

# FONCIÈRE EURIS

Société Anonyme au capital de 148 699 245 euros  
83, rue du Faubourg Saint-Honoré – 75008 Paris  
702 023 508 RCS PARIS

Paris, on 25 November 2019

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## *Rallye, Foncière Euris and Euris announce an agreement with their banks on all their derivatives transactions and the extension of the observation period*

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Following the authorization of the insolvency judge (*juge-commissaire*), Foncière Euris announces the entry into force today of agreements entered into with certain financial institutions (the **Restructuring Agreements**) regarding the restructuring of the terms and conditions of all its derivatives transactions, mainly structured in the form of prepaid forward and equity swaps as well as options sales, entered into between Foncière Euris and these financial institutions. Rallye and Euris also announced today the entry into force of similar agreements at their level (see press releases of Rallye and Finatis).

The Restructuring Agreements cover derivatives transactions representing a total exposure of 84.8 million euros (net of cash-collateral assigned to payment) as of today, secured by pledges over 9.5 million Rallye shares, i.e. 18.2% of the share capital.

The principles provided for in the Restructuring Agreements are as follows:

- the financial institutions that have agreed to the restructuring of the terms and conditions of the derivatives transactions (the **Relevant Financial Institutions**) are treated in an equal manner;
- the Relevant Financial Institutions waive their right under the ongoing events of default under the derivatives transactions as at the signature date of the Restructuring Agreements to request immediate mandatory prepayment of any amounts due by Foncière Euris or to exercise their pledges;
- the derivatives transactions will be repaid at the latest on 30 June 2023 as long as 50% of the outstanding amounts are repaid by 31 December 2022 (i.e. 42.4 million euros) and the coverage ratio is 120%, it being specified that Foncière Euris will in each case be able to exercise an early repayment option of such derivatives transactions;
- the derivatives transactions will only bear capitalized interests;
- the Relevant Financial Institutions benefit from additional security interests pro rata their respective outstanding amounts in the derivatives transactions of Foncière Euris, in the form of (i) an additional pledge over the 918,000 shares of Merrialys that are not pledged at this stage, and (ii) pledges over the securities of the companies holding the main real estate assets of Foncière Euris, the sales proceeds of which will be affected to repayment of the derivatives transactions up to 50% of the outstanding amounts;
- any dividend paid in respect of Rallye or Merrialys shares pledged as part of the derivatives transactions will be immediately allocated to the reduction of the notional amounts of the derivatives transactions;
- Foncière Euris acknowledges the application of the derogatory regime of Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*), which allows the termination, netting, and exercise of security despite of the opening of insolvency proceedings;

- all or part of the Relevant Financial Institutions may, if applicable, trigger the early repayment of the derivatives transactions or demand payment of their claims under the derivatives transactions and exercise the related security interests in the following main cases of default:
  - (i) conversion of the safeguard proceedings opened to the benefit of Foncière Euris into rehabilitation proceedings (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*), or (ii) cancellation of the safeguard plan that will be adopted to the benefit of Foncière Euris, or (iii) non-compliance with the schedule of the safeguard proceedings (in particular, the adoption of a safeguard plan by 31 July 2020);
  - loss of the direct or indirect control by Jean-Charles Naouri and his family of Euris, Finatis, Foncière Euris, Rallye or of Casino;
  - cross default: (i) any default of payment for an amount exceeding 15 million euros resulting in the notification of an event of default to Casino under any credit or derivatives transaction concluded between one of the Relevant Financial Institutions and Casino, and/or (ii) any default of Rallye under the restructuring agreements of its derivatives transactions entered into today (see today's press release of Rallye) ;
  - in the event of a case of default, exercise by one of the Relevant Financial Institutions of any of its security interests relating to the derivatives transactions subject of the Restructuring Agreements for Rallye, HMB, Cobivia, Foncière Euris or Euris (see today's press releases of Rallye and Finatis)

As part of the Restructuring Agreements, Foncière Euris has agreed to withdraw of the ongoing legal proceedings against Société Générale, which followed the appropriation by this institution of 1,680,396 Rallye shares as part of the exercise of its pledge (see press release dated 12 July 2019).

Foncière Euris also announces it has obtained an extension of the observation period of the safeguard proceedings opened to its benefit for a period of 6 months.

Foncière Euris confirms its objective to obtain the approval of its safeguard plans by the Court by the end of the first quarter of 2020 at the latest.

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