COMPAGNIE
FONCIÈRE
INTERNATIONALE

BUSINESS ACTIVITY AND RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2010

The Board of Directors met on 22 July 2010 to review CFI's business activity and to approve the Company's financial statements and the consolidated financial statements for the half year ended 30 June 2010.

In a property market that showed some signs of improvement, which mainly benefited core investors, the first half of 2010 featured the acquisition on 28 June of a new UGC cinema property, the Bordeaux city-centre UGC multiplex, purchased through the subsidiary SCI Bordeaux Image. This cinema complex, with 18 screens and 2,784 seats, sold more than one million tickets in 2009.

This €10.9 million investment, including acquisition costs, was financed by a €8 million, five-year floating-rate bank loan granted by OSEO, together with equity contributions from the shareholders of SCI Bordeaux Image, amounting to €1.6 million for CFI (55%) and €1.3 million for UGC (45%).
This transaction is a positive addition to the existing portfolio of twelve UGC cinema complexes acquired in 2009 and will create value in two ways: (i) through a new investor-type lease which was signed with UGC Ciné Cité for a fixed term of 12 years; and (ii) from end-December 2010, the Company will own the entire property outright, following the early exercise of the purchase option included in the finance lease contract currently in effect regarding a portion of the property.

Rental income in the first half of 2010 amounted to €6.5 million, benefiting from the impact of the 2% contractual rent indexation applied on 1 January 2010.

Operating profit on ordinary activities came to €6.2 million.

Based on the appraisal value of the portfolio measured by CB Richard Ellis, which totalled €216 million net of costs and taxes, including €13.7 million for the UGC Bordeaux cinema property, the increase in fair value boosted consolidated profit by €3.3 million. On a like-for-like basis, the appraisal value of the portfolio held steady compared to the 31 December 2009 figure.

After deducting finance costs of €2.6 million, the consolidated financial statements showed a net profit of €6.9 million, of which €3.5 million was attributable to the equity holders of the parent, equating to €4.13 per share.

At 30 June 2010, liquidation Net Asset Value attributable to the equity holders of the parent came to €55.7 million, or €65.35 per share.

Key consolidated figures *(in thousands of euros, unless otherwise stated)*

	30 June 2010 (6 months)	30 June 2009 (4.5 months*(1)*)
Net rental income	6,545	4,925
Change in fair value	3,282	49,236
Operating profit on ordinary activities	6,192	3,973
Net profit	6,880	51,012
Of which:		
▪ Minority interests (2)	3,359	24,335
▪ Attributable to the equity holders of the parent	3,521	26,677
Earnings per share (€)	*4.13*	*31.25*
Of which, net operating profit attributable to the equity holders of the parent	1,745	1,125 *(3)*
Ordinary earnings per share (€)	*2.05*	*1.32 (3)*
Net Asset Value attributable to the equity holders of the parent	55,697	53,447
NAV per share (€)	*65.35*	*62.62*

(1) From 13 February to 30 June.
(2) Arising from the financing structure of the acquisition, in 2009, of the cinema property portfolio, based mainly on the issuance by CFI-Image of €25.5 million in bonds redeemable in shares (‘ORAs’).
(3) Restated to reflect the same basis as to 30 June 2010.

Outlook

In a market that is showing some signs of improvement, but is characterised by patience, the Company will continue seeking out new investment opportunities that meet its value creation objectives.

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