, four Cogedim Club residences were sold in blocks to various institutional investors in Ile-de-France and in Marseille. In addition, the 35% stake acquired by Credit Agricole Assurances in Cogedim Residences Services, the company that operates Cogedim Club® residences, enables the Group to accelerate the development of this product line. In addition to residences for seniors, the Group is developing an extended line of Serviced Residences, such as student residences, business tourism residences, and luxury residences.

Divided ownership sales: The Altarea Cogedim Group has developed a solution based on the temporary division of ownership. This product offering helps middle class families obtain housing in areas with shortages, while at the same time providing an investment opportunity to private investors. Four programs are currently being marketed in Villejuif, Nogent sur Marne, Arcachon and Toulouse, and 10 others are being considered.

Renovation of heritage properties: With the 2014 acquisition of a 55% stake in Histoire & Patrimoine, Altarea Cogedim now boasts a product offering eligible for tax benefits under the Historic Monuments, Malraux and Real Estate Losses

[4] With Nexity (€2,769 million in investments) and Bouygues (€2,450 million in investment), Residential and Office combined
[5] Operating income over revenue
[6] Excluding Pitch Promotion
[7] Source: Ministère du Développement Durable (Ministry of Sustainable Development). Figures and statistics : November 2015: new sales in the third quarter of 2015.
[8] Estimate: growth of 17% in the residential market in 2015 (86,900 units in 2014: source: Ministère du Développement Durable (Ministry of Sustainable Development).
[9] Beginning in January 2016, the PTZ may be used to finance 40% of a property's purchase price (as compared with 18% to 26% in 2015). In addition, the maximum income at which borrowers are eligible for the PTZ has been increased, and the payment deferral is at least five years and up to 15 years depending on the household's financial resources. Finally, PTZ loans are now available throughout France, whereas they were previously available only in 6,000 rural municipalities
[10] Lyon, Lille, Nice, Marseille, Toulouse, Bordeaux, Grenoble, Annecy, Montpellier, Nantes and Strasbourg
[11] By volume.

schemes. This acquisition also enables the Group to enlarge its offering for local governments while creating sales and development synergies with all Group businesses. In particular, commercial synergies were developed in 2015, with successful commercial launches mixing new/renovated programs in Pantin, St. Raphaël, and Arras.

DIFFERENTIATED SERVICE OFFERINGS

Rental management for private investors: In addition, with the creation of Cogedim Gestion et Services, born of the combined expertise of Altarea Cogedim and Histoire et Patrimoine Gestion, the Group is developing strong synergies in terms of rental management and property management.

Personalization, services and customer proximity: The Group initiated a new generation of innovative and customizable projects, such as the Inspiration program in Nantes, which includes a range of doorman and concierge services such as receipt of packages, holding keys, receiving grocery deliveries, and on demand. In addition, connected "intelligent" halls offering à la carte content will also be made available to users. Finally, digital orders will enable customers to leave objects, keys or personal items. All of these services will be managed through a smartphone application available to residents.

At the same time, Altarea Cogedim has begun a full review of its processes and residential customer support through digital media. Concretely, this will be accomplished by launching the Cogedim Store, which will feature the latest immersive technologies, such as home configuration and tours through augmented reality.

2.2.1.3 Cogedim: reservations[12] up by 33% by volume (+28% by value)

RESERVATIONS BY VOLUME AND VALUE

The Group's reservations for new residences to-talled €1,417 million in 2015, for 6,011 units: +33% in volume et +28% in value.

This performance is due to the adaptation of the offering to market segments with increasing needs, while maintaining "quality as a principle," the foundation of Cogedim's brand capital. 88 transactions were launched, the majority of which were entry-level and mid-range[13], for approximately €1,600 million including taxes and 6,800 units, or 53% more than in 2014.

	2015	2014	*Change*
Individual reservations	€898 m	€726 m	*+24%*
Sales to institutional investors	€519 m	€373 m	*+39%*
Total in value terms	**€1,417 m**	**€1,103 m**	**+28%**
Individual reservations	3,396 units	2,672 units	*+27%*
Sales to institutional investors	2,615 units	1,831 units	*+43%*
Total in number of units	**6,011 units**	**4,503 units**	**+33%**

The strong increase in sales was due in particular to sales to institutional investors, which represent-ed 37% of sales (as compared with 34% in 2014).

Altarea Cogedim and the SNI Group signed a five-year partnership for the sale of mid-range programme. In 2015, the negotiations concluded with an agreement on 2,000 units, including 1,250 middle-income units and 750 low-income units. Only 363 units were included in 2015 investments; the re-mainder will be recorded in 2016 as construction permits are obtained.

RESERVATIONS BY PRODUCT RANGE

(Number of units)	2015	%	2014	%	*Change*
Entry-level/mid-range	3,977	*66%*	2,876	*64%*	
High-end	1,312	*22%*	999	*22%*	
Serviced residences	510	*8%*	472	*10%*	
Renovation	213	*4%*	157	*4%*	
Total	**6,011**		**4,503**		**+33%**

The increase in sales in 2015 benefited all of the product lines developed by the Altarea-Cogedim Group

NOTARIZED SALES

(€m incl. taxes)	2015	%	2014	%	*Change*
Entry-level/mid-range	669	*56%*	591	*55%*	
High-end	375	*31%*	325	*30%*	
Serviced residences	122	*10%*	119	*11%*	
Histoire & Patrimoine	32	*3%*	39	*4%*	
Total	**1,198**		**1,074**		**+12%**

Notarized sales totaled €1,198 in 2015, an increase of 12% as compared with 2014.

[12] Reservations net of cancellations, including Histoire & Patrimoine reservations proportionally to the group's ownership stake (55%).

[13] Programs for which the sale price is lower than €5,000 per m² in the Paris region or €3,600 per m² elsewhere

2.2.1.4 Operating income: increase in all indicators (revenue, operating result, and backlog)

REVENUES RECOGNIZED ACCORDING TO THE PERCENTAGE OF COMPLETION METHOD[14]

(€ millions, excl. tax)	2015	%	2014	%	Change
Entry-level/mid-range	489	55%	364	48%	
High-end	332	38%	318	42%	
Serviced residences	60	7%	72	9%	
Total	**883**		**755**		**+17%**

Residential revenues totalled €883 million, an increase of 17% compared to 2014. Entry-level and mid-range programs represented 56% of revenues recorded according to the percentage of completion method.

RESIDENTIAL BACKLOG[15]

(€ millions, excl. tax)	2015	2014	Change
Notarized revenues not recognized	959	875	
Revenues reserved but not notarized	780	579	
Backlog	**1,739**	**1,454**	**+20%**
Number of months	*21*	*22*	

At year-end 2015, the Residential backlog totalled €1,739 million, or 21 months of work, an increase of 20% compared with 2014. This amount does not include programme that is "pre-reserved" by the SNI (in connection with the five-year partnership discussed above) but not yet included in 2015 investments. These 1,637 units (out of 2,000 negotiated) represent a potential of an additional €226 million (excluding tax).

The share of the backlog as of December 31, 2015 that will generate revenue beginning in 2016 by itself represents the equivalent of 2015 revenue, which gives the Group very good visibility for the coming year.

2.2.1.5 Risk management

Breakdown of offerings for sale at year-end 2015 (€751 million, or 7 months of business, and approximately 2,600 units), depending on the stage of operational completion:

€ millions	-	< Risk >		+	
	Preparation[a]	Project not yet started [b]	Project in Progress [b]	In stock [c]	Total
Expenses [d]	50	93			
The cost price includes [d]			199	8	
Property for sale [c]	**334**	**142**	**266**	**9**	**751**
In %	*44%*	*19%*	*35%*	*1%*	
Residential	*321*	*136*	*252*	*8*	*717*
Convenience stores	*13*	*6*	*14*	*1*	*34*
o/w to be delivered	*in 2016*		*77*		
	in 2017		*143*		
	in 2018 or later		*46*		

(a) Land not acquired.
(b) Land acquired.
(c) Completed residential properties.
(d) Excluding tax.

MANAGEMENT OF PROPERTIES FOR SALE

63% of the properties for sale relate to developments for which construction has not yet begun and for which the amounts committed primarily correspond to studies, advertising costs and land sales fees (or guarantees) paid upon the signature of preliminary land acquisition agreements with possibilities of retraction (mainly unilateral agreements).

35% of the properties for sale are currently being built. Only €77million (out of €266 million) concern units to be completed by the end of 2016.

The stock amount of finished products is insignificant.

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

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

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

[14] *Revenues recognized according to the percentage of completion method in accordance with IFRS. Technical completion is measured by the stage of completion, excluding land.*

[15] *Backlog comprises revenues (excluding taxes) from notarized sales remaining to be recorded according the percentage of completion method and reservations for retail and block sales not yet recorded by a notary.*

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

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

SUPPLY[16]

	Sales (incl. tax) (€m)	No. of units
Operations supplied in 2015	**2,914**	**13,436**
o/w entry-level and mid-range	2,138	10,738
% of supply	*73%*	*80%*

Promises signed in 2015 represent the equivalent of €2.9 billion in revenue incl. tax, or 13,400 units. They relate to the 73% of entry-level and mid-range programs that are specifically adapted to price levels corresponding to buyers' solvency.

PROPERTIES FOR SALE AND FUTURE OFFERING[17]

(€m incl. taxes)	As of December 31, 2015	No months	As of December 31, 2014	*Change*
Properties for sale	**717**	*6*	*562*	
Future offering	**5,195**	*44*	*4,380*	
Total Pipeline	**5,912**	**50**	**4,942**	***20%***
o/w Entry-Level and Mid-Range	*3,770*			
In no. of units	*26,507*		*20,939*	*27%*
In m²	*1,502,947*		*1,187,241*	*27%*

The residential pipeline (properties for sale + fu-ture offering) is up 27% as compared with the end of 2015.

2.2.2 Office property

2.2.2.1 Economic environment and half-year activity

INVESTMENT IN OFFICE PROPERTY[18]

Thanks to a strong second half in 2015, the investment market recorded €23 billion in office property commitments, for volume that was slightly higher than in 2014. 2015 was marked by the return of the €100 million to €200 million transactions that historically have been the backbone of the market.

Investors continued to benefit from low cost of debt, generating a flow of financial resources that has primarily benefited "core" assets, leading to a compression in real estate returns for secured products. This tendency forces investors to review their strategies and become open to non-core activities located in Paris.

INVESTMENT IN OFFICE PROPERTY[19]

Up +1% from the previous year, demand invested totaled 2.2 million m² for 2015.

Business moves remain motivated by optimization of surface area and the search for lower rent. The economic environment and low margins lead users to limit risks and to prefer renegotiating their current leases.

Immediate supply was down 3% to 3.9 million m². The share of new and redeveloped properties in immediate supply continued to decrease, to 18% (as compared with 20% at the end of 2014).

2.2.2.2 Group strategy

Regarding Office property, the Group has developed an original model enabling it to take part in significant operations on the market with limited risks:

• as an investor through the AltaFund investment fund[20] for which the Group is the exclusive operator and a main shareholder, with capital share between 17% and 30%[21],

• as a property developer[22] with a particularly strong position on the market for turnkey projects,

• as a service provider for large institutional investors[23].

[16] *New transactions in the real estate portfolio.*
[17] *Future offerings comprise secured programs (through a purchase agreement, almost exclusively unilateral), the launch of which has not yet occurred, and expressed including tax. Excluding Histoire & Patrimoine and retail.*
[18] *Source CBRE: Marketview Investment 4Q 2015*
[19] *Source CBRE: Marketview Bureaux 4Q 2015.*
[20] *AltaFund is a discretionary investment fund created in 2011.*
[21] *In March 2015, the group increased its equity from €100 million to €150 million, thus bringing its investment to 30% of new transactions begun by AltaFund since 2015.*
[22] *Off-plan sales or leases and property development contracts.*
[23] *In connection with delegated project management.*

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.) and with an optimized capital allocation.

2.2.2.3 Investments

In 2015, the Group's investments increased to €485 million in 10 projects.

Project	Surface area (at 100%)	Equivalent value, Group share
OLLIOULES - Technopole de la Mer (Off-plan)	5,100 m²	
NEUILLY/SEINE - Kosmo (property development contract)	26,300 m²	
MARSEILLE - Euromed Center (property development contract)	43,600 m²	
PARIS - Rue des Archives (property development contract)	22,700 m²	
LYON GERLAND - Ivoire (Off-plan)	7,500 m²	
VILLEURBANNE - View One (Off-plan)	14,700 m²	
MASSY - Movie Theater (Off-plan)	12,600 m²	
PARIS - Austerlitz SEMAPA	14,900 m²	
MARSEILLE MICHELET SNC (Off-plan)	16,700 m²	
PARIS - Avenue de Matignon (delegated project management)	13,000 m²	
TOTAL	**192,300 m²**	**563 € m**
Investment in 2014	*105,700 m²*	*229 €*
Change	*+81.9%*	*+146.1%*

2.2.2.4 Major Events during the Year

ACQUISITIONS

• Paris - La Défense - Tours Pascal: In May 2015, AltaFund joined with Goldman Sachs to acquire a 68,940 m² office building complex for redevelopment.

DISPOSALS

Ollioules - Technopôle de la Mer: the Group entered into a VEFA sale to a group of investors covering the first tranche of this project.

• Lyon - Ivoire: in June, the Group signed a BEFA with the CapGemini group to bring together several CapGemini entities in Lyon. In late July, the Group entered into a VEFA sale of the property to an investor, a transaction that included a real estate development contract with Altarea Cogedim Entreprise. Construction is in progress for delivery in early 2017.

• Villeurbanne - View One: the Group sold this real estate complex developing 14,700 m² of office space and 1,400 m² of retail to an investor pursuant to a VEFA sale. Located in the heart of Greater Lyon, construction is underway for a planned delivery in 2016.

DEVELOPMENTS IN PROGRESS

During the year, the Group obtained clear construction permits for the Kosmo operation in Neuilly sur Seine (26,300 m²).

LAUNCH

In 2015, the Group began construction on 5 projects representing 70,100 m² of office space and a 12,600 m² convention center[24].

DELIVERIES

At the same time, the Group delivered 5 projects for a total of 69,700 m²[25], including the office portion of the Laennec project as well as the Raspail building (first AltaFund project, sold to La Française).

WELL-BEING AND DIGITAL MODELING

Centered around the well-being and comfort of future users, the "Well" certification is being deployed at the Pont d'Issy project in Issy-les-Moulineaux, and then progressively at other office projects of the Group. In the same vein, work on biophilia and the preservation of biodiversity is integrated into our new office projects, as witnessed by the Biodivercity certification on the Austerlitz SEMAPA office building in Paris's 13th Arrondissement.

At the same time, to go further in digitalizing the design process, the Group has expanded its use of digital modeling (building information modeling, or BIM) to 100% of its new office programs.

2.2.2.5 Summary of projects underway

Nature of project	Surface area (at 100%)	Equivalent in value
AltaFund (a)	126,100 m²	€556 m
Property Development contracts/Off-plan sales/ Off-plan leases (b)	298,700 m²	€1,045 m
Delegated project management (c)	37,000 m²	€121 m
TOTAL	**461,800 m²**	**€1,722 m**
o/w under construction	*131,400 m²*	*€411 m*

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

[24] *Projects begun: Lyon SANOFI, Lyon Ivoire, Villeurbanne View One, Paris Rue des Archives, Marseille Euromed Center (Phases 484), and Massy Movie Theater and Convention Center.*

[25] *Deliveries: Paris Laennec, Paris Raspail, Cœur d'Orly Askia, Marseille Euromed Center (Phase 1) and Montpellier Mutuelle des Motards.*

BACKLOG[26]

The VEFA/CPI backlog represented €274 million at the end of December 2015, as compared with €167 million for the previous year. The Group also has a MOD fee backlog of €4.1 million.

€ millions	31/12/2015	31/12/2014	*Change*
Backlog (Off-plan, Property Development contracts)	€274.0 m	€167.0 m	*+64%*
Backlog of delegated project management fees	€4.1 m	€4.1 m	
TOTAL	**€328.1m**	**€138.7m**	***+63%***

BREAKDOWN OF PROGRAMS UNDERWAY AT DECEMBER 31, 2015

Project	Description	Surface area (at 100%)	Equivalent in value	Status
NEUILLY/SEINE - Kosmo	AltaFund	26,300 m²		Secured
PARIS - Rue de Richelieu	AltaFund	30,900 m²		Secured
LA DEFENSE - Tours Pascal	AltaFund	68,900 m²		Secured
AltaFund (a)		**126,100 m²**	**€556 m**	
OLLIOULES - Technopole de la Mer	Off-plan sale	5,100 m²		Construction underway
MARSEILLE - Euromed Center (Phases 2, 3, 4 & 5)	Property Development contract	43,600 m²		Construction underway
TOULOUSE Blagnac - SAFRAN	Off-plan sale	25,200 m²		Construction underway
PARIS - Rue des Archives	Property Development contract	22,700 m²		Construction underway
LYON GERLAND - Ivoire	Off-plan sale	7,500 m²		Construction underway
VILLEURBANNE - View One	Off-plan sale	14,700 m²		Construction underway
MASSY - Hotel Place du Grand Ouest	Off-plan sale	12,600 m²		Construction underway
PARIS - Austerlitz SEMAPA	Property Development contract	14,900 m²		Secured
MARSEILLE - Michelet	Off-plan sale	16,700 m²		Secured
TOULON - TPM (Retail & hotel)	Off-plan sale	2,700 m²		Secured
MASSY - Hotel Place du Grand Ouest	Off-plan sale	6,000 m²		Secured
ANTONY - Croix de Berny (Tranche 2)	Off-plan sale	16,600 m²		Secured
NANTERRE - Coeur de Quartier	Off-plan sale	20,800 m²		Secured
CŒUR D'ORLY (Excl. Ilot Askia)	Property Development contract	54,400 m²		Secured
NICE MERIDIA - Ilot Robini (Units 1 & 3)	Property Development contract	9,400 m²		Secured
TOULOUSE - Montaudran	Off-plan sale	19,100 m²		Secured
BLAGNAC - Hotel	Off-plan sale	6,700 m²		Secured
Property Development contracts/Off-plan sales/ Off-plan leases (b)		**298,700 m²**	**€1,045 m**	
PARIS - Champs Elysees	Delegated project	24,000 m²		Secured
PARIS - Matignon	Delegated project	13,000 m²		Secured
Delegated project management (c)		**37,000 m²**	**€121 m**	
TOTAL		**461,800 m²**	**€1,722 m**	

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

(c) Amount = capitalized fees.

[26] *Backlog is composed of notarized sales, excl. tax, not yet recorded according to the percent of completion method, excl. tax, not yet notarized (signed property development contracts), and fees to be received from third parties on signed contracts.*

3 CONSOLIDATED RESULTS

2015 annual results grew strongly due to development activities. FFO Group share grew to €81.0 million, a +39.2% increase from 2014. On a per-share basis, FFO increased +46.0% at €43.11 /share.

€ millions	31/12/2015				31/12/2014 Restated		
	Funds From Operations (FFO) (FFO)		Changes in value, estimated expenses and transaction costs	TOTAL	Funds From Operations (FFO) (FFO)	Changes in value, estimated expenses and transaction costs	TOTAL
Residential	881.6	*17%*	–	881.6	755.3	–	755.3
Office	121.6	*84%*	–	121.6	66.2	–	66.2
Diversification	-	-			-	–	–
REVENUE	**1 003.2**	***22.1%***	**–**	**1 003.2**	**821.5**	**–**	**821.5**
Residential	52.1	*37.8%*	(4.8)	47.4	37.8	(5.4)	32.4
Office	26.7	*49.5%*	(0.7)	26.0	17.8	1.8	19.6
Diversification	9.5	*2.8%*	(2.9)	6.7	9.3	(2.4)	6.8
Others	(1.7)		–	(1.7)	–	(1.7)	(1.7)
OPERATING INCOME	**86.6**	***33.3%***	**(8.3)**	**78.3**	**64.9**	**(7.7)**	**57.2**
Cost of net debt	(5.5)	*(11.7)%*	(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
Corporate income tax	(0.0)	*(91)%*	6.2	6.2	(0.5)	75.1	74.6
NET RESULTS FROM CONTINUING OPERATIONS	**81.0**	***39.2%***	**(11.0)**	**70.1**	**58.2**	**53.8**	**112.0**
Minority shares in continued operations	(5.7)	(13.7)%	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET RESULTS FROM CONTINUING OPERATIONS, Group share	**75.4**	**46.0%**	**(11.0)**	**64.4**	**51.6**	**53.8**	**105.4**
FFO FROM CONTINUING OPERATIONS, Group share, per share	**43.11**	***46.0%***			**29.53**		
Net result from activities in the process of being sold	–		(69.9)	(69.9)	(19.6)	(5.3)	(24.8)
NET PROFIT	**81.0**	***109.8%***	**(80.9)**	**0.2**	**38.6**	**48.6**	**87.2**
Non-controlling interests	(5.7)	(13.7)%	(0.0)	(5.7)	(6.6)	0.0	(6.6)
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**75.4**	**135.2%**	**(80.9)**	**(5.5)**	**32.0**	**48.6**	**80.6**
FFO (group share) per share	**43.11**	***135.2%***			**18.33**		
Average number of shares after dilution (in million)	*1.748*				*1.748*		

FFO[27] GROUP SHARE: €81.0 MILLION (+39.2%)

FFO[28] represents operating cash flow after interests and Corporate income tax expenses.

Excluding the impact of Rue du Commerce, "real estate" FFO (at comparable scope) was up +39.2%, at €81.0 million.

FFO Group share grew to €75.4 million, a +46% increase from 2014.

CHANGES IN VALUE AND CALCULATED CHARGES: €-80.9 MILLION

Group share	€ million
Change in value - Financial instruments	(8.3)
Disposal of assets and transaction costs	(2.0)
Share of equity-method associates	(1.6)
Deferred tax	6.2
Calculated charges [(a)]	(5.3)
TOTAL Continuing activities	**(11.0)**
Non-controlling interests	(0.0)
Net result from activities in the process of being sold	(69.9)
TOTAL Group share	**(80.9)**

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

[27] *Funds From Operations, Group and non-Group.*

[28] *Group and non-Group.*

4 FINANCIAL RESOURCES

Net financial debt stood at €472 million at 31 december 2015.

€ million	Dec. 2015	Dec. 2014
Corporate debt	423	399
Property Development and other debts	165	139
Total gross debt	**589**	**538**
Cash and cash equivalents	(208)	(250)
Total Net debt	**381**	**288**
Other borrowings	91	97
Total Financial net debt	**472**	**385**

FINANCIAL COVENANTS

Altareit's corporate debt is subject to Altarea Cogedim's consolidated convenants (LTV<60%, ICR>2). On December 31, 2015, the Group was in compliance with all covenants.

Property development debt, secured against developmentprojects, is subject to covenants specific to each development project.

Gearing[29] stood at 1.01 x.

	Covenant	Dec. 2015	Dec. 2014	Delta
LTV (o)	≤ 60%	44.5%	37.7%	+6.8 points
ICR (b)	≥ 2.0 x	7.3 x	5.9 x	+1.4 x

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

(b) ICR = Operating result / Net cost of debt ("Funds from operations" column).

[29] *Net debt to consolidated shareholders' equity.*

Consolidated Income Statement by segment as of 31/12/2015

	31/12/2015			31/12/2014 Restated (*)		
€ million	Funds From Operations (FFO)	Changes in value, estimated expenses and transaction costs	Total	Funds From Operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
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	**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**
Operating costs	**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)**
Transaction costs	**–**	**–**	**–**	**–**	**–**	**–**
NET DIVERSIFICATION INCOME	**9.5**	**(2.9)**	**6.7**	**9.3**	**(2.4)**	**6.8**
Others	**(1.7)**	**–**	**(1.7)**	**–**	**(1.7)**	**(1.7)**
OPERATING INCOME	**86.6**	**(8.3)**	**78.3**	**64.9**	**(7.7)**	**57.2**
Cost of net debt	**(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)**	**37.5**
Corporate income tax	**(0.0)**	**6.2**	**6.2**	**(0.5)**	**75.1**	**74.6**
NET RESULTS FROM CONTINUING OPERATIONS	**81.0**	**(11.0)**	**70.1**	**58.2**	**53.8**	**112.0**
Minority shares in continued operations	**(5.7)**	**(0.0)**	**(5.7)**	**(6.6)**	**0.0**	**(6.6)**
NET INCOME PER SHARE FROM CONTINUING OPERATIONS, Group share	**75.4**	**(11.0)**	**64.4**	**51.6**	**53.8**	**105.4**
NET INCOME FROM ACTIVITIES IN THE PROCESS OF BEING SOLD	**–**	**(69.9)**	**(69.9)**	**(19.6)**	**(5.3)**	**(24.8)**
Minority shares from activities in the process of being sold	**–**	**0.0**	**0.0**	**–**	**–**	**–**
NET INCOME FROM ACTIVITIES IN THE PROCESS OF BEING SOLD, Group share	**–**	**(69.9)**	**(69.9)**	**(19.6)**	**(5.3)**	**(24.8)**
NET PROFIT	**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 PROFIT, 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*			*1 748 199*		
NET INCOME PER SHARE FROM CONTINUING OPERATIONS, Group share	**43.11**	**(6.28)**	**36.82**	**29.53**	**30.79**	**60.32**
EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	*43.11*			*18.33*		

(*) Adjusted for the impact of the application of the IFRIC Interpretation 21 – Levies, and of the IFRS 5 "Discontinued operations".

Balance sheet at December 31, 2015

€ millions	31/12/2015	31/12/2014 Restated (*)
NON-CURRENT ASSETS	**498.8**	**499.8**
Intangible assets	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	181.2	152.0
Loans and receivables (non-current)	*4.0*	*4.2*
Deferred tax assets	125.4	109.6
CURRENT ASSETS	**1 330.2**	**1 168.5**
Net inventories and work in progress	691.2	611.1
Trade and other receivables	277.3	281.8
Income tax credit	3.8	4.8
Loans and receivables (current)	8.2	5.7
Derivative financial instruments	14.2	15.1
Cash and cash equivalents	208.3	250.1
Non-current assets held for sale	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	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 non-controlling interests of subsidiaries	10.0	6.3
Income associated with non-controlling interests of subsidiaries	5.7	6.6
NON-CURRENT LIABILITIES	**503.1**	**448.6**
Non-current borrowings and financial liabilities	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	12.6	15.3
Deposits and security interests received	0.6	0.4
Deferred tax liability	0.1	0.2
CURRENT LIABILITIES	**947.2**	**839.4**
Current borrowings and financial debt (less than one year)	190.3	202.6
o/w Borrowings from credit institutions (excluding overdrafts)	*76.9*	*78.2*
o/w Treasury notes	*20.5*	*27,0*
o/w Bank overdrafts	*2,3*	*0,5*
o/w Group shareholders and partners	*90,6*	*96,9*
Derivative financial instruments	0,0	0,1
Accounts payable and other operating liabilities	626,1	636,7
Tax due	0,0	0,0
Liabilities of the activity in the process of being sold and liabilities relating to assets intended for sale	130,7	–
TOTAL EQUITY AND LIABILITIES	**1 829,0**	**1 668,2**

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