



Press release

Carmila and Cardety announce their intention to merge, thereby creating the 3rd largest listed retail property company in Continental Europe

Boulogne-Billancourt, March 2, 2017 – Carmila and Cardety, two retail property companies specialised in the management of shopping centres and retail parks anchored to stores operated by Carrefour, announce the proposed merger of Carmila and Cardety. Under the terms of the proposed merger, the exchange ratio would be 3 Carmila shares for 1 Cardety share, subject to the approval of their respective shareholders.

Post completion of the merger, Carrefour would own 42.4% of the new merged entity while the other shareholders of Carmila and Cardety would own 55.3% and 2.3% respectively.

This proposed merger aims to create a major retail property company dedicated to the value enhancement and the development of leading shopping centres in France, Spain and Italy, leveraging a strategic partnership with Carrefour, one of the world's leading retailers. The new merged entity, listed on Euronext Paris and benefiting from the SIIC status ("REIT"), would be named Carmila.

The new merged entity, the leader in food-anchored shopping centres and the 3rd largest listed retail property company in Continental Europe, would own a portfolio with an appraisal value of €5.3 bn as of December 31st, 2016, including 205 shopping centres. The net asset value of the new merged entity would be €2.9 bn (based on the estimated EPRA NAV of each of the two companies as of December 31st, 2016).

This merger proposal shall be submitted in the coming weeks to the relevant employee representative bodies for information and consultation purposes. Following completion of this information and consultation process, and subject to the signing of the definitive agreements and to certain regulatory approvals, the merger shall be submitted for the approval of Carmila and Cardety's respective shareholders at General Meetings to be held in the course of 2017.

As part of its development plan, the new merged entity would proceed, subject to market conditions, with a capital increase of approximately €500 to €600 million, which would imply a placement of new shares on the market in the course of 2017.

The main shareholders of Carmila and Cardety, support this proposed merger, demonstrating their confidence in the strategy and the growth prospects of the new merged entity.

On this occasion, Jacques Ehrmann, Chairman of the Board of Directors of Carmila declared: *"After three successful years, marked notably by the completion of the refurbishment program of its 194 shopping centres, the deployment of our local and digital marketing strategy for the benefit of our tenants, and active tenant management, Carmila enters a new 5-year phase to deliver shopping center extensions"*.

For his part, Francis Mauger, Chairman of the Board of Directors of Cardety declared: *"Within one year, Cardety has significantly grown its activity both through transformative acquisitions and the development of new retail parks at Saran (Orléans), Saint-Egrève (Grenoble), Rambouillet or Chalezeule (Besançon). The complementarities of Carmila and Cardety will allow to maximize the value creation of shopping centres and retail parks anchored to stores operated by Carrefour in France, Spain and Italy"*.

Important information

This press release does not constitute and shall not be construed as an offer or the solicitation of an offer to purchase, sell or exchange any securities of Cardety and Carmila. In addition, it does not constitute an offer or the solicitation of an offer to purchase, sell or exchange securities in any jurisdiction in which it would be unlawful or subject to registration or qualification under the laws of such jurisdiction.

This announcement is not an offer for 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 transaction, the required information documents will be filed with the Autorité des Marchés Financiers ("AMF"). Shareholders and investors are strongly advised to read, when made available, the information documents, and in particular the sections related to the risk factors, that have been filed with the AMF and any other relevant document that has been filed with the AMF as well as any related amendment if any and/or supplements because they will contain important information.

Combined financial data

This press release contains certain financial information resulting from the aggregation of revised historical financial information of Cardety and Carmila. This information is given for indicative purposes only and does not constitute pro forma financial information and has not been audited.

About Carmila

Carmila was founded on 16 April 2014 by Carrefour (42% of the capital) and large institutional investors (58% of the capital) in order to increase the value of shopping centres adjoining Carrefour hypermarkets in France, Spain and Italy. Its portfolio consisted, on 31 December 2016, of 194 shopping centres in France, Spain and Italy that are mostly leaders in their catchment zones and valued at €5.2 billion. Inspired by a genuine retail culture, Carmila's teams have all of the expertise needed to ensure commercial attractiveness: marketing, speciality leasing, shopping centre management and portfolio management.

Carmila 2016 audited consolidated financial accounts will be made available in the coming weeks on its website (www.carmila.com, Finance section).

About Cardety

Cardety, previously named Carrefour Property Development, is a listed retail property company benefiting from the SIIC status ("REIT"), and specialising mainly in the development, acquisition and management of retail parks.

Cardety is listed on Euronext Paris - Compartment C with ISIN code FR0010828137 – CARD

The press release announcing Cardety IFRS 2016 audited financial accounts will be made available today on its website (www.cardety.com, Finance section).

Contacts :

Contact press relations / Carmila investors:

Alienor Miens – Citigate Dewe Rogerson – alienor.miens@citigate.fr – +33.6.64.32.81.75

Alison Emringer – Citigate Dewe Rogerson – alison.emringer@citigate.fr – +33.7.60.44.69.43

Contact press relations / Cardety investors:

Agnes Villeret – KOMODO – agnes.villeret@agence-komodo.com – +33.6.83.28.04.15