

Press release



Formerly named



Boulogne-Billancourt, June 25, 2017

**Carmila launches a c. Euro 557 million capital increase
in order to pursue its development plan
Indicative price range between Euro 23 and Euro 27 per share**

Carmila announces today the launch of a capital increase of approximately Euro 557 million, that may be increased to approximately Euro 632 million, in case of full exercise of the overallotment option, with the aim of financing its growth strategy.

The offering follows the merger of Cardety and Carmila (together, the "**Company**" or "**Carmila**") completed on June 12, 2017, which led to the creation of the third largest listed retail property company in continental Europe with 205 shopping centres and assets valued at Euro 5.4 Bn. Carmila is now a major listed property company principally engaged in the development and management of locally leading shopping centers in France, Spain and Italy, leveraging its strategic partnership with Carrefour.

The aim of the capital increase is to fund the Company's 2017-2020 development plan, including 37 extension projects, targeted acquisitions and the deployment of a unique and innovative digital marketing strategy aimed at supporting retailers in increasing revenues.

« We would like to offer new shareholders the opportunity to invest in the transformation of our shopping centers, jointly led with Carrefour through a synergetic partnership creating value for both our companies. Our ambition is to create a new generation of shopping centers based on a unique digital marketing strategy and to position Carmila as a key player in the European shopping centers space. This strategy allows us to target a double digit growth of our recurring earnings », said Jacques Ehrmann, the Chairman and CEO of Carmila.

The capital increase was approved by the board of Carmila on June 23, 2017.

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Capital Increase	Capital increase through the allocation of warrants (" Warrants ") to existing shareholders to purchase newly issued Shares for up to Euro 557 million , including share premium (prior to the exercise of the over-allotment option), and including the placing of new shares from the exercise of the Warrants (the " Offering ")
Use of Proceeds	Reinforce its financial and strategic flexibility to finance its shopping centers renovation and expansion program, restructurings and potential targeted acquisitions Enhance the Company's free float shareholder base and the stock liquidity

Offering

Structure and Offering Size	Placing of new shares to institutional investors in France and outside France (the " International Offering ") and a public offering to retail investors in France (the " French Retail Offering ") of Euro 503 million , including share premium (prior to the exercise of the over-allotment option)
Over-allotment Option	Issue of additional new shares for an amount of Euro 75.5 million , increasing the Capital Increase size (including the portion resulting from the Warrants exercise described below), in case of full exercise of the over-allotment option, up to approximately Euro 632 million
Price Range	For the International Offering and the French Retail Offering: between Euro 23 and Euro 27 per share (the "Offer Price")
French Retail Offering Timetable	June 26, 2017 to July 5, 2017 at 17.00 (Paris time) for orders placed at branches of financial institutions and at 20.00 (Paris time) for orders placed online
International Offering Timetable	June 26, 2017 to July 6, 2017 at 12.00 noon (Paris time)

Warrants Exercise

Warrants Ratio	9 Warrants to subscribe for 2 new shares
Warrants Exercise Price	The subscription price of one new share via the exercise of the Warrants will be equal to the Offer Price
Issue Date	The decision regarding the Warrants issuance will be taken on July 6, 2017, the Offer Price setting date, and the Warrants will be allocated on July 10, 2017
Subscription and Trading Period of the Warrants	July 10 to July 17, 2017
Maximum Amount, excluding the Offering, resulting from the Warrants exercise	Approximately Euro 54 million , excluding the exercise of the Warrants by the managers, of which Euro 50 million corresponds to the amount resulting from the exercise by Carrefour of a portion of its Warrants

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The French *Autorité des marchés financiers* (the “**AMF**”) granted visa n°17-298 on June 23, 2017 on Carmila's capital increase documentation consisting of:

- a *Document de Référence* (the “Registration Document”) registered by Cardety with the AMF under number D.17-0428 on 25 April 2017
- the annex to the Document E containing information about Carmila registered with the AMF under No. E.17-040 dated 5 May 2017
- a Securities Note (including a summary of the prospectus)

Capital Increase Structure

The Company's capital increase will be carried out via the allocation of Warrants, with one warrant issued for each Carmila share held by existing shareholders (as of the record date of June 26, 2017). 9 Warrants will allow to subscribe for 2 new shares.

The allocation will be decided on the day of the setting of the exercise price of the Warrants (July 6, 2017 according to the indicative timetable), which will take place at the end of the Offering Period (as defined below) and will be set at a level equal to the Offer Price as set by the Company depending on the results of the bookbuilding exercise carried out by the managers according to generally accepted market practices.

Following the setting of the Offer Price and thus the Warrants' exercise price, a five trading day Warrant exercise period will start, during which Warrant holders will be able to exercise their Warrants in order to subscribe for new shares. During that period, the Warrants will be admitted to trading on the regulated market of Euronext Paris (« **Euronext Paris** »).

The new shares issued as a result of the capital increase will consist of:

- new shares from the Offering subscribed for by Société Générale acting on behalf of the managers (the “**Centralisation Agent**”), and
- new shares subscribed for by other Warrant holders, including new shares subscribed for by Carrefour (via the company CRFP 13) and new shares issued through the exercise of the remaining Warrants

Offering of New Shares (the « Offering »)

Carrefour (via the company CRFP 13), Colkart S.à.r.l. and ColKart Investment II S.C.S. (Colony), CAA Kart 2 (Predica), C Commerce 2 (Cardif), SAS Sogecar 2 (Sogecap), SCI Vendôme Commerce (AXA), LVS II France I SAS (Pimco), Kart SBS (Blue Sky Group), OPPCI Kartam (Amundi), Charles de Gaulle Neuilly and CapImmo (Primonial) and Delta Immo and SwissLife Dynapierre (SwissLife), shareholders of the Company (“**Warrants Sellers**”), have committed to transfer all of their Warrants to Société Générale, the Centralisation Agent, on the settlement date of the Offering, with the exception of Carrefour whose intention is to keep a portion of its Warrants to exercise them and subscribe for Euro 50 million.

The Offering of the shares (the “**New Offering Shares**”) resulting from the exercise of the Warrants by the Centralisation Agent will take place at the “**Offer Price**” set based on the results of the bookbuilding exercise carried out between June 26 and July 6, 2017 (the “**Offering Period**”) according to generally accepted market practices.

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It is expected that the new shares will be offered as part of a global offering (the "**Global Offering**") consisting of:

- An international offering (the "**International Offering**") aimed primarily at institutional investors including:
 - A placement in France; and
 - An international private placement in certain countries, including in the United States in reliance on Rule 144A under the US Securities Act of 1933, as amended (the "Securities Act"), and outside the United States in reliance on Regulation S under the Securities Act ; and
- A public offering in France (the "**French Retail Offering**") in the form of an *offre à prix ouvert*, dedicated primarily to retail investors.

Carmila shares will not be eligible to the French PEA.

A minimum of 10% of the New Offering Shares prior to the exercise of the overallotment option (the "**Overallotment Option**"), will be offered in the French Retail Offering. Consequently, if demand in the French Retail Offering is sufficient, the number of shares allocated to orders in the French Retail Offering will be at least equal to 10% of the New Offering Shares prior to the exercise of the Overallotment Option.

If demand in the French Retail Offering is less than 10% of shares to be offered in the Global Offering (excluding the exercise of the Overallotment Option), the remaining shares not allocated to the French Retail Offering will be allocated under the International Offering.

Subscription orders will be categorized by the number of shares requested:

- A1 orders: between 10 and 200 shares (included);
- A2 orders: more than 200 shares.

The A1 orders will benefit from preferential treatment as compared to the A2 orders in the event that all A orders cannot be satisfied in their entirety.

It is further specified that each order should be placed for a minimum number of 10 shares.

New Offering Shares will represent at least 91% of the new shares that could be issued in the capital increase in case of full exercise of the Warrants (based on the lower end of the indicative price range of the Global Offering price), representing a Euro 503 million capital increase ("**Offer Size**"), including issue premium.

In case the Offer Price is set above the bottom of the indicative price range, the managers have committed to exercise the portion of the Warrants such that the overall amount issued (including the issue premium) is equal to the Offer Size and to waive the right to exercise the remaining Warrants that were transferred to the managers.

Size of the Offering

The gross proceeds from the capital increase will be approximately Euro 557 million, including:

- An amount of Euro 503 million resulting from issuance of New Offering Shares; and
- An amount of Euro 50 million resulting from issuance of new shares subscribed by CRFP 13 ; and
- A maximum amount of approximately Euro 4 million resulting from new shares issued following the exercise of the Warrants assuming all unsold Warrants are exercised.

Stabilization

Furthermore, the Company has committed to issue warrants to the managers allowing them to subscribe for 15% of additional new shares corresponding to an additional capital increase amount of Euro 75.5 million (including issue premium) at the Offer Price in case the Overallotment Option is exercised in order to cover potential overallotments and enable stabilisation.

In case of full exercise of the Overallotment Option and assuming full exercise of the Warrants by holders other than the Managers and CRFP 13, the proceeds from the capital increase could increase from c. Euro 557 million to Euro 632 million.

Indicative price range

The Offer Price may be set between Euro 23 and Euro 27 per share. This price range is indicative only and the Offer Price may be set outside of this indicative price range. The indicative price range may be modified at any time up to and including the pricing date of the Global Offering. If the upper end of the above-mentioned indicative price range is increased, or the Offer Price is set above the upper end of the price range (either the initial price range or a revised range), the end of the subscription period for the French Retail Public Offering will be extended or a new subscription period will be opened for the French Retail Offering, such that there will be at least two trading days between the release date of the press release announcing this modification and the new closing date of the subscription period for the French Retail Offering. Orders placed in the French Retail Offering prior to the release of the press release described above will be maintained unless they are expressly revoked on or prior to the new closing date of the subscription period for the French Retail Offering.

The Offer Price could be set below the lower end of the indicative price range, provided that there is no material impact on the other aspects of the Global Offering.

As a reminder, the exercise price of the Warrants, to be set by the Company at the end of the Offering Period, will be equal to the Offer Price set by the Company.

Indicative timetable for the Global Offering

- June 26, 2017 : start of the French Retail Offering and of the International Offering
- July 5, 2017 : **end of the French Retail Offering** at 17.00 (Paris time) for orders placed at branches of financial institutions and at 20.00 (Paris time) for orders placed online
- July 6, 2017 :
 - **End of the International Offering** at 12.00 noon (Paris time)
 - Setting of the Offer Price and the Warrants exercise price
 - Decision on issuing the Warrants
- July 10, 2017 :
 - Issuance of the Warrants to the managers; exercise of the Warrants
 - Start of the subscription and trading period of the Warrants

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- Settlement and delivery of the French Retail Offering, of the Global Offering and of the Warrants exercised before 11.00 (Paris time) 10 July 2017
- July 11, 2017: **admission to trading on Euronext Paris of the new shares** resulting from the exercise of the Warrants
- July 17, 2017 : end of the Warrants exercise period and of admission to trading on Euronext Paris trading period
- July 18 to July 20, 2017 : centralisation of the exercise of the remaining Warrants
- July 21, 2017 : announcement of the results of the centralisation of the exercise of the remaining Warrants
- July 25, 2017 : Settlement and delivery of the new shares issued through the exercise of the remaining Warrants

Cancellation of Subscription Orders

Online orders placed under the French Retail Offering can be cancelled online until the closing date of the French Retail Offering (July 5, 2017 at 20.00 (Paris time)). Investors should contact their financial institution for information on whether it is possible to cancel orders not placed online, and if so, how, and whether online orders can be cancelled other than online.

Financial Intermediaries

The Offering is carried out under a Subscription Agreement signed between the Company and Morgan Stanley and Société Générale Corporate & Investment Banking acting as Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners, Citi, HSBC, Kempen and Natixis acting as Joint Bookrunners, and BNP Paribas and Crédit Agricole Corporate and Investment Bank acting as Co-Bookrunners.

Information available to the public

Copies of the prospectus that has been granted visa n°17-298 by the AMF on June 23, 2017, consisting of the Registration Document registered by the AMF under number D.17-0428 on April 25, 2017, the annex to the Document E containing information about Carmila filed with the AMF, which received visa No. E.17-040 dated May 5, 2017 and a securities note (including a summary of the prospectus) are available on the dedicated website of Carmila www.augmentation-de-capital-2017-carmila.com and the AMF website (www.amf-france.org), and free of charge upon request to Carmila at 58 avenue Emile Zola, 92100 Boulogne-Billancourt, France. Carmila draws the public's attention to the risk factors in paragraph 5 of the management report of Cardety's board in chapter 9.2 of Cardety's Reference Document, to Chapter 4 of Appendix II of the Document E as well as to the Section 2 of the securities note.

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About Carmila

Carmila was founded by Carrefour and large institutional investors in order to develop the value of shopping centers adjoining Carrefour hypermarkets in France, Spain and Italy. Its portfolio pro forma for the merger with Cardety effective as of June 12 consisted, as at March 31, 2017, of 205 shopping centers in France, Spain and Italy, mostly leaders in their catchment areas, and valued at Euro 5.4 Bn as at March 31, 2017. 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.

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