Press release

Boulogne-Billancourt, September 4, 2017

2017 half-year results

Solid half-year results and strong growth in NAV per share
Carmila to join the FTSE EPRA/NAREIT indices as of September 18, 2017

Carmila delivered a solid performance for the first half of 2017, confirming the company's outlook and the relevance of its strategy.

- Net rental income increased by **+10%** to **Euro 134.4m.**
- Organic growth generated over the semester in Gross rental income was up **+2.4%**.
- Recurring earnings up **+14%** to **Euro 92.7M,** benefiting – in addition to growth in Net rental income – from lower average cost of debt and a favourable seasonal effect together with the rollover to the second half of the year of the ramp-up in costs relating to digital activities.
- The value (including transfer taxes) of Carmila's shopping centres totalled **Euro 5.6bn**, an increase of **+5.6%** relative to December 31, 2016. Very active asset management by our staff, centred around improving the quality of our assets and value creation, resulted in an increase in the valuation of the portfolio on a like-for-like basis of **+3.0%** over the half-year period and a reduction in the average yield of **-0.2 points** to **5.7%**
- EPRA NAV per share as at June 30, 2017 increased by **+9.4%** to **Euro 28.28 per share** compared to pro forma EPRA NAV as of December 31, 2016[1]. Adjusted for the effects of the IPO[2] in July 2017, NAV pro forma per share increased by +5.8% to Euro 27.34 per share over 6 months
- Progress in the development and completions of extension projects is on target. No acquisitions were made during the first half of the year

With the completion of the IPO closed in July, Carmila is in a position to finance the equity portion of the financing of its 2017-2020 Business Plan.
On September 1, 2017, FTSE Russell announced that Carmila is to join the FTSE EPRA/NAREIT Global Real Estate (EMEA Region) indices as of 18 September 2017.

"Carmila delivered a solid performance in the first half of 2017. All value creation drivers were in play: earnings growth is in line with our targets, renovation and development plans are on track and during the period we stepped up the roll-out of our innovative digital strategy with a number of successes," comments Jacques Ehrmann, Chairman and Chief Executive Officer of Carmila.

We are confident about our prospects for growth and our ability to achieve our earnings forecasts for 2017 and to continue to create value in line with the targets set out at the time of the IPO."

[1] *ANR as of December 31, 2016, proforma reflecting the merger between Carmila and Cardety and deducting the remaining 2016 dividends to be paid*
[2] *Taking into account a 628 Meuros gross / 614 Meuros net of costs capital increase and 26.2 million shares newly issued*

First-half rental activity

Gross rental income for the first half of 2017 totalled **146.8 Meuros**, up **+8.8%** as a result of the combined effect of i/ organic growth, ii/ acquisitions and completions of extensions in the second half of 2016 and completion of phase 2 of the extension of BAB2 (Bayonne) in April 2017, and iii/ an unfavourable effect relating to an increase in the strategic vacancy rate between January 1, 2016 and June 30, 2017[3] in preparation for the implementation of future extension projects.

Letting activity was brisk: 400 leases were signed during the first half of the year as renewals or relets, in addition to the signing of 114 leases for extension projects.

Organic growth achieved in the first half of the year and recognised in growth in Gross rental income totalled +2.0%, in addition to organic growth of +0.4% created by Carmila's teams on negotiations finalised in July resulting in retroactive reversion in the first half of the year and properties owned by subsidiaries recognised under the equity method. Organic growth in Gross rental income generated during the first half of the year was therefore **+2.4%**.

Reversion recognised in relation to lease renewals over the period averaged at +7.6%, located in France (+7.7%) and Spain (+10.6%), which continued to benefit from an upturn in economic growth.

The financial occupancy rate[4] continued to improve, rising by **+0.2 points** over the half-year period to **96.2%** at June 30, 2017. The rate increased by +1.3 points over the period in Spain (96.1%), remaining stable in France (96.0%) and Italy (99.1%).

Net rental income for the first half of the year was **134.0 Meuros**, up **+10,0%.**

In addition to the increase in rental income, growth in net rental income benefited from improvement in the Net to Gross rental income conversion rate (91.3% compared with 90.2% in the first half of 2016) relating to the lower vacancy rate and active reletting (reduction in non-recoverable expenses).

First-half results

Overhead costs net of other operating income and expense[5] for the first half of 2017 totalled 25.9 Meuros and include expenses relating to the merger between Carmila and Cardety, representing a non-recurring cost of 6.3 Meuros. Adjusted for this effect, overhead costs were **19.6 Meuros**, an increase of **+5.2%** compared with Euro 18.6 million in the first half of 2016.

In terms of overhead costs, the first half of the year benefited from a favourable seasonal effect relative to the second half of the year. In addition, the full impact of the expected increase in costs relating to the ramp-up of Carmila's organisational structure – and in particular costs relating to the company's digital strategy – will be seen in the second half of 2017.

EBITDA for the first half of the year was **108.6 Meuros**. Adjusted for merger-related expenses, EBITDA was **114.9 Meuros** compared with 104.8 Meuros in the first half of 2016, an increase of **+10.1 Meuros** or **+9.6%**.

Financial result in the first half of 2017 was -18.8 Meuros. This includes interest income relating to negative goodwill recognised at the time of the merger with Cardety of 6.5 Meuros. Adjusted for this non-recurring item, Financial result for the first half of 2017 was **-25.3 Meuros** compared with -26.5 Meuros during the same period in 2016. This improvement is the result of an average reduction in cost of debt of 26 bp to 1.89% thanks to the implementation of a commercial paper programme and the fall in interest rates between the two periods.

In 2017, Foncière Géric – the subsidiary that owns our property in Thionville – opted for SIIC status. As a result, **tax expense** decreased by 2.1 Meuros between the two half-year periods.

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[3] *Strategic vacancy was 0.8% as of January 1, 2016, 1.7% as of June 30, 2017 and at a pick on December 31, 2016 at 2.0%*
[4] *Excluding 1.7% strategic vacancy rate*
[5] *Excluding development margin in H1 2016 and depreciation and amortization*

Recurring EPRA earnings adjusted in particular for items relating to the merger (negative goodwill and costs) and expenses recognised within the framework of refinancing arranged at the same time as the merger, as described below (borrowing costs and amortisation of residual costs relating to repaid loans and swap breakage results), amounted to **92.7 Meuros**, an increase of **+11.7 Meuros** or **+14.4%** relative to the first half of 2016.

Portfolio valuation and NAV[6]

The valuation of the portfolio, including transfer taxes, was 5,616 Meuros as at June 30, 2017, an increase of +295 Meuros (+5.6%) relative to 5,321 Meuros as at December 31, 2016.

On a like-for-like basis, the value of the portfolio increased by +3.0% (+162 Meuros), broken down as follows:

- Impact of growth in potential net rental income according to expert appraisals: +34 Meuros
- Valuation of the improved intrinsic quality of some large assets in France and Spain: +68 Meuros
- Compression of market cap rates: +60 Meuros.

The average potential yield for the portfolio was **5.7%** compared with 5.9% as at December 31, 2016. This decline in the average capitalization rate is primarily due to expert appraisers taking account of improvement in the quality of properties relating to a few major properties in Spain and France as a result of our active asset management policy, including renovation works, improvement in the merchandising mix, structural reduction in vacancy rates, reversion and potential for site extensions.

Other changes include taking account of the completion of phase 2 of the BAB2 extension in Bayonne and improvement in margins (IPUC) and works recognised in relation to extensions under development.

EPRA NAV as at June 30, 2017 was **3,083 Meuros**, up **+9.4%**[7] over the period. This represents an increase of +265 Meuros, broken down as follows:

- Increase relating to recurring earnings for the first half of the year: +98 Meuros
- Change in fair value of assets net of effects of deferred taxes: +147 Meuros
- Other changes: +21 Meuros

EPRA NAV per share as at June 30, 2017 was therefore **Euro 28.28 per share** compared with Euro 25.85 per share as at December 31, 2017, an increase of **+9.4%**.

Taking account of the placement of 26.2 million new shares by Carmila in July 2017 in the gross amount of Euro 628 million or a net amount of 614 Meuros after deducting IPO costs to be accounted for in H2 2017, EPRA NAV per share as at June 30, 2017 on a pro forma basis was **Euro 27.34 per share**, an increase of **+5.8%** over six months.

Debt and balance sheet structure

Prior to the merger between Carmila and Cardety on June 12, 2017, the company made repayments of existing debts and renegotiated all of its borrowings with its banking partners, resulting in particular in the signing of an amendment to the syndicated loan agreement to extend its maturity. The company has also taken out two new confirmed revolving credit facilities (RCF) of Euro 250 million and Euro 759 million, maturing in 2020 and 2022 respectively. *For more details about these transactions, refer to the appendices to this press release.*

[6] *The values as at 31 December 2016 stated in this paragraph are pro forma for the Carmila-Cardety merger*

[7] *Growth in EPRA NAV as at June 30, 2017 and pro forma EPRA NAV as at December 31, 2016, minus 2016 dividends still to be paid (Euro 70 million)*

In addition, in order to diversify its sources of financing and maturity dates, Carmila has put in place a programme of commercial papers for a maximum of Euro 600 million (290 Meuros was issued as of June 30, 2017).

As at June 30, 2017, Carmila's gross debt stood at 2,264 Meuros and the amount of RCF and net available cashstood at 1,068 Meuros. Taking account of the capital increase in July 2017, available back up lines and net cash is in excess of 1.6 BnEuros. The average debt term was increased from 5.6 years to 6.7 years.

The **net consolidated debt / fair value of property assets** ratio was **40.6%** at June 30, 2017, not taking account of the capital increase in July, net of related costs, which reduces the ratio to **29.4%**, all other things being equal.

The **EBITDA / net cost of debt** ratio over 12 months rolling as at June 30, 2017 was 4.5x, well above the contractually agreed minimum threshold of 2.0x.

Renovations, extension pipeline and acquisitions

The programme of renovation works continued during the first half of 2017, with the aim of being completed by the end of the year. Six renovation projects were completed in France and five in Spain over the period. The plan is proceeding on schedule.

Phase 2 of the BAB2 shopping centre extension in Bayonne was opened in April 2017. At the end of two phases of extension projects completed over the last 12 months, BAB2 comprises over 120 stores over an area of around 26,000 m² and has established its long-term position as the leading regional shopping centre in the Basque Country region.

Two new CDAC approvals and three new construction permits were obtained during the first half of the year concerning the 1.5 bnEuros extension pipeline launched three years ago. Openings of extension projects scheduled for the second half of 2017 are on track, with an average pre-letting rate of 94%. Ten extensions will open in the second half of the year, representing 46,000 m² of additional space and additional rental income of Euro 12 million.

No new properties were acquired during the first half of year. However, a number of acquisition opportunities are currently being reviewed in an active market offering a wealth of opportunities.

Placement of new shares finalised in July 2017 (IPO)

On July 6, 2017, Carmila successfully finalised the placement of new shares initiated on 26 June 2017. This resulted in the creation of 26.2 million new shares, representing a capital increase of Euro 628 million or Euro 614 million net of all costs. This has allowed Carmila to strengthen its position as a major listed company in the shopping centre sector in Europe and to finance the equity share of its extension pipeline, its internal and external growth and its innovative and unique B-to-B-to-C digital strategy.

Outlook

The company delivered solid results for the first half of the year, which also benefited from a favourable seasonal cost effect, as well as a slower than anticipated ramp-up in overhead costs. These results and the progress made in the first half of the year in terms of developing the extension pipeline and digital strategy confirm the relevance of our strategy and our prospects for growth.
The company's growth and performance drivers for the second half of the year are already in place, with completions of 2017 extension projects in the process of being finalised with high levels of pre-letting, while macroeconomic indicators are improving for France and remain positive for Spain. A major extension delivery in Nichelino – Turino will occur in Italy and have a positive impact on our activity in this country.

Against this backdrop, we are particularly confident about our ability to achieve our 2017 recurring earnings targets at the upper end of the range. This year consolidates further the prospect of achieving our 2018-2020 targets

Main results and financial indicators

In thousands of euros	**June 30, 2017**	June 30, 2016	% change 2017/2016
Gross Rental income	**146,797**	**134,974**	**+8.8%**
Net rental income	**133,992**	**121,766**	**+3.0%**
Overhead costs and other operating income and expense[8]	-25,911	-18,625	
Provisions	-227	93	
Other operating income		974[9]	
Share of equity affiliates (*recurring earnings*)	706	601	
EBITDA	**108,560**	**104,809**	**+3.6%**
Adjusted EBITDA[10]	**114,884**	**104,809**	**+9.6%**
Net financial income/(expense)	-18,798	-26,481	
Corporate income tax and other taxes[11]	-171	-2,291	
Funds from operations (FFO)	**89,591**	**76,037**	**+17.8%**
Adjusted FFO[8]	**95,915**	**76,037**	**+26.1%**
Depreciation and amortisation	-413	-385	
Change in fair value of assets net of tax	136,044	8,105	
Change in fair value of assets owned by equity affiliates	10,644	3,855	
Profit on sales of investment property	-191	118	
Attributable net income	**235,675**	**87,730**	**+168.6%**
EPRA earnings	**90,935**	**77,610**	**+17.2%**
Recurring EPRA earnings	**92,749**	**81,059**	**+14.4%**
Fully diluted earnings per share (in euros)			
EPS	**2.24**	**0.86**	**+160.6%**
Adjusted FFO	**0.91**	**0.75**	**+22.4%**
Recurring EPRA earnings	**0.88**	**0.79**	**+11.0%**

In millions of euros	**30 June 2017**	31 December 2016 pro forma	% change 2017/2016
Portfolio valuation *(including transfer taxes)*	**5,616**	**5,321**	**+5.6%**
EPRA NAV *(Euro per share)*	**28.28**	**25.85**	**+9.4%**
EPRA NNNAV *(Euro per share)*	27.45	24.90	+10.2%

[8] *In 2016, this included costs of Euro 6.324 million relating to the Carmila/Cardety merger*
[9] *Development margin*
[10] *Adjusted for costs of Euro 6.324 million relating to the Carmila/Cardety merger*
[11] *Excluding deferred taxes on change in fair value of properties*

Financial calendar

5 September 2017 *(10.30 am, Paris)*: 2017 first-half results presentation by conference call.
Telephone number to dial: + 44 (0) 2071 928000 - ID: 78759309
Slides for the presentation will be available on http://www.carmila.com/en/finance/

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About Carmila

Carmila was founded by Carrefour and large institutional investors in order to develop the value of shopping centers anchored by Carrefour stores 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 retail attractiveness: leasing, digital marketing, specialty leasing, shopping centre management and portfolio management.

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IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause Carmila's actual results to differ materially from those expressed or implied in the forward looking statements.

Carmila draws the public's attention to the risk factors in paragraph 5 of the management report of Cardety's board of Directors in chapter 9.2 of Cardety's Registration Document, in Chapter 4 of Appendix II of the Document E. Please refer to these documents for a description of certain important factors, risks and uncertainties that may affect the Company's business and/or results of operations.

Carmila undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as part of applicable regulatory or legal obligations.

In addition, this report refers to certain financial measures, or alternative performance measures, used by management in analyzing Carmila's operating trends, financial performance and financial position and providing investors with additional information that management believes is useful and relevant regarding Carmila's results. These alternative performance measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS.

Management report

1. SELECTED FINANCIAL INFORMATION

1.1. Highlights of the first half-year

In the first half of 2017, the Company continued to effectively roll out its operational strategy in the three countries where it operates. The highlights of the half-year were:

- A further improvement in the occupancy rate, to 96.2%, which allowed the Company to tend towards a level in line with its objectives;

- The public opening of the BAB2 shopping centre extension in Anglet (Bayonne), which confirmed the success of expanding existing centres where catchment areas are adapted;

- The merger of GIE Geric with its parent company, Financière Geric, which now directly owns the entire Thionville shopping centre and enabling the exercise of its SIIC option ;

- The merger by absorption of Carmila by Cardety, which took place on June 12, giving it access to the capital markets, for which it took advantage in July with a public capital increase of €628 million;

- The merger has been accounted for as a reverse merger, as Carmila, the acquiree, had nearly 40 times the assets of Cardety, the acquirer. Cardety's activities are therefore only consolidated in June;

- Cardety, the legal acquirer, changed its name to Carmila on June 12.

1.2. Key figures

Audited interim financial statements at 30 June 2017 (in thousands of €)

1.2.1. Consolidated statement of net income

(in thousands of euros)	2017 6 months	2016 12 months	2016 6 months restated
Gross Rental income	**146 797**	**275 683**	**134 974**
Real estate expenses	- 3 476	- 3 863	- 3 524
Unrecovered rental expenses	- 3 479	- 8 272	- 4 206
Property expenses (landlord)	- 5 850	- 11 045	- 5 478
Net rental income	**133 992**	**252 503**	**121 766**
Overheads	- 24 827	- 41 579	- 18 602
Other income from operations	-	1 948	974
Allowances for depreciation/amortization of tangible and intangible fixed assets and provisions	- 640	- 523	- 292
Other current operating income and expenses	- 1 084	- 267	- 23
Income from sale of investment properties and equity investments	14	1 311	744
Net book value of investment property and equity investments disposed	- 205	- 870	- 626
Gains (losses) on sales of investment properties	- 191	441	118
Increase in the fair value of investment properties	172 265	235 500	82 846
Decrease of the fair value of investment properties	- 24 464	- 77 822	- 68 798
Balance of fair value adjustments	147 801	157 678	14 048
Share of net income in equity accounted companies	11 350	6 094	4 456
EBIT	**266 401**	**376 295**	**122 445**
Income from cash and cash equivalents	242	615	164
Cost of gross financial debt	- 25 032	- 49 877	- 26 027
Cost of net financial debt	**- 24 790**	**- 49 262**	**- 25 863**
Other financial income and expenses	5 992	- 3 005	- 618
Financial income (expenses)	**- 18 798**	**- 52 267**	**- 26 481**
Income before taxes	**247 603**	**324 028**	**95 964**
Income tax	- 11 928	- 28 380	- 8 234
Consolidated net income	**235 675**	**295 648**	**87 730**
Group share	**235 448**	**294 531**	**87 524**
Non-controlling interests	**227**	**1 117**	**206**
Average number of shares comprising Carmila's share capital	104 973 554	103 213 154	101 911 022
Income per share (in euros)	2,24	2,85	0,86
Fully diluted average number of shares	105 115 365	103 359 780	101 968 292
Fully diluted income per share (in euros)	2,24	2,85	0,86

Consolidated statement of other comprehensive income

(in thousands of euros)	2017 6 months	31/12/2016 12 months	2016 6 months restated
Consolidated net income	**235 675**	**295 648**	**87 730**
Items to be recycled in income	7 177	- 13 907	- 22 547
Cash-flow hedges	7 177	- 13 907	- 22 547
Related tax			
Items not to be recycled in income	7	39	- 58
Revaluation of net liabilities under defined-benefit schemes	7	39	- 58
Related tax	-	-	-
Consolidated comprehensive income	**242 859**	**281 780**	**65 125**

1.2.2. Statement of financial position

ASSETS

(in thousands of euros)	30/06/2017 6 months	31/12/2016 12 months	30/06/2016 6 months
Intangible fixed assets	4 656	4 885	5 195
Tangible fixed assets	2 098	960	859
Investment properties	5 238 931	4 850 442	4 347 636
Equity investments (Equity accounted)	63 368	48 331	46 685
Other non-current assets	10 846	9 349	23 840
Deferred tax assets	2 346	2 074	2 704
Non-current assets	**5 322 245**	**4 916 041**	**4 426 919**
Trade receivables	106 859	98 164	104 583
Tax receivables	5 234	3 648	2 688
Other current assets	105 740	116 346	67 769
Cash and cash equivalents	101 990	71 243	279 677
Current assets	**319 823**	**289 401**	**454 717**
Total assets	**5 642 068**	**5 205 441**	**4 881 635**

Consolidated statement of financial position (cont.)

LIABILITIES AND SHAREHOLDERS' EQUITY

(in thousands of euros)	30/06/2017 6 months	31/12/2016 12 months	30/06/2016 6 months
Share capital	653 209	313 655	313 373
Additional paid-in capital	1 966 087	1 842 673	1 903 520
Treasury shares	72	-	-
Other comprehensive income	- 31 645	- 38 829	- 47 566
Consolidated reserves	119 005	230 918	231 284
Consolidated income	235 448	294 531	87 524
Shareholders' equity – Group share	**2 942 176**	**2 642 948**	**2 488 135**
Non-controlling interests	5 963	8 156	7 464
Shareholders' equity	**2 948 139**	**2 651 104**	**2 495 599**
Non-current provisions	1 245	609	968
Non-current financial liabilities	1 966 541	2 050 970	2 055 587
Deposits and guarantees	68 119	67 216	62 462
Non-current tax liabilities	13 102	15 542	15 862
Deferred tax liabilities	74 331	65 970	47 348
Non-current liabilities	**2 123 338**	**2 200 307**	**2 182 227**
Suppliers of fixed assets	53 957	33 773	26 589
Trade payables	23 801	22 993	26 073
Current financial liabilities	356 883	167 469	29 080
Other current liabilities	128 336	122 725	114 385
Current tax liabilities	7 614	7 070	7 683
Current liabilities	**570 591**	**354 030**	**203 810**
Total liabilities and shareholders' equity	**5 642 068**	**5 205 441**	**4 881 635**

1.2.3. Consolidated statement of cash flows

(in thousands of euros)	2017 6 months	2016 12 months	2016 6 months
Consolidated total net income	**235 675**	**295 648**	**87 730**
Adjustments			
Elimination of income from equity-accounted companies	- 11 350	- 6 094	- 4 456
Elimination of depreciation, amortisation and provisions	851	302	149
Elimination of change in fair value in the income statement	- 148 027	- 158 073	- 14 889
Elimination of income from transfers and dilution losses and profits	191	- 2 074	- 1 035
Elimination of dividend income	1	-	- 1
Reversal of accrual related to share-based payments	418	1 644	467
Cash flow after cost of net financial debt and tax	**77 759**	**131 353**	**67 965**
Elimination of tax expense (income)	11 928	28 380	8 234
Elimination of cost of net financial debt	24 790	49 263	25 867
Cash flow before cost of net financial debt and tax	**114 477**	**208 996**	**102 066**
Impact of change in trade receivables	- 6 800	- 6 668	- 8 716
Impact of change in trade payables	23 310	2 624	- 2 500
Impact of change in other receivables and payables	17 066	- 25 162	940
Change in working capital requirements	33 576	- 29 206	- 10 276
Change in deposits and guarantees	- 1 301	3 122	- 655
Taxes paid	- 2 508	- 5 234	- 2 447
Cash flows from operating activities	**144 244**	**177 678**	**88 688**
Impact of changes in scope of consolidation	- 6 007	- 38 625	- 38 598
Acquisition of investment properties	- 109 559	- 404 823	- 45 230
Acquisition of other fixed assets	- 1 262	- 321	- 4
Change in loans and advances granted	- 101	2 031	- 2 048
Disposal of investment properties and other fixed assets	163	3 691	3 025
Dividends received	1 473	972	973
Cash flows from investment activities	**- 115 294**	**- 437 075**	**- 81 882**
Capital increase	- 25	2 002	-
Net disposals (acquisitions) of treasury shares	72	-	-
Bond issues	-	592 999	592 999
Loan issues	426 173	142 000	
Loan repayments	- 374 872	- 408 230	- 407 096
Interest paid	- 14 095	- 57 003	- 29 422
Interest received	242	613	39
Dividends and premiums distributed to shareholders	- 62 901	- 77 305	- 14 409
Cash flows from financing activities	**- 25 406**	**195 076**	**142 111**
Change in net cash position	**3 545**	**- 64 321**	**148 920**
Opening cash position	55 120	119 441	119 441
Closing cash position	58 662	55 120	268 361

1.2.4. Statement of changes in shareholders' equity

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Other comprehensive income	Consolidated reserves	Consolidated income	Shareholders' equity – Group share	Non-controlling interests	Shareholders' equity
Position at 31 December 2015	**303 914**	**1 926 370**	**-**	**- 24 942**	**- 114 808**	**324 776**	**2 415 310**	**40 199**	**2 455 510**
Recycling of OCI in income statement				881	-		881		881
Change in fair value on hedging instruments				- 23 428	-		- 23 428		- 23 428
Actuarial gains and losses on retirement benefits				- 58	-		- 58		- 58
Income for the period						87 524	87 524	206	87 730
Dividends paid		- 85 096			324 675	- 324 776	- 85 197	- 1 018	- 86 215
Capital increase	9 459	62 246					71 705		71 705
Payments in shares					467		467		467
Changes in consolidation scope				- 21	20 952		20 931	- 31 922	- 10 991
Position at 30 June 2016	**313 373**	**1 903 520**	**-**	**- 47 568**	**231 286**	**87 524**	**2 488 135**	**7 464**	**2 495 600**
Position at 31 December 2016	**313 655**	**1 842 673**	**-**	**- 38 828**	**230 916**	**294 532**	**2 642 948**	**8 156**	**2 651 104**
Recycling of OCI in income statement				1 489	-		1 489		1 489
Change in fair value on hedging instruments				5 688	-		5 688		5 688
Actuarial gains and losses on retirement benefits				7	-		7		7
Income for the period						235 448	235 448	227	235 675
Dividends paid		- 63 069	72		286 696	- 294 532	- 70 833	- 170	- 71 002
Capital increase	339 554	186 483			- 510 072		15 965		15 965
Share-based payments					418		418		418
Changes in consolidation scope				- 1	111 045		111 044	- 2 251	108 793
Position at 30 June 2017	**653 209**	**1 966 087**	**72**	**- 31 645**	**119 003**	**235 448**	**2 942 175**	**5 962**	**2 948 137**

1.3. Analysis of net asset value(1)

EPRA net asset value (EPRA NAV) *(in thousands of euros)*	30.06.2017 Carmila (*)	Change Dec./June	31.03.2017 Carmila pro forma (*)	Change Dec./March	31.12.2016 Carmila pro forma (*)
Consolidated shareholders' equity – Group share	**2 942 177**	**254 527**	**2 815 853**	**128 203**	**2 687 650**
Cancellation of the recognition of the fair value adjustment of hedging instruments	16 458	(5 655)	18 864	(3 249)	22 113
Cancellation of deferred taxes on unrealised capital gains	60 910	3 021	59 361	1 472	57 889
Optimisation of transfer taxes net of tax effects	63 108	12 819	57 842	7 553	50 289
EPRA NAV	**3 082 653**	**264 712**	**2 951 920**	**133 979**	**2 817 941**
Number of shares comprising share capital at period end	108 868 229		108 868 229		108 868 229
NAV excluding transfer taxes (EPRA NAV) per share at period end (in €)	**28,32**	**2,43**	**27,11**	**1,23**	**25,88**
Fully diluted number of shares comprising share capital at period end	109 010 040		109 014 855		109 014 855
Fully diluted EPRA NAV per share (in €) at period end	**28,28**	**2,43**	**27,08**	**1,23**	**25,85**

(*) After distribution.

(1) On 31 December 2016 and 31 March 2017, shareholders' equity included Cardety's net assets less expected dividends. As this information was provided in the context of the capital

increase, we thought useful to provide the proforma amounts. As the effective date of the merger was June 12, the consolidated net income only includes Cardety's activity for the month of June, and the consolidated statement of financial position includes Cardetys assets and liabilities as at 30/06/2017

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialise. In addition, the fair value of financial instruments which the company intends to hold to maturity is excluded as these will cancel out on settlement. All other assets including trading property, finance leases, and investments reported at cost are adjusted to fair value.

This EPRA NAV, calculated on the basis of a number of outstanding shares in the period at a unit price of €28.32, increased by 9.4% compared with 31 December 2016 pro forma. The change reflects an increase in the value of Carmila's assets, with the average capitalisation rate decreasing from 5.9% to 5.7%.

Triple net asset value (NNNAV EPRA) *(in thousands of euros)*	**30.06.2017 Carmila (*)**	**Change Dec./June**	**31.03.2017 Carmila pro forma (*)**	**Change Dec./March**	**31.12.2016 Carmila pro forma (*)**
EPRA NAV	**3 082 653**	**264 712**	**2 951 920**	**133 979**	**2 817 941**
Fair value adjustements of hedging instruments	(16 458)	5 655	(18 864)	3 249	(22 113)
Fair value adjustments of fixed rate debt	(12 621)	11 213	(17 241)	6 593	(23 834)
Deferred taxes on unrealised capital (gains) or losses	(60 910)	(3 021)	(59 361)	(1 472)	(57 889)
Triple net asset value (NNNAV EPRA)	**2 992 664**	**278 559**	**2 856 454**	**142 349**	**2 714 105**
Number of shares comprising share capital at period end	108 868 229		108 868 229		108 868 229
NAV excluding transfer taxes (EPRA NNNAV) per share at period end (in €)	**27,49**	**2,56**	**26,24**	**1,31**	**24,93**
Fully diluted number of shares comprising share capital at period end	109 010 040		109 014 855		109 014 855
Fully diluted EPRA NNNAV per share (in €) at period end	**27,45**	**2,56**	**26,20**	**1,31**	**24,90**

(*) After distribution

The EPRA triple-net asset value (EPRA NNNAV) assumes immediate liquidation resulting in the expression at fair value of all financial instruments and the recognition of all potential tax. It stood at €27.49 per share at 30 June 2017, again using the number of shares comprising the share capital at the end of the period. The EPRA NNNAV increased by €2.56 or 10.3% compared with 31 December 2016 pro forma.

2. Half-year activities

2.1. Gross rental income (GRI)

During the first half of the year, activity reflected the mood prevailing in the different countries where the Company operates. In France (69.8% of GRI), there was a "wait-and-see" atmosphere as the elections approached. It was also affected by an unfavourable calendar effect, due to the shift in the sales to July, compared with the previous year. In Spain (23.5%), the economy continued to improve, with unemployment falling by 1.4% to 17.1% and a 1.7% rise in GDP in the half-year. In Italy (6.6%), the economy was also lacklustre.

GRI came in at €146.8 million in the first half of the year, up €11.8 million or 8.8% compared with 30 June 2016. This increase was due to a combination of factors, most notably:

- Rental income generated by acquisitions in 2016. Four Spanish sites, which grew the rental income by €7.4 million in the first half of 2017,contributed to the increase;
- Rental income generated by shopping centre extensions including BAB2 delivered at H1 17 and extensions delivered during H2 2016 contributed to €2.8 millions to rental income
- Letting activity was dynamic during H1, with 180 new leases signed, representing €6.4 million in full-year rental income.
- There were 220 renewals in the half-year, generating a reversion of €576,000 on an annual basis (+7,6 %) broken down into 7.7% in France, 10.6% in Spain and slightly declining in Italy.
- Specialty Leasing and the pop up store business came in at €3.5 million, up 20.8% over 2016.

The increase in like-for-like GRI from leases in the portfolio was 2.4% at H1 2017 vs. H1 2016, which includes 0,4% of indexation.

2.2. Financial occupancy rate (excluding strategic vacancies)

The financial occupancy rate ("EPRA vacancy rate") consolidated (excluding strategic vacancies) increased by 0,20% to reach 96,2%. The increase since December 2016 is mainly due to Spain, which remains in a good trend, as compared to June 2016 France and Spain show a strong increase.

- In France, the financial occupancy rate is 96.0%, the same as at 31 December 2016. The increase was 2.0% compared with 30 June 2016;
- In Spain, the occupancy rate continued to rise, reaching 96.1%, compared with 94.8% at the end of last year and 92.1% at the end of the first half of 2016;

- In Italy, the financial occupancy rate remained at a very high level (99.1%), the same as at 31 December 2016 and up 0.6% compared with June 2016

2.3. Indexation

This remained limited during the period, excepted in Spain, where indexation reaches +1.1% in the first semester. In France it reaches +0,1% and in Italy+ 0,2%.

2.4. Net rental income (NRI)

Net rental income increased from €12.2 million to €134.0 million. This represented 91.3% of GRI, compared with 90.2% in H1 2016. The amount of non-recoverable charges and owner expenses decreased by €0.4 million. This performance should be compared with the decrease in vacancies. And 2016 was also adversely affected by the settlement of expenses at the Thionville site, which was purchased in the previous year.

2.5. Overheads

Overheads amounted to €24.8 million, compared with €18.6 million in 2016. Most of this increase is due to extraordinary non recurring expenses resulting from the merger in the amount of €6.3 million. Other overheads were unchanged.

The adjustment of human resources to the development of the business resulted in an increase in staff numbers by 27 people, hired progressively over the period and for which the full cost will be born in the second half of the year. In 2016, a payroll costs include one-off variable bonus accrual.

Other external expenses mainly include marketing expenses, chiefly relating to the increased use of digital applications, and fees, including those paid to the Carrefour Group for the services rendered in the service agreements (accounting, human resources, general services, etc.), appraisal fees for the property portfolio, financial communications and advertising fees, travel expenses and Directors' fees. These general expenses combined with other current operating expenses reach €25.9 millions; restated for merger costs (€6,3 millions), it increases by 5.2% compared with H1 2016.

The merger costs of €6.3 million mainly comprise fees and costs related to the lender consent waiver, particularly bond holders (€0.7 million).

2.6. EBITDA

EBITDA excluding merger costs came in at €114.9 million, up €10.0 million on the first half of 2016 once restated the merger costs, reflecting the increase in NRI and the solid performance of overheads.

2.7. Net financial gain/loss

A financial net cost of - €18.8 million was registered. To compare this result with 2016, it should be restated for the badwill deriving from the merger, amounting to + €6.5 million. Excluding non-recurring items, financial expenses stand at -€25.3 million, compared with -€26.5 million last year. The average cost of debt improved by 26 bps to 1.89%. This decrease in average cost is due to a change in the debt structure as a result of the commercial paper programme and the continuing favourable change in interest rates compared with the first half of 2016.

The hedging policy designed to protect the Company against rising interest rates was continued. The proportion of fixed-rate debt represents 70% of gross debt, compared with 73% at 31 December. Moreover, taking caps into account, 83% of gross debt is hedged.

In the first half of 2017, the Company restructured its debt to take into account the merger with Cardety (see section 3.1.5) with a view to extending its duration. It repaid Cardety's existing loan, drawn down in the amount of €21.6 million, and Tranche A of the syndicated loan put in place on 17 September 2014, drawn down in the amount of €90.0 million. These changes resulted in the recognition of a non-recurring financial expense of €1.3 million, which came to €2.0 million with the addition of the amortization of the debt issuance fees over the period.

2.8. Recurring net income (FFO/EPRA earnings)

EPRA EARNINGS *(in thousands of euros)*	**June 2016 Carmila**	**June 2017 Carmila**
Consolidated net income	**87 730**	**235 675**
Total restatements	- 10 120	- 144 740
Change in fair value of investment properties	- 14 048	- 147 801
Change in fair value of equity investments consolidated using the equity method	- 3 855	- 10 644
Deferred taxes relating to fair value adjustments (EPRA)	5 943	11 757
Depreciation/amortisation of tangible and intangible assets	385	413
Gains (losses) on sales of investment properties	- 118	191
Cancellation of amortisation of the cost of unwinding derivatives	881	1 489
Restatement not taken into account in definition of EPRA equity-accounted earnings	692	711
Minority interests inf fair value adjustments		- 856
EPRA earnings	**77 610**	**90 935**
Restatement of debt issuance costs	4 423	2 018
Restatement of property development margin	- 974	
Income from disposals and other non-recurring expenses		6 324
Derecognition of badwill		- 6 528
Recurring net income	**81 059**	**92 749**

The increase in recurring net income of €11.7 million compared with 30 June 2016 can be summarised as follows: an increase in NRI of €12.2 million with very limited increases in expenses (-€1.3 million excluding merger costs). After restatement of non-recurring items in the two half-years, financial expenses increased (-€0.6 million), but the tax charge decreased after the restatement of deferred tax on fair-value adjustments (+€2.1 million). The latter effect is the result of the absence of corporate tax in 2017 for Financière Geric (Thionville site), which opted for the SIIC regime on January 1, 2017. Finally, restatements of equity-accounted earnings and non-controlling interests in the table above show a variation of -€0.7 million.

2.9. Net income attributable to the Company

Including the balance of the fair value adjustments, which came to +€14.0 million in 2016 and +€147.8 million in 2017, net income attributable to the Company was €87.5 million in 2016 and €235.4 million in 2017.

3. Investment and development

In the first half of the year, Carmila saw the successful public opening of Phase 2 of the extension programme for the BAB2 shopping centre in Anglet (Bayonne) in April. The extension has entailed (taking account of both project phases) an expansion of 11,000 m² with 38 stores, increasing the BAB2 shopping centre to 25,700 m² with 120 stores. The total investment was €82.4 million, with a 6.4% rate of return.

Going forward, Carmila has a pipeline of 36 projects for extensions to existing shopping centres (33 in France and three in Italy). The overall investment is €1.5 billion over the next five years, with future rental income of approximately €100 million. To date, 21 construction permits and 34 commercial licenses (CDAC/CNAC) were awarded, including three building permits (Purpan, Nice and Laval) and two commercial licences (CDAC/CNAC permits Sallanches and Laval) in the first half of 2017.

3.1. A major extension pipeline to boost the leadership position of Carmila's sites

The extension programme is being successfully implemented. Eight extension projects for existing sites are underway, with openings scheduled for 2017 (Langueux (Saint Brieuc), Pau - Lescar, Rambouillet, Saint Egrève (Grenoble), Vannes, Crèches sur Saône, Evreux phase 1 and Nichelino in Turin, Italy).

The investment in the extension projects reached €71.2 million in the first half of 2017.

3.2. The renovation programme for the existing property portfolio is close to completion

Carmila has pursued its programme of asset renovation. Nearly all of its portfolio will be renovated by the end of 2017.

Six renovations were delivered in France in the first half of 2017 (BAB2 in Anglet, Mably, Saint Jean de Luz, Saran, Saint Brieuc - Langueux and Rethel) and five in Spain (Jerez Sur, Jerez Norte, Macarena, La Granadilla and Lugo).

The investment in these renovations is €12.1 million in the first half of 2017.

3.3. Asset valuation

The investment properties that comprise Carmila's assets are initially recognised and valued individually at their construction cost and subsequently at their fair value, with any change recognised in the income statement.

The fair values used are determined on the basis of the conclusions of independent experts. Carmila uses experts to value its assets at the end of every half-year. The assets are inspected during these appraisals. The expert valuations comply with the guidance contained in the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors ("Red Book"). In order to conduct their work, the experts have access to all the information needed for valuation of the assets, and specifically the list of leases, the vacancy rate, rental arrangements and the main performance indicators for tenants (such as sales). They independently establish their current and future cash flow estimates by applying risk factors either to the net income capitalisation rate or to future cash flows.

Investment property under construction may be measured at fair value by an independent expert. The Company believes that a development project's fair value can be reliably determined if the following three conditions are all met:

- All the permits required to complete the extension have been obtained;
- The construction contract has been signed and the works have begun;
- And there is no longer any uncertainty regarding the amount of future rents.

Eight extension projects were thus measured at fair value. The surplus compared with the cost price was recognised for the first time in the financial statements under investment property.

The experts appointed by Carmila are as follows:

- Cushman & Wakefield, for all three countries;
- Catella, for the French and Spanish assets;
- Jones Lang Lasalle for part of the French assets deriving from Cardety;
- CBRE for part of the French assets deriving from Cardety.

At 30 June, all of the Company's assets had been valued by independent experts.

3.4. Overall valuation of assets

The overall valuation of the portfolio at 30 June 2017 is €5,616.3 million, including acquisition costs. This total breaks down as follows:

	GAV ITT 30/06/2017	
	M€	%
France	**4 169,6**	**74%**
Spain	**1 123,1**	**20%**
Italy	**323,6**	**6%**
Total	**5 616,3**	**100%**

As well as the fair values determined by the experts for each shopping centre, this valuation takes into account work in progress (capex) for projects under development as well as the fair value adjustment determined by the experts for development projects meeting the conditions set out in the previous section. The eight projects meeting the conditions were valued at €57.1 million at 30 June 2017.

This valuation also includes the Company's proportionate share of investment properties measured at fair value held in the subsidiaries consolidated using the equity method, i.e. €83.8 million.

3.5. Changes in the first half-year

	GAV ITT 30/06/2017		GAV ITT 31/12/2016		Evolution	
	M€	%	M€	%	% gross	% LfL
France(Ex Carmila)	**4 022,6**	**72%**	**3 815,3**	**72%**	**5,4%**	**2,5%**
France (Ex Cardety)	**147,0**	**3%**	**133,9**	**3%**	**9,8%**	**1,8%**
Spain	**1 123,1**	**20%**	**1 066,4**	**20%**	**5,3%**	**5,3%**
Italy	**323,6**	**6%**	**305,2**	**6%**	**6,0%**	**1,7%**
Total	**5 616,3**	**100%**	**5 320,9**	**100%**	**5,6%**	**3,0%**

The €295.4 million increase in assets in the first half-year can be analysed as follows:

- The value of the assets already in the portfolio at the end of last year increased by 3.0%, i.e. €33.7 million, including acquisition costs, due to the increase in rents, and by €127.7 million, including acquisition costs, due to rate compression;

- The inclusion of the BAB2 extension (Phase 2) contributed €24.0 million (i.e. a valuation of €76.9 million for investments valued at €52.9 million at 31 December 2016);
- Investments in extension projects other than BAB2 for €51.6 million and the recognition of fair value on these projects contributed €57.1 million.

Cardety's assets were included in an inverse merger on 1 June 2017.

3.6. Changes in capitalisation rates

	NPY 30/06/17	NPY 31/12/16
France	**5,6%**	**5,7%**
Espagne	**6,4%**	**6,6%**
Italie	**6,1%**	**6,1%**
Total	**5,8%**	**5,9%**

The main reasons for the reduction in cap rate is the compression of the rate applied to the largest assets in French and Spanish portfolio as a result of decrease in vacancy, improvement in merchandising mix and the market valuation of this class of assets

3.7. Reconciliation of assets with investment properties in the balance sheet

(in thousands of euros)	**30-juin-17**
Fair value of investment properties excluding acquisition costs	**5 238 931**
Acquisitions costs and transfer taxes	286 526
JV's share of properties consolidated using the equity method (including acquisition costs)	63 850
Share of works in progress on properties consolidated using the equity method	18 224
Unrealised capital gains on projects in subsidiaries consolidated using the equity method	8 767
Assets measured at fair value - including acquisition costs	**5 616 298**

Assets include elements relating to the fair value of properties held in the companies consolidated using the equity method.

3.8. Table of changes in investment properties

(in thousands of euros)		06.2017	2016
Fair value of investment properties	**- At beginning of year**	**4 850 443**	**4 277 683**
Acquisitions of investment properties		5 079	324 970
Change in scope of consolidations		142 000	
Capital expenditure relating to investment properties		104 300	111 975
Change in works in progress during the period		- 11 234	- 22 050
Capitalised interest		664	1 209
Disposals and removals from consolidation scope		- 10	- 870
Other movements and reclassifications		- 112	- 152
Change in fair value		147 801	157 678
Fair value of investment properties	**- At end of year**	**5 238 931**	**4 850 443**

On the asset side of the balance sheet, investment properties increased during the half-year due to :

- The change in scope due to the merger with Cardety (€142 million);
- The capital expenditure over the period excluding acquisitions (€104.3 million);
- The change in the fair value of investment properties held (€147.8 million).

3.9. Breakdown of investments by operating segment and nature

(in thousands of euros)	France	Spain	Italy	2017
Acquisition of investment properties	5 057	-	22	5 079
Renovations	7 747	3 152	1 184	12 083
Restructuring	5 469			5 469
Property management	10 412	63		10 475
Extension works on investment properties	71 011	-	206	71 217
Acquisitions of other fixed assets	1 243		31	1 274
Total investment	**100 939**	**3 215**	**1 443**	**105 597**

In the first quarter, the main investments were related to the extensions (€71.2 million) and the ongoing renovation programme (€12.1 million).

4. Financial structure

4.1. Changes in financial structure

The transfer to Cardety of Carmila's two bond loans, of €600 million each, was approved by a qualified majority of bondholders at general meetings held on May 24, 2017, for a fee of €0.7 million.

At the same time as the merger with Cardety, Carmila renegotiated its bank loans.

On June 12, 2017 the drawn-down portion of Cardety's syndicated loan of €21.6 million, set up on July 18, 2016, was repaid.

On June 16, 2017, the remaining balance of the syndicated loan, set up on September 17, 2014 for an amount of €620 million and with a maturity date of September 16, 2019, was repaid. The remaining balance at June 16, 2017 was €90.0 million. The drawn down of the Tranche A of this loan was originally €496.0 million, but the Company made several partial repayments in 2016 for a total amount of €406.0 million.

On June 16, 2017, Carmila signed a supplementary clause to the syndicated loan agreement of December 15, 2013, initially amounting to €1,400.0 million, of which €1,050.0 million in Tranche A was drawn down and a revolving credit facility of €350.0 million. The drawn-down amount of this loan was €753.8 million at 31 December 2016. Under the supplementary clause, the drawn-down amount was adjusted to €770.0 million and the revolving loan was cancelled. The maturity date of this loan agreement was extended by five years, to 16 June 2022.

The set-up costs of this loan restructuring, including the new revolving credit lines described below, totalled €5,9 million for the period. A financial expense for early repayment was recognised in the amount of €1,3 million.

Carmila is careful to diversify its sources of financing and their maturities, and has set up a commercial paper programme for a maximum amount of €600 million. A new programme for an equivalent amount for Cardety, which became Carmila on 12 June 2017, was authorised by Banque de France on June 29, 2017. The outstanding amount at the end of June was €290.0 million, compared with €142.0 million at 31 December 2016.

4.2. Debt liquidity and maturity

The commercial programme is backed by revolving credit facilities subscribed by banks of prime standing under loan agreements entered into June 16, 2017. These agreements are as follows:

- A revolving credit facility of €759.0 million maturing on 16 September 2022;

- A revolving credit facility of €250.0 million in the form of a club deal with a limited number of banking partners of prime standing that are close to the Company. The maturity date for this line is 16 September 2020.

With these renegotiations, the average debt maturity stands at 6.7 years with the following maturity dates:

	Closing	Less than 1 year	2 years	3 years	4 years	5 years or more
Bonds - non-current	1 200 000		-	-		1 200 000
Bond issue premiums - non-current	-11 574	-1 587	-1 627	-1 668	-1 715	-4 977
Bonds	**1 188 426**	**-1 587**	**-1 627**	**-1 668**	**-1 715**	**1 195 023**
Borrowings from credit institutions - non-current	776 528	2 396	2 427	1 704		770 000
Accrued interest on current borrowings	23 683	23 683	-	-	-	-
Other loans and similar debt - current	290 000	290 000	-	-	-	-
Loan and bond issue fees	-14 583	-2 672	-2 606	-2 632	-2 435	-4 238
Bank and bond borrowings	**2 264 054**	**311 820**	**-1 806**	**-2 596**	**-4 150**	**1 960 785**
Derivatives held as liabilities - non-current	16 171			2 397		13 774
Bank facilities (bank overdrafts)	43 328	43 328	-	-	-	-
Gross debt by maturity date	**2 323 553**	**355 148**	**- 1 806**	**- 199**	**- 4 150**	**1 974 559**

4.3. Interest-rate risk management

Carmila is exposed to the risk of a change in interest rates on its variable-rate borrowings. The aim of the interest-rate risk management policy in place is to limit the impact of increases in interest rates on current and future income and cash flows using interest-rate swap derivatives, caps or swaps.

The fixed-rate position represented 70% of gross debt at 30 June 2017 (compared with 73% at end-2016). Including optional instruments (caps), 83% of debt is hedged. These hedging instruments are recognised as cash-flow hedges.

The fair value of this hedging instruments stands at -€33.1 million as of June 30, 2017 (including -€19.3 million of Other comprehensive income), compared with -€38.8 million at 31 December 2016. The fair-value adjustment of these hedging instruments for H1 2017 amounts to a reversal of +€5.6 million.

4.4. Prudential ratios and credit rating

The new loan agreement mentioned in 3.1.4.1 and the revolving credit facilities are subject to compliance with financial covenants at the balance-sheet date.

- Interest cover: the 12-month EBITDA/net cost of financial debt ratio stands at 4.5 at 30 June, well above the contractual minimum threshold of 2.0;

- Loan to value: the consolidated net financial debt/fair value of the investments properties stands at 40.6% at the end of the half-year (prior to capital increase that took place in July). The ratio must not exceed 55.0% contractually;

- The consolidated secured liability must not exceed 20% of the fair value of the investment properties. This was the case at 30 June 2017;

- The fair value of the investments properties must be in excess of €2,500.0 million.

Standard & Poors confirmed its BBB flat, stable outlook credit rating for Carmila, and assigned the same rating to the merged entity on 13 June 2017. Carmila also has a short-term rating of A-2.

4.5. Shareholders' equity and shareholding structure

Consolidated shareholders' equity – Group share came to €2,942.2 million, compared with €2,642.9 million at 31 December 2016. The main changes affecting shareholders' equity are as follows:

- The merger by absorption of Carmila, which resulted in the issuance of 104,551,551 new shares of Cardety with a nominal unit value of €6, with an exchange parity of one Cardety share for three Carmila shares. The share capital therefore increased by €339.6 million and the issue premium by €186.5 million. Both were deducted from consolidated reserves with a net impact on Company shareholders' equity of €16.0 million;
- The change in the scope of consolidation was €111.0 million;
- Profit for the period was €235.4 million (including €147.8 million corresponding to the fair value adjustment in the first half of 2017);
- The 2016 dividends distribution amounts to €63.7 million for Carmila and €8.1 million for Cardety over the period;
- Also included is the favourable effect of €5.7 million, of the fair value adjustment of hedging instruments.

The number of shares outstanding at June 30, 2017 is of 108,868,229, as a result of the merger whereby 104,551,551 shares were issued. In addition, there is a bonus share plan allowing for a maximum of 141,811 potential shares. Finally, the Company held 7,280 treasury shares at 30 June.

On the same date, the shareholders with stakes of more than 10% of Carmila's share capital were as follows: Carrefour (42.4%), Colony (12.7%), Predica (11.18%) and Cardif (10.72%).