ALTAREIT

A pure player in property development in France

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The operation presented on the cover is « L'Hospitalité » in Kremlin-Bicêtre

01/ 2018 in a nutshell

Issy Coeur de Ville, Issy-les-Moulineaux

Building the city

Altareit, a pure player in property development in France

Consolidated pipeline
Residential, Business Property

€14.9 billion
potential value

630 projects

3,8 million m²

GRESB REAL ESTATE
#1

100%
projects with labels and quality and/or environmental certifications

ÉLU SERVICE CLIENT DE L'ANNÉE 2019

COGEDIM club® RÉSIDENCES SENIORS

Viseha label qualité
Vie Seniors & Habitat le label qualité des résidences services seniors

20%
social housing

habitat et humanisme

LABEL VISEHA – Cogedim Club® Terre-de-Sienne

Territorial metropolisation: the major trend in our markets

Increasing polarisation
Populations, activities, wealth

Greater cities under pressure
Social inequalities, affordable housing, transport, pollution

MÉTROPOLE DU GRAND PARIS

Outdated infrastructures
Widespread commercial, industrial and residential zones

BRASSERIES FISCHER – Schiltigheim (Strasbourg)

Reshaping property infrastructures in greater cities

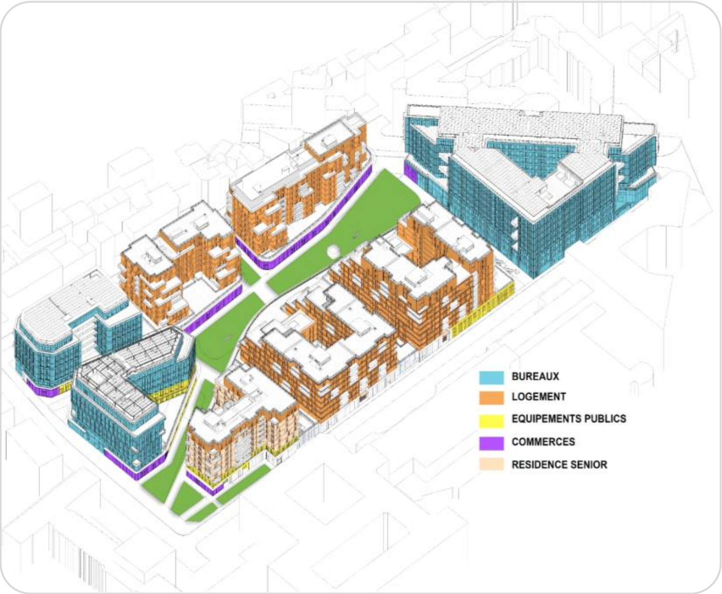
Redesigning property
to make the city sustainable

LA MAISON D'ARRÊT – Nantes

Intensifying land use
to resolve the economic equation

L'HOSPITALITÉ - Kremlin Bicêtre

Promoting mixed-uses
to enrich urban life



COEUR DE VILLE - Issy-les-Moulineaux

Large mixed-use projects: reconnecting cities

JOIA MERIDIA – Nice

630 units | 5,000 m² | 3,000 m² | 8,000 m² | 5,000 m²

Communities which were once located on the outskirts of main built-up areas are being transformed into real urban centres, with all the city features

Altareit:
leader in large mixed-use projects

10 projects ongoing
€3.3 bn in potential value

2018 highlights

Emblematic sales for €975 million (at 100%)

KOSMO – Neuilly/Seine
Finalist 2019 MIPIM Award

RICHELIEU – Paris

Sale of Semmaris

SEMMARIS – Rungis

Rungis
MARCHÉ INTERNATIONAL

Disposal of its stake in Semmaris

Acquisition of Histoire & Patrimoine

JARDINS D'ARTOIS – Arras
2019 SIMI Prize

Urban developer specialising in the redevelopment of remarkable buildings

Rating of the Group by S&P Global

First rating	First rating
ALTAREA COGEDIM – **BBB** stable	ALTAREIT – **BBB** stable

First European property developer to issue a public bond (€350 million)

Residential: sales growth and market share up
7.6% market share (+80 bps)

Origination

ECRIN DES DAMES – Paris 6

€5.1 bn (incl. tax)

+27%

Commercial Launches

COEUR DE VILLE – Issy-les-Moulineaux

€3.2 bn

+10%

New orders

L'ATELIER & GREEN LANE – Romainville
Double Pyramide d'Or

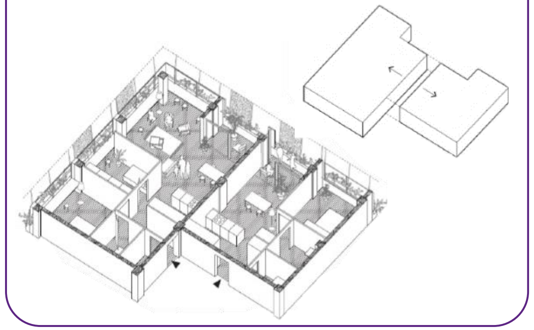
€2.9 billion **(+11%)**

11,800 units (+5%)

U-CARE (Paris 13th): innovating for wellness

Generational mix

130 upgradeable and modular units



Mixed use

2,200 m² of space dedicated to Health & Care

mk2 VR Virtual Reality Experience

TERROIRS D'AVENIR

ipso santé cabinet médical

Wooden structure

NF HQE HABITAT

E+ C- ÉNERGIE POSITIVE & RÉDUCTION CARBONE

biodivercity

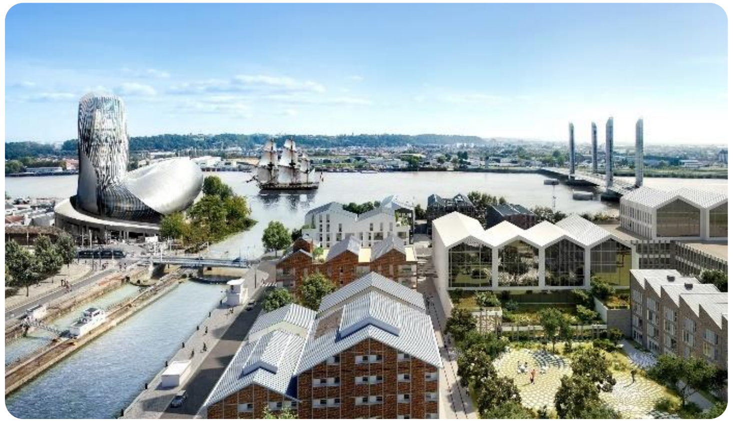
Business Property: high momentum

New orders

CONVERGENCE (Danone) – Rueil-Malmaison

€529 million incl. VAT

Construction launches



BASSINS À FLOT (Bordeaux)

8 projects

96,000 m²

Deliveries

52 CHAMPS ELYSÉES (Galeries Lafayette) - Paris

8 buildings

115,000 m²

Richelieu: “La Maison Altarea Cogedim”, our vision for offices

Smart design

Individual offices, social spaces
Meeting rooms, project areas
Business centre, models room
Restaurant and food court
Terraces

Top of the art amenities

Parking for bikes

Auditorium
287 spaces

Relaxation area

Conciergerie

The Academy

High wellness certifications

LABEL R2S READY2SERVICES DÉLIVRÉ PAR CERTIVEA

INTERNATIONAL WELL BUILDING INSTITUTE™

02/ 2018 performance

Quartier Belvédère, Bordeaux

Another year of remarkable growth

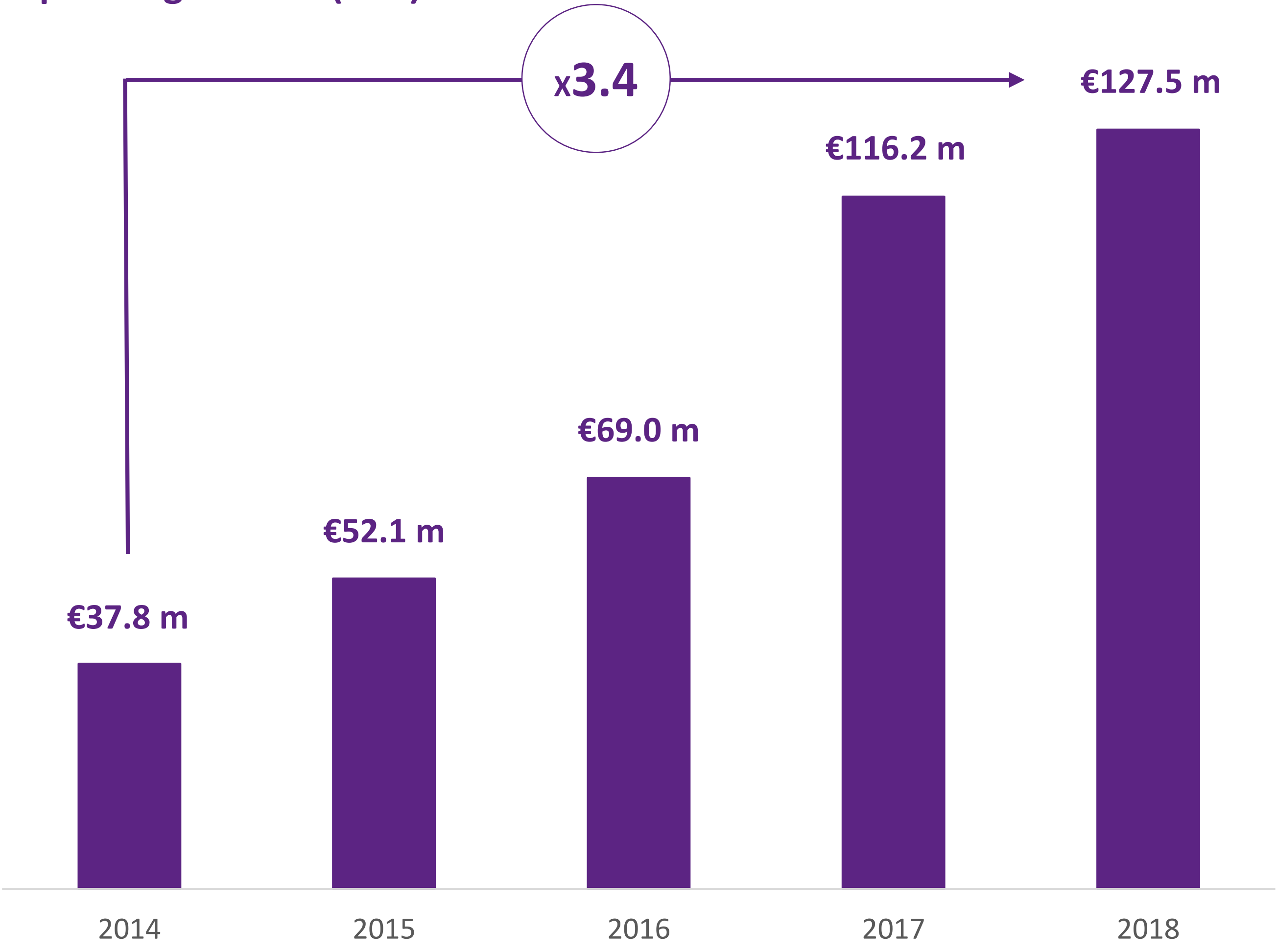
Consolidated revenue	Recurring operating income	Net income, Group share
€ 2,196.6 m	€ 178.4 m	€ 272.8 m(1)
+27%	+17%	x3,4

156.01 €/share
x3,4

(1) Including the impact of the sale of the Group stake in Semmaris

Residential

Operating income (FFO)

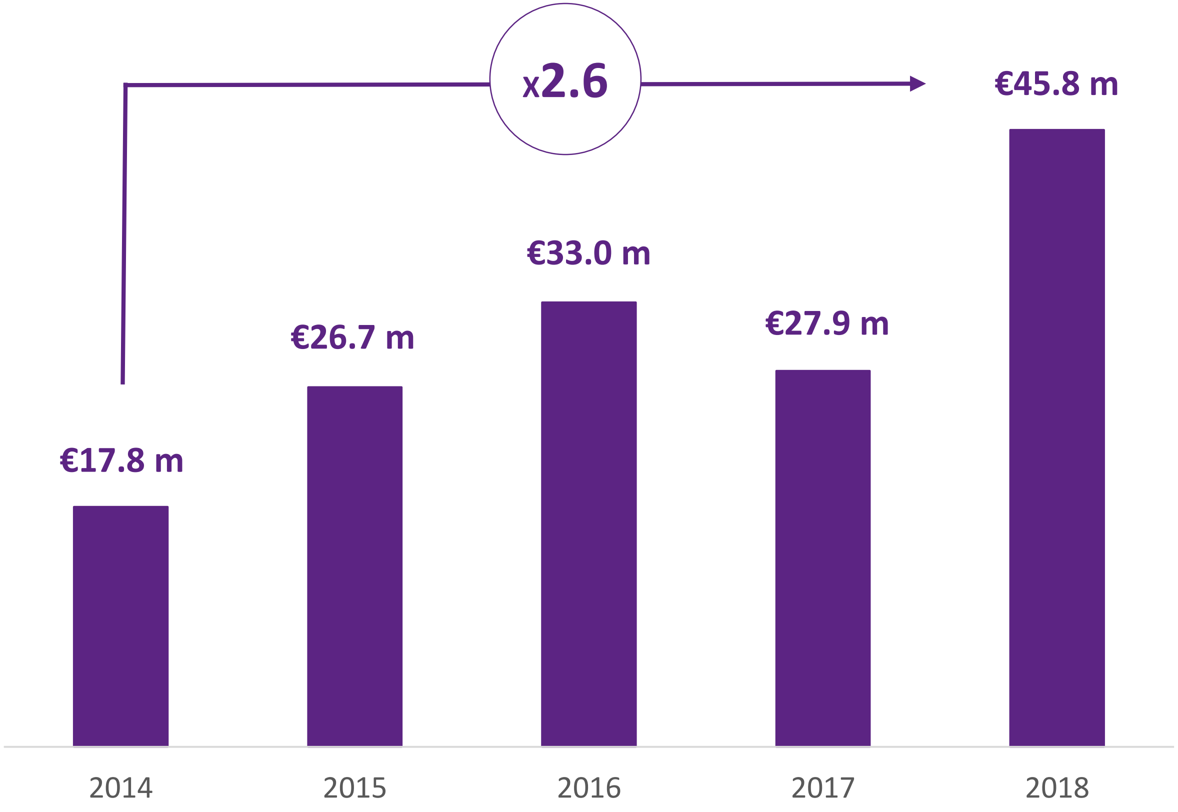


Strong operating income (FFO) growth
+9.7% vs 2017

This level only partially reflects the gains in market share in recent years

Business Property

Operating income (FFO)



An operational model that maximises sources of revenue

Strong operating income (FFO) growth
+64.5% vs 2017

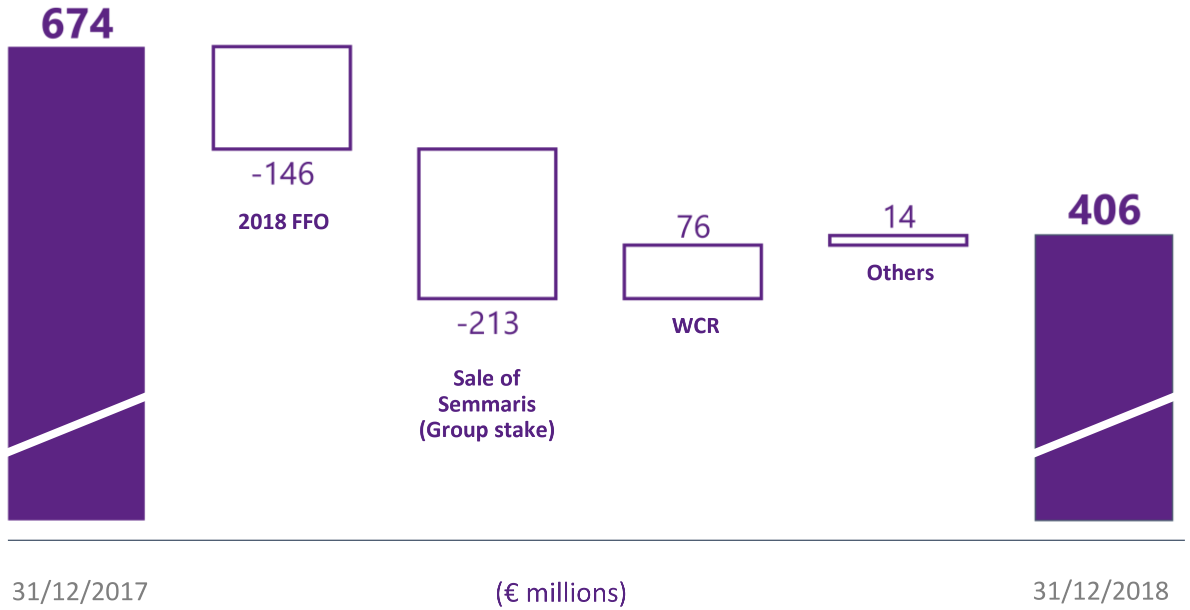
Strong visibility in coming years

Consolidated results

€ millions	Residential	Business property	Diversification	Other corporate	Operating cash flow from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue	**1,848.2**	**345.2**	**3.1**	**-**	**2 196.6**	**-**	**2 196.6**
Change vs 31/12/2017	*+30.1%*	*+14.8%*	*na*	*na*	*+27.4%*		*+27.4%*
Net property income	129.7		25.1	0.4	15.3	(5.5)	149.7
Recurring operating income	**127.5**	**45.8**	**7.3**	**(2.2)**	**178.4**	**166.6**	**345.0**
Change vs 31/12/2017	*+9.7%*	*+64.5%*	*(19.1%)*	*na*	*+16.5%*		*x2.7*
Net borrowing costs	(6.1)	(4.3)	(0.2)	-	(10.5)	(1.9)	(12.4)
Gains/losses in the value of financial instruments	-	-	-	-	-	(0.0)	(0.0)
Proceeds from the disposal of investments	-	-	-	-	-	(0.4)	(0.4)
Other	0.0	-	-	-	0.0	(0.2)	(0.2)
Corporate Income Tax	(4.0)	(2.0)	(1.8)	-	(7.8)	(37.4)	(45.2)
Net income. Group share	**103.2**	**39.7**	**5.4**	**(2.2)**	**146.0**	**126.7**	**272.8**
Change vs 31/12/2017	*+6.8%*	*+63.4%*	*(39.7%)*	*na*	*+12.5%*		*x3.4*

Net Debt

Net bond and bank debt



Gearing(1)

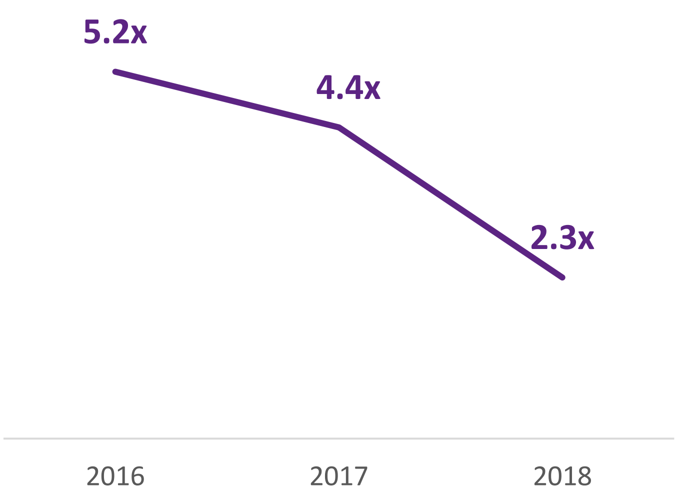
0.48x

Vs. 1.34x

(1) Net bond and bank debt / consolidated shareholders' equity

Debt profile

Strong improvement of Net Debt / EBITDA ratio



1st credit rating by S&P Global

ALTAREIT **BBB / stable**

First European property developer to issue a public bond

€350 m at 7 years

Coupon: 2.875%

Strong credit metrics

Altareit's ratios

Net Debt / EBITDA: 2.3x

ICR: 16.9x

Altarea Cogedim's covenants

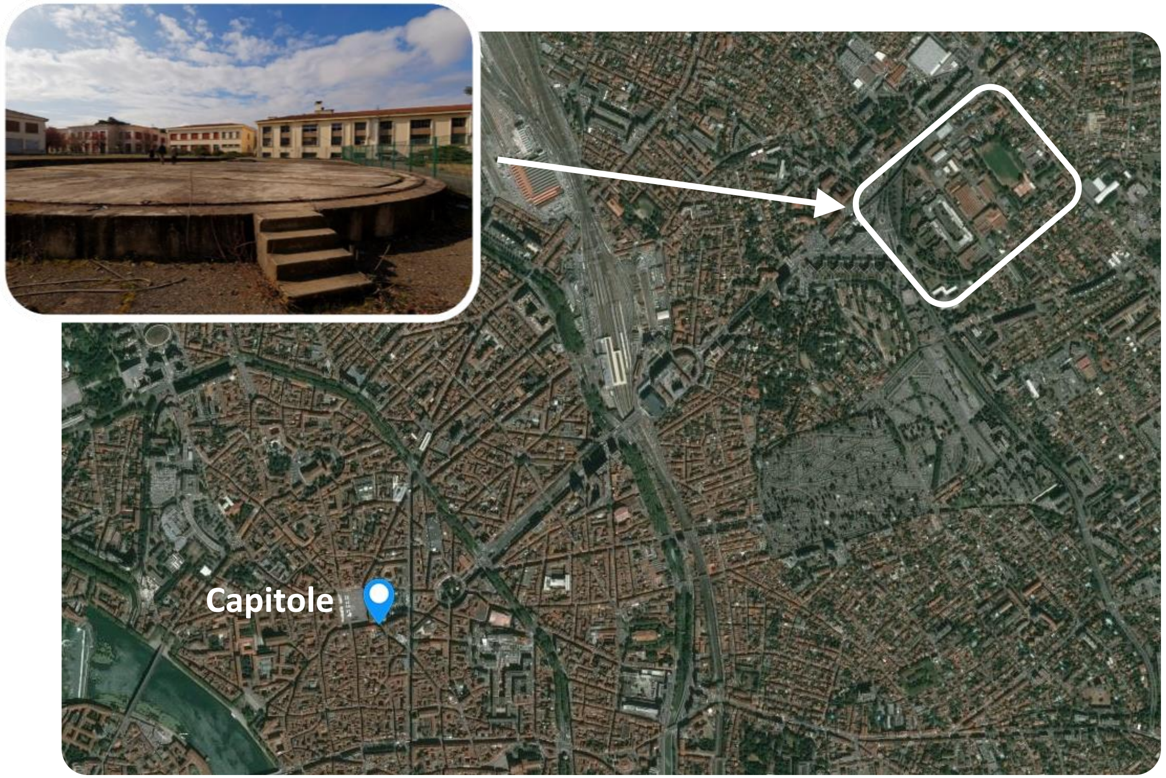
LTV: 34.9% *(-120 bps)*

ICR: 9.2x *(-0.1x)*

05/ APPENDICES & GLOSSARY

Redevelopment of an industrial site into a new district

Toulouse: from the ex-site of CEAT ("La Soufflerie") to the new Guillaumet district



13 hectares unoccupied since 2000, 3 metro stops from Capitole

1,200 units | 5,800 m² | 7,500 m² | 17,000 m² | 17,000 m²

Redevelopment of a low-densified area into a lively city center

Bezons: creating the heart of a new urban zone

14 hectares of waste and brownfield land,
12 minutes from Défense by tram

730 units

18,000 m²

1 school group

4.6 hectares

Redevelopment of fading retail sites: 120 potential sites already identified

Bobigny2, an hypermarket anchored center transformed into an intense city centre

Built in 1974 near the Prefecture building
An outdated urban model

1,170 units

13,000 m²

10,000 m²

P&L 2018

€ millions	Residential	Office	Diversification	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue	**1,848.2**	**345.2**	**3.1**	**-**	**2,196.6**	**-**	**2,196.6**
Change vs 31/12/2017	*+30.1%*	*+14.8%*	*Na*	*Na*	*+27.4%*		*+27.4%*
Net property income	176.1	18.2	0.8	-	195.1	-	195.1
External services	4.1	27.5	-	-	31.7	-	31.7
Net revenue	**180.2**	**45.7**	**0.8**	**-**	**226.7**	**-**	**226.7**
Change vs 31/12/2017	*+36.8%*	*+14.0%*	*Na*		*+31.6%*		
Own work capitalised and production held in inventory	135.3	20.0	-	-	155.3	-	155.3
Operating expenses	(200.9)	(47.1)	1.5	(2.2)	(248.8)	-	(248.8)
Net overhead expenses	**(65.5)**	**(27.1)**	**1.5**	**(2.2)**	**(93.4)**	**-**	**(93,4)**
Share of equity-method affiliates	12.8	27.2	5.0		45.1	13.5	58.5
Calculated expenses and Residential transaction costs					-	(17.8)	(17.8)
Calculated expenses and Office transaction costs					-	(3.8)	(3.8)
Calculated expenses and Diversification transaction costs					-	174.8	174.8
Recurring operating income	**127.5**	**45.8**	**7.3**	**(2.2)**	**178.4**	**166.6**	**345.0**
Change vs 31/12/2017	*+9.7%*	*+64.5%*	*(19.1%)*	*Na*	*+16.5%*		*X2.7*
Net borrowing costs	(6.1)	(4.3)	(0.2)	-	(10.5)	(1.9)	(12.4)
Gains/losses in the value of financial instruments	-	-	-	-	-	(0.0)	(0.0)
Proceeds from the disposal of investments	-	-	-	-	-	(0.4)	(0.4)
Other	0.0	-	-	-	0.0	(0.2)	(0.2)
Corporate Income Tax	(4.0)	(2.0)	(1.8)	-	(7.8)	(37.4)	(45.2)
Net income	**117.4**	**39.6**	**5.4**	**(2.2)**	**160.1**	**126.7**	**286.8**
Non-controlling interests	(14.2)	0.1	0.0	-	(14.1)	0.0	(14.1)
Net income, Group share	**103.2**	**39.7**	**5.4**	**(2.2)**	**146.0**	**126.7**	**272.8**
Change vs 31/12/2017	*+6.8%*	*+63.4%*	*(39.7%)*	*Na*	*+12.5%*		*X3.4*
Diluted average number of shares					*1;748,473*		*1,748,473*
Net income, Group share per share					**83.52**		**156.01**
Change vs 31/12/2017					*+12.5%*		*X3.4*

Balance sheet (1/2)

€ millions	31/12/2018	31/12/2017
NON-CURRENT ASSETS	**594.8**	**693.8**
Intangible assets	284.2	233.7
o/w goodwill	*178.6*	*139.6*
o/w brands	*100.7*	*89,9*
o/w client relations	*-*	*-*
o/w other intangible assets	*4.9*	*4.2*
Property. plant and equipment	18.2	15.6
Investment properties	37.6	38.3
Securities and investments in equity affiliates and unconsolidated interests	242.5	338.0
Loans and receivables (non-current)	8.3	6.8
Deferred tax assets	4.0	61.3
CURRENT ASSETS	**2,446.5**	**2,260.0**
Net inventories and work in progress	973.0	1 275.4
Trade and other receivables	907.9	510.6
Income tax credit	11.2	8.2
Loans and receivables (current)	32.5	13.0
Derivative financial instruments	-	-
Cash and cash equivalents	521.9	452.8
TOTAL ASSETS	**3,041.3**	**2,953.8**

Balance sheet (2/2)

€ millions	31/12/2018	31/12/2017
EQUITY	**843.3**	**502.3**
Equity attributable to Altarea SCA shareholders	**807.8**	**487.8**
Capital	2.6	2.6
Other paid-in capital	76.3	76.3
Reserves	456.2	329.4
Income associated with Altarea SCA shareholders	272.8	79.5
Equity attributable to minority shareholders of subsidiaries	**35.5**	**14.5**
Reserves associated with minority shareholders of subsidiaries	21.4	6.4
Income associated with minority shareholders of subsidiaries	14.1	8.1
NON-CURRENT LIABILITIES	**653.0**	**585.4**
Non-current borrowings and financial liabilities	628.7	569.6
o/w private bond placements. non-current	*345.0*	-
o/w borrowings from lending establishments	*282.9*	*569.2*
o/w participating loans and advances from associates	*0.7*	*0.5*
Long-term provisions	16.4	14.6
Deposits and security interests received	1.2	1.0
Deferred tax liability	6.7	0.2
CURRENT LIABILITIES	**1,545.0**	**1,866.2**
Current borrowings and financial liabilities	375.8	609.4
o/w private bond placements. current	*5.1*	-
o/w borrowings from lending establishments	*79.6*	*87.9*
o/w Negotiable European Commercial Paper	*212.0*	*468.9*
o/w bank overdrafts	*3.5*	*0.8*
o/w advances from Group shareholders and partners	*75.6*	*51.8*
Derivative financial instruments	0.0	0.0
Accounts payable and other operating liabilities	1,163.6	1,249.8
Tax due	5.5	7.0
TOTAL LIABILITIES	**3,041.3**	**2,953.8**

Glossary

- **Business Property:** New orders at 100%, with the exception of projects under joint control (equity-accounted) for which new orders are in Group share.
- **Customer Service of the Year:** The "Elu service client de l'année" (Customer Service of the Year) award, which was created in 2007 by Viséo Customer Insight, uses mystery shoppers to annually test the customer service quality of French companies in 42 different economic sectors. It is the benchmark ranking for customer relationships in France. Property developers were included for the second year.
- **Development backlog (Residential and Business Property):** *Residential*: Revenues (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block reservations to be notarised. *Offices*: notarised sales (excl. tax), not yet recognised on a percentage-of-completion bases, new orders (excl. tax), not yet notarised (signed property development contracts), and fees to be received from third parties on signed contracts.
- **Gateway cities:** The Group operates in 12 regional gateway cities: Grand Paris, Métropole Nice Côte d'Azur, Marseille-Aix-Toulon, Toulouse Métropole, Grand Lyon, Grenoble-Annecy, Nantes Métropole, Bordeaux Métropole, Eurométropole de Strasbourg, Métropole européenne de Lille, Montpellier Méditerranée Métropole, Rennes Métropole.
- **GRESB:** The Global Real Estate Sustainability Benchmark, a leading international ranking, annually assesses the CSR performance of real estate companies around the world. In 2018 it assessed 874 companies and funds, 37 of which were listed retail companies.
- **ICR (Interest Coverage Ratio):** Operating income / Net borrowing costs. (FFO column).
- **Large mixed-use projects**: Complex real estate programmes, offering a mix of Residential, Retail and Office, and also including public and leisure facilities (hotel resorts, cultural and sports venues…).
- **LTV (Loan-to-value):** Net bond and bank debt/Restated value of assets including transfer duties.
- **Market share :** Based on 155,000 units reserved in France (-6.1% vs 2017) – Source: Ministry of Territorial Cohesion and Relations with Local Authorities for retail sales and FPI (Fédération des Promoteurs Immobiliers), for block sales (estimated for block sales 2018).
- **Net Debt / EBITDA:** Net bond and bank debt / operating income FFO.
- **New Orders – Residential**: New Orders at 100%, with the exception of jointly controlled operations (New Orders In Group share). In Euros incl. VAT.
- **Operating income**: Recurring operating cash flow (FFO column in the consolidated P&L account).
- **Pipeline (in surface area):** Business property: floor area. Residential: surface area (properties for sale and portfolio).
- **Pipeline (in potential value):** Estimated market value at delivery date. Residential: property for sale and portfolio (incl. taxes). Business Property: potential market value excluding transfer duties on the date of disposal for investment projects (at 100%), amount (excl. tax) of off-plan sale/PDA contracts signed or estimated for the other development programmes (at 100%, or Group share for jointly owned projects), and delegated project management fees capitalised.
- **Residential Supply:** Sale agreements for land signed and valued as potential residential orders (incl. taxes).
- **VISEHA:** At the initiative of two professional organisations (SNRA and SYNERPA) and with the participation of Afnor Certification, "VISEHA, Vie Seniors & Habitat" is the first quality label for serviced residences for senior citizens. It is based on 13 criteria, relating to both the property and the services, plus a set of pre-requisites relating to the financial health and reliability of the operator in order to ensure the long-term future of the home.