

Press release



Boulogne-Billancourt, June 7, 2017

Carmila and Cardety publish their proforma NAV as of March 31, 2017

Cardety and Carmila, signed on April 4, 2017 a merger agreement in order to create a major listed property company dedicated to promoting and developing local-leading shopping centres in France, Spain and Italy, benefitting from a strategic partnership with the Carrefour Group, one of the World's largest retailers and leading player in Europe.

The merger will be submitted for approval to Carmila and Cardety's respective shareholders in General Meetings to be held on June 12, 2017.

On a pro forma basis as of March 31, 2017, EPRA NAV of the combined entity was **Euro 2,952 million** versus Euro 2,818 million as of December 31, 2016, **up +134 million euros** or **+5.0%**:

Q1 and Q3 appraisal campaigns are limited reviews aiming at identifying significant changes having occurred. Changes of value this quarter were mainly concentrated on the Spanish assets: to take into account recent significant transactions in Spain, the appraisers increased the value of the four main assets in the Spanish portfolio.

As a consequence, the average potential yield of the combined portfolio decreased by 0.1 point to **5.8%** versus 5.9% as of December 31, 2016.

Shareholders' equity, group share was up **+128 Meuros** driven by the following items:

- Pro forma appraisal values of assets **improving by Euro +41 million** in Q1 2017;
- The recognition of **margins on extension projects**¹ launched in early 2017 or late 2016, notably in Biarritz, Evreux, and Crêches sur Saone in France and Turino (Nichelino) in Italy for **Euro 56 million**. No margin was included on Carmila's projects in December 31, 2016 proforma NAV;
- Deferred taxes on Spanish and Italian assets related to the above items Euro -9 million;
- Q1 2017 pro forma **recurring earnings** of Euro **42 million**;
- Other items: Euro -2 million.

After deduction of the remaining part of the 2016 dividend to be paid by both Carmila and Cardety to their respective shareholders in Q2 2017, Proforma EPRA NAV per share fully diluted as of March 31, 2017 was **Euro 27.08** up **+5,0%** over the quarter.

¹ Investment Property Under Construction or IPUC

Detailed calculation is presented below:

EPRA NAV (excluding transfer taxes) (in thousands of euros)	31.03.2017	31.03.2017	adjustments	31.03.2017	31.12.2016	31.12.2016	adjustments	31.12.2016
	Cardety	Carmila	(1)	Proforma	Cardety	Carmila		Proforma
Shareholder's equity - Group share	117 873	2 768 827	-70 847	2 815 853	115 724	2 642 772	-70 846	2 687 650
Elimination of the Fair Value adjustment of hedging instruments		18 864		18 864		22 113		22 113
Reversion of the deferred income tax on potential capital gains		59 361		59 361		57 889		57 889
Transfer tax optimisation		57 842		57 842		50 289		50 289
EPRA NAV (excluding transfer taxes)	117 873	2 904 894	-70 847	2 951 920	115 724	2 773 063	-70 846	2 817 941
Average fully diluted number of shares over the period	4 279 783	312 510 830			3 839 069	309 866 458		
EPRA NAV per average share (in euros)	27,54	9,30			30,14	8,95		
Outstanding number of shares at period end	4 316 678	313 654 694		109 014 868	4 316 678	313 654 696		108 868 229
EPRA NAV per outstanding share at period end (in euros)	27,31	9,26			26,81	8,84		
Fully diluted number of shares at period end	4 316 678	314 094 571		109 014 868	4 316 678	314 094 571		109 014 868
EPRA NAV per share fully diluted at period end (in euros)	27,31	9,25			26,81	8,83		
EPRA NAV per share fully diluted after distribution of 2016 dividend (in euros)	25,43	9,05		27,08	24,93	8,63		25,85

(1) Mainly remaining 2016 Dividend to be paid

This pro forma financial information is indicative and preliminary. The work of the statutory auditors is under way.

Carmila and Cardety brings to the attention that these figures supplement the prospects and forecasts for the period 2017-2020 contained in the information document (Document E) in paragraph 12 of its annex, prepared in the framework of the proposed merger between the two companies and registered by the AMF on May 5, 2017 under the visa E. 17-040.

About Carmila

Carmila was founded on April 16, 2014 by Carrefour and large institutional investors with the objective to regenerate and extract value on shopping centers anchored by Carrefour stores in France, Spain and Italy. Its portfolio consisted, as at December 31, 2016, of 194 shopping centres in France, Spain and Italy, mostly leaders in their catchment areas, and valued at Euro 5.2 billion. Inspired by a genuine retail culture, Carmila's teams include all of the expertise dedicated to commercial attractiveness: marketing, specialty leasing, shopping centre management and portfolio management.

Carmila's 2016 audited consolidated financial statements were published on April 5, 2017 and are available on the website at www.carmila.com, in the Finance section.

About Cardety

Cardety (formerly named Carrefour Property Development) is a listed property company benefiting from the tax regime for real estate investment companies ("régime SIIC") and principally engaged in the development, acquisition and management of retail parks and shopping centre units. Cardety's stock is listed in Compartment C of the Paris Euronext under ISIN Code FR0010828137 and Mnemonic Code CARD

The press release announcing Cardety's 2016 audited results under IFRS and 2016 Annual Report are available on the website www.cardety.com, in the Regulated Information section.

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Important information

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This announcement is not an offer or sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Cardety does not intend to register any of the securities mentioned in this announcement in the United States or to conduct a public offering of securities in the United States.

In connection with the proposed merger, the required information documents will be filed with the Autorité des Marchés Financiers ("AMF").

Forward-looking statements

This press release contains forward-looking information and statements regarding the contemplated merger between Cardety and Carmila with respect to its objectives, results, effects and timing, as well as other information and statements which reflect Cardety and Carmila's best estimates based on currently available information. Forward-looking information and statements are sometimes identified by the use of words such as "believes", "expects", "estimates", "may", "will", "could", "should", "shall", "intends", "aims", "plans", "predicts" or "anticipates" or the negative, conditional or future thereof, other variations thereon or comparable language. Investors and shareholders are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of Cardety and/or Carmila, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in filings with the Autorité des Marchés Financiers made or to be made by Cardety and/or Carmila. Cardety and Carmila undertake no obligation to publicly update these forward-looking statements, whether as a result of new information, future events, or otherwise.