2017 Half-Year results

Key Highlights

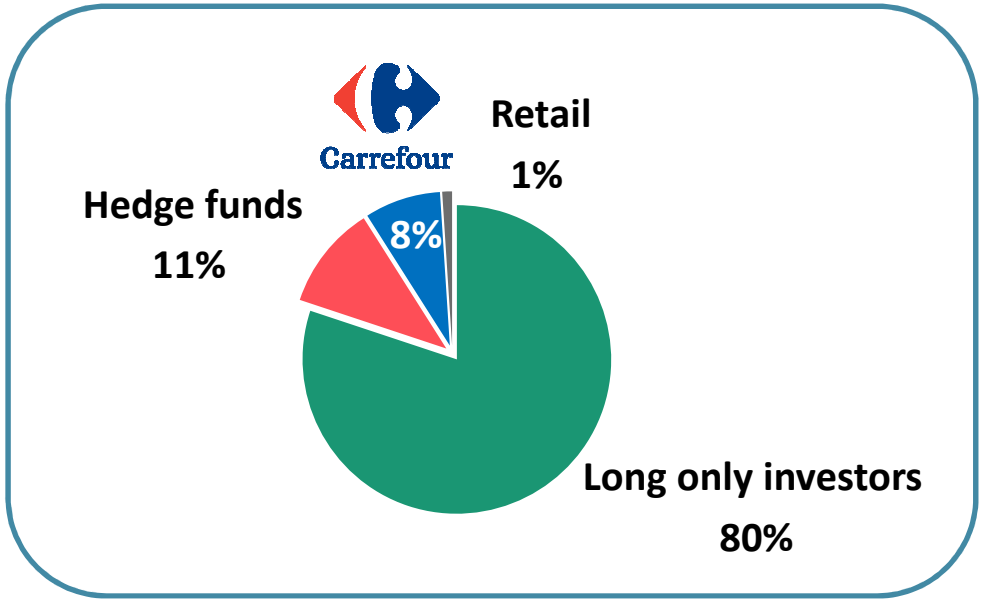
Successful completion of Carmila IPO in challenging markets

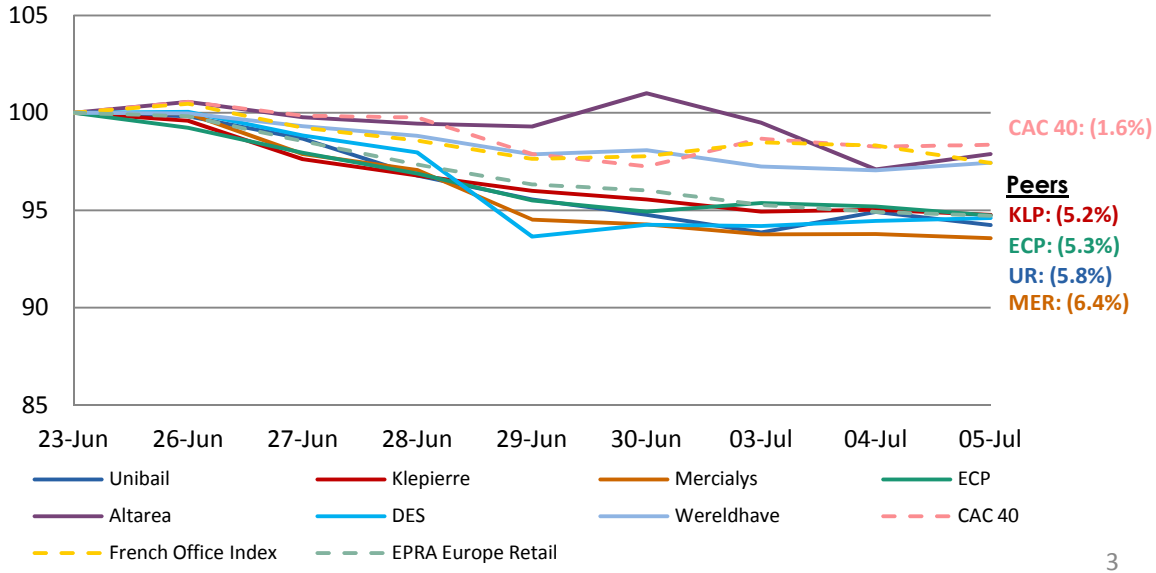
IPO price
24€
Price range [23€ - 27€]

628 M€
capital increase vs planned
550 Meuros

2.3x
oversubscribed

In a market unsettled by interest rate uncertainties and a fall in peers' share price of up to -6%





Implementing The "Regeneration Factory" Virtuous Circle to create value

Refurbishments

11 renovations delivered
100% by year end
on track

Active Re-tenanting

514 leases signed
incl. 114 leases on extensions
New brands signed on

Differentiating digital marketing

More than 150 digital initiatives per month implemented over the first half

Extensions

Successful delivery of BAB2 *phase 2 (Bayonne)*
+7,000 sqm extension
+ 28 shops

Acquisitions

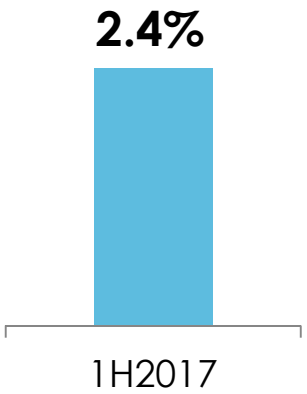
No acquisition in the first half but numerous market opportunities under review

Dynamic rental activity in the first semester

400 renewals or relettings signed

3.5 Meuros Specialty leasing up **+20.8%**

Organic growth in GRI over the first half



+

114 new leases for extension projects

Financial Occupancy Rate*
96,2% / +0,2 points

(*) Excluding strategic vacancy for 1.7 point

Extensions pipeline on track

BAB2 ***phase 2 (Bayonne)*** **extension delivered**

+ 28 shops/+ 6,900 add. Sqm

+3.9 Meuros additional NRI ***(phase 2)***

120+ shops post extension ***(ph.1 + 2)***

10 openings scheduled in 2H17

on track

Of which

Turin / Nichelino

Pau Lescar

Mâcon/Crêches sur Saône

Evreux ***(phase 1)***

94% pre-let*

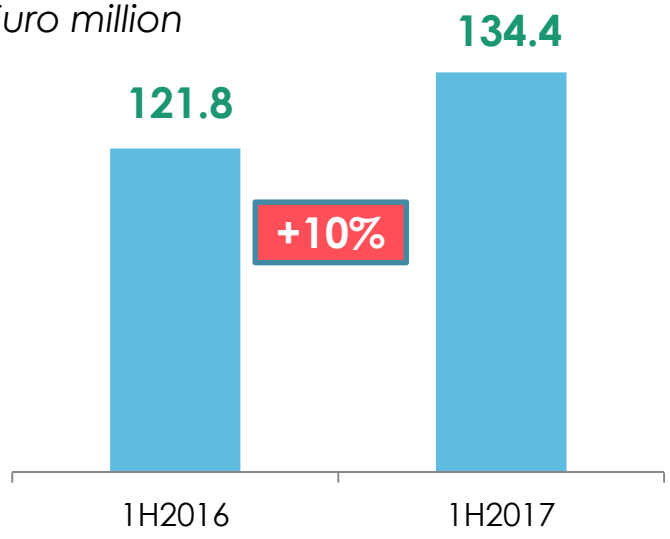
3 new buildings permits + 2 new commercial licenses (CDAC) awarded

(*) Annual rent signed or under binding agreement / Total forecasted rents included in the development margin

Strong increase in NRI and EPRA recurring earnings

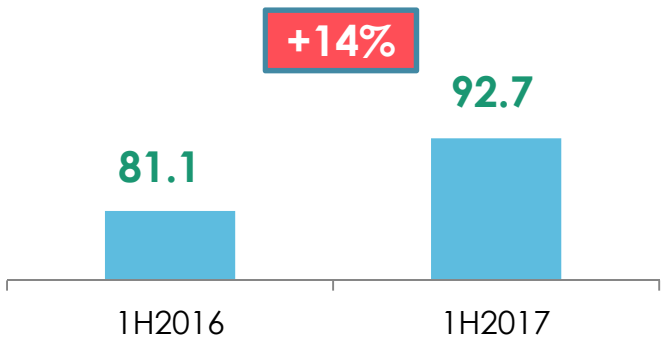
Net rental income

In Euro million



Recurring earnings

In Euro million



- **Double digit growth in revenues**
- **H1 favourable cost seasonality over H2**
- **Full ramp up in cost structure in H2**
- **Lower debt costs**

	1H16	1H17	Change
Net rental income	122	134	10%
Recurring costs	-19	-20	7%
Net Financial Income	-21	-22	3%

Portfolio valued at Euro 5.6 bn ITT
Up +295 Meuros in 6 months

205
assets

5.6 bn€
GAV **

74%*

1.3 Mm²
GLA

20%*

312 M€
Passing rents

5.7%
Net Potential yield

6%*

GAV ITT +5.6%

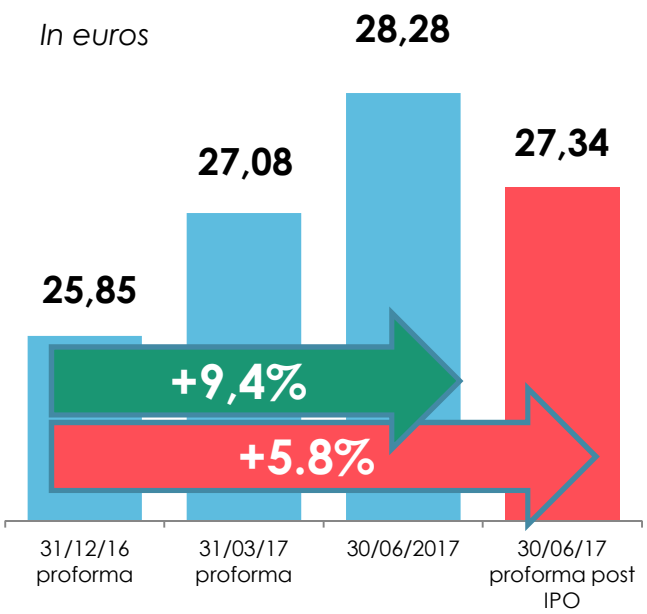
LfL GAV growth +3.0%

NPY -0.2 point

(*) % of GAV as of June 30, 2017
(**) Gross Asset Value including transfer taxes and valuation of extensions to be delivered in 2017 (IPUC and accounted CAPEX)

NAV per share up +9.4% since December 31, 2016 and +5.8% proforma post IPO*

EPRA NAV per share
(post 2016 dividend payment)



Breakdown of the +9,4% change

Half Year FFO generation: +3.5 points

Change in the portfolio net fair value: +5.2 points

Other changes: +0.7 points

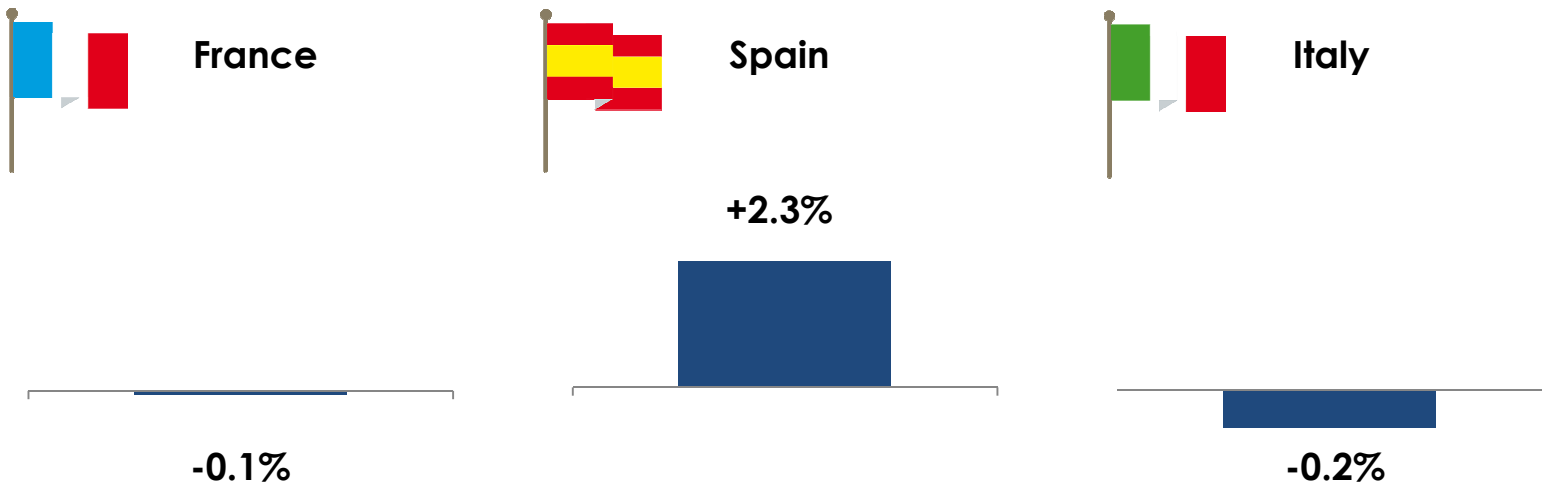
(*) Taking into account a 628 Meuros gross / 614 Meuros net capital increase and 26.2 million shares newly issued.

2017 Half-Year activity

Resilient tenant sales in a weak GDP growth environment
Favorable levers on sales when GDP growth is robust

Tenants' Sales Evolution

1H2017 vs. 1H2016 (%)

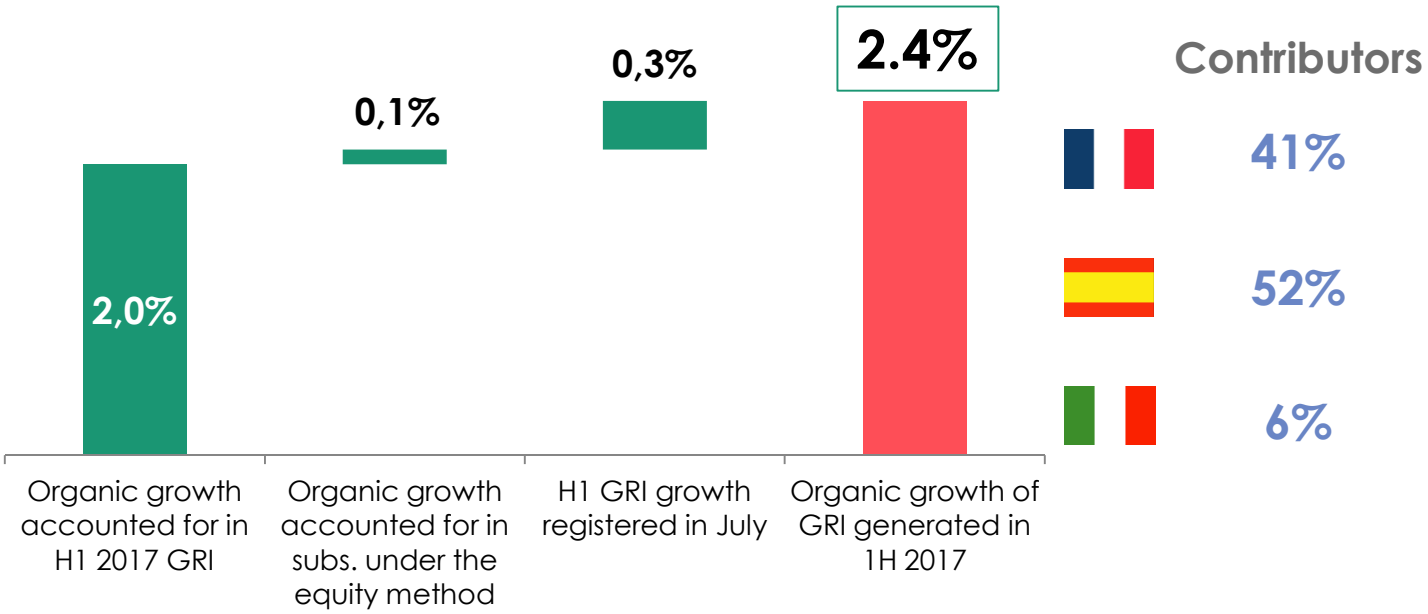


	France	Spain	Italy
2016 GDP growth	+1.1%	+3.2%	+1.0%
2017 est. GDP growth	+1.3% ↗	+2.8%	+1.0%

Robust rental activity during the first half

# of leases signed: **514**		Reversion on renewals
Renewals, relettings and new leases on vacancies	145	+7.7%
	226	+10.6%
	29	-0.6%
	400	Reversion on renewals **+0,6 Meuros / +7.6%**
Extensions under development	114	

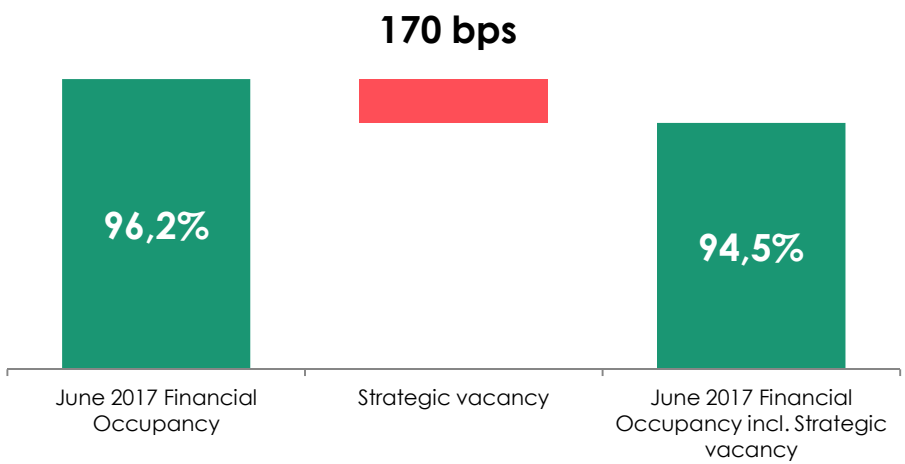
Organic growth in the first half still a fairly robust +2.4%



Occupancy rate in Spain still on the rise

Financial Occupancy Rate* **96,2% / +0,2 points****

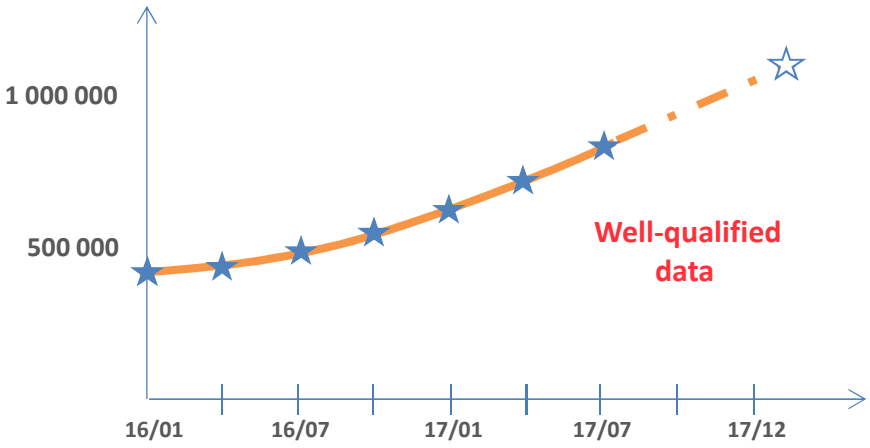
	96.0%	stable
	96.1%	+1.3 point
	99.1%	stable



(*) Excluding strategic vacancy for 1.7 points
(**) Evolution over 6 months

We accelerated the pace at which we feed our database…

A qualified growing database



Launch of the Wifi ++ 4 TO 100Mbs!!!

Simple and efficient tool for data collection

Communication creating a buzz

+ 3 100 000 reachs
+ 1 400 000 connect.
+ 79 000 engagements
+ 2 378 hours of views

National games campaigns deployed locally to gain new datas

April - May 2017: Destination Soleil

- *126,000 add. opt-ins*
- *300,000 visits to the web sites*

June-Sept. : Le Grand jeu de l'été

Our objective is to roll out a new game nationwide for each significant date in the calendar

eSport challenge launch for the new ARMS game - National Preview

CARFOUR x MICROMANIA x Nintendo

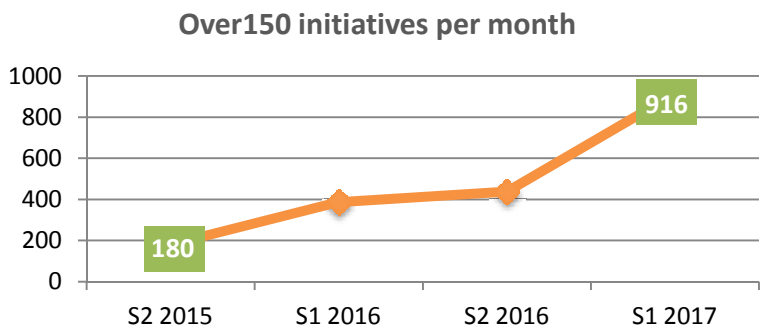
Roadshow in 20 centres

Chambourcy Micromania sales + 20%. vs N-1
Vénissieux Micromania sales +34% vs N-1
Facebook Insights :
- *1 169 129 reach*
- *3 025 742 prints*

ARMS

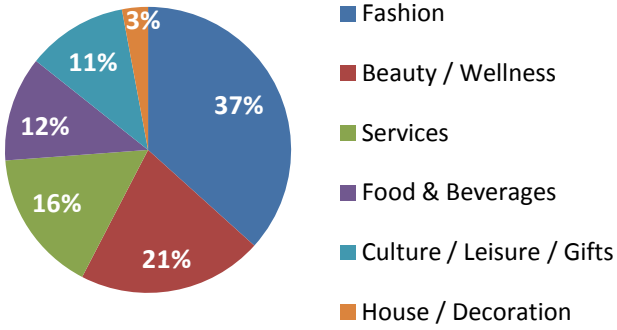
… and developed more BtoBtoC initiatives to bolster tenants' sales…

Acceleration in number of initiatives implemented



National banners and local retailers are using our local marketing services

YVES ROCHER
SEPHORA
MICROMANIA
BODY minute
+ new retail chains
ZARA
KIABI
la mode à petits prix



« The agency that helps your business grow up »

- Greater visibility
- More efficient footfall
- Greater loyalty
- More events and promotion
- More services
- Greater autonomy — Nestor

… with positive impacts on footfall and sales (1/2)

Results oriented initiatives

BAB 2 extension opening

- *150 000+ people reached through facebook redirects*
- *60 000 youtube connections*
- *2 to 4 cents per interaction*

Valentine's day

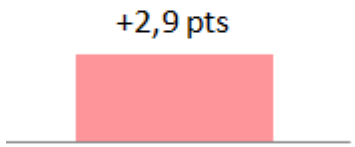
Budget **€600 per centre**

Google AdWords

facebook

Google Display Network

Impact on Footfall [2]



Sunday, Monday, Tuesday

A new successful opening: Kiabi store in Mably (Roanne) - 42)

Our actions

Budget **1,800€**

Re-opening marketing and communication plan :

1. Supply of a cocktail for retailers and customers and a make-up workshop to enrich the event.

2. Digital campaign to display re-opening specials

Our results

<u>1st day:</u>

✓ **Revenues +230%** vs objective => **6th worldwide**

<u>Over 2 weeks:</u>

✓**Sales up +428 K€**

✓ **Customer +10%** above objective

✓Average basket +7% above target

KIABI
la mode à petits prix

Facebook

✓*Prints: 1 767 320*

✓ *Views: 42 665*

✓ *Clicks: 16 693*

… with positive impacts on footfall and sales(2/2)

High performing Quick Wins

Micromania - Alençon (61)

Actions: new video game spotlighted via Facebook
Results:
- 2nd best performer in the Micromania network
- Sales +73% the day of the campaign

Sephora – Caen Hérouville (14)

Actions: Launch of the Kate Von D. brand Show in mall + web communication and social media
Results:
Sales of the new brand beat target by + 55%
#customers: +17% vs n-1
Average basket: +9% vs n-1

Compagnie des Petits La Rochelle (17)

Actions: at the store opening, creation of a facebook photo book presenting the new store. Communication on social media.
Results : sales +225% ahead of the target for the 1st day
Top 3 in France for the 4 first days

Yves Rocher - Roanne (42)

Actions:
Opening offer redeployed on social media, digital tools and in the mall.
Results :
revenues + 83% vs budget
198 loyalty cards created

The "BOOST" program – Saint-Jean de Védas (Montpellier – 34)

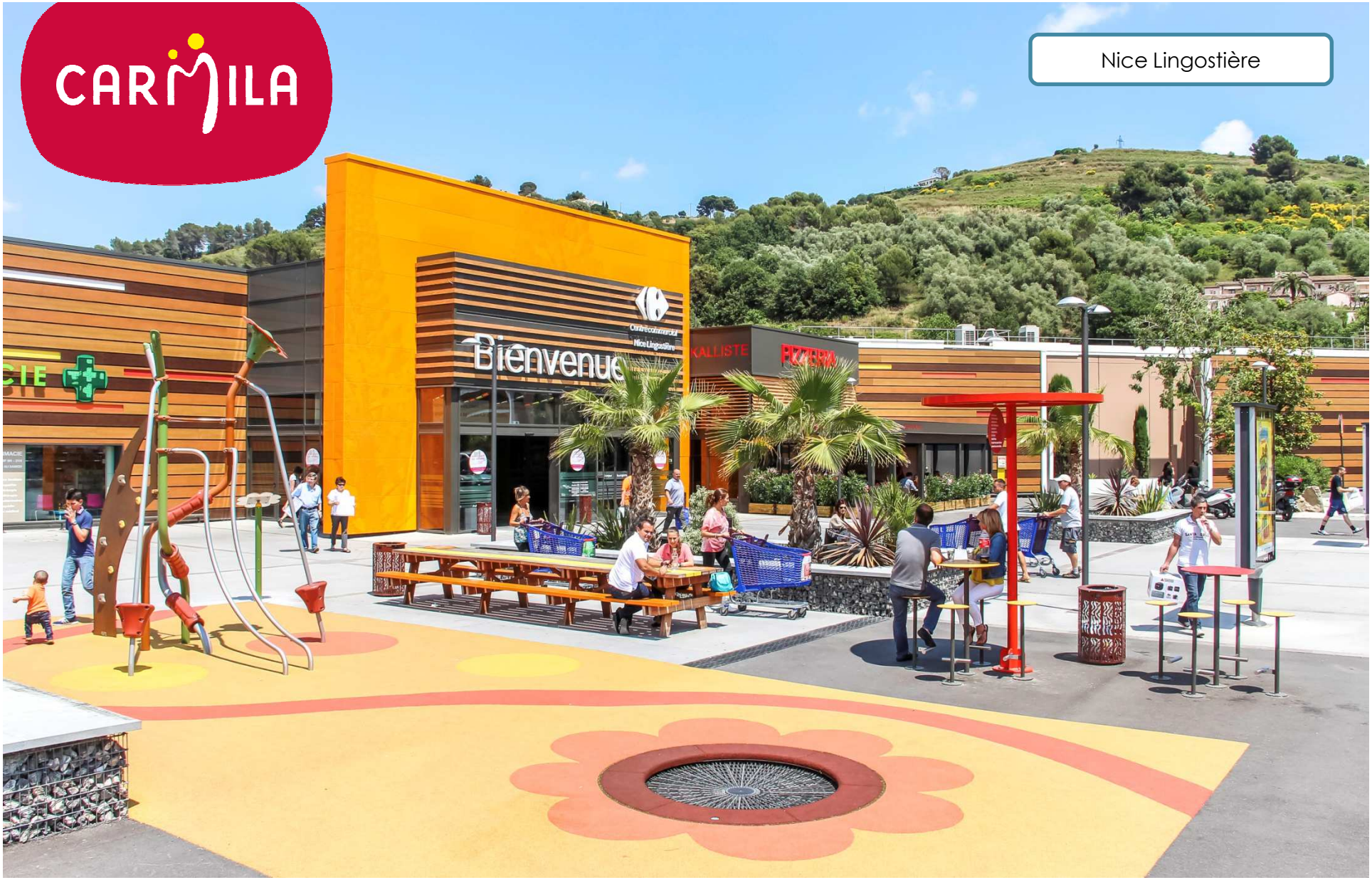
Our actions

Budget **1,200€**

Theatralization of the showcase
Chocolates given out
Digital Contest to win gifts worth 120 euros

Our results

KPI :
✓**Sales +139%** on Easter Friday 2017 vs same day last year
✓**Sales +126%** on Saturday before Easter vs same day last year
✓**Sales +25%** in April 2017 vs April 2016

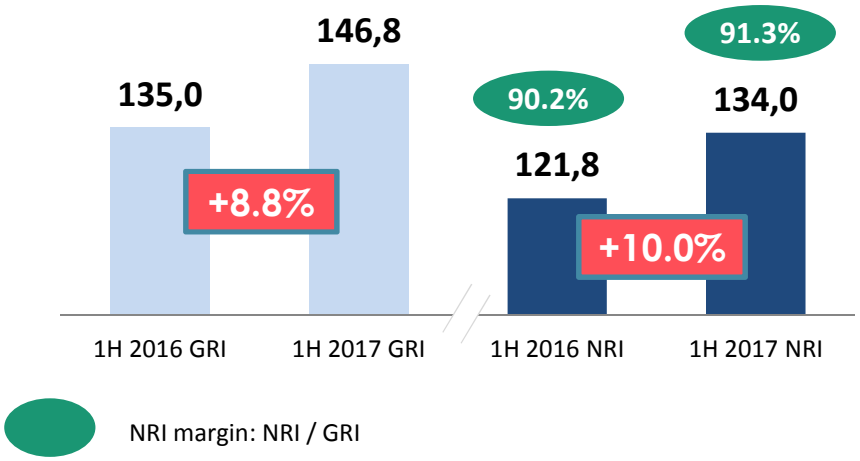


2017 Half-Year results

Double-digit growth in Net Rental Income

Gross rental income (GRI) and Net Rental Income (NRI)

Euro million



GRI up +8.8% or +11.8 Meuros underpinned by

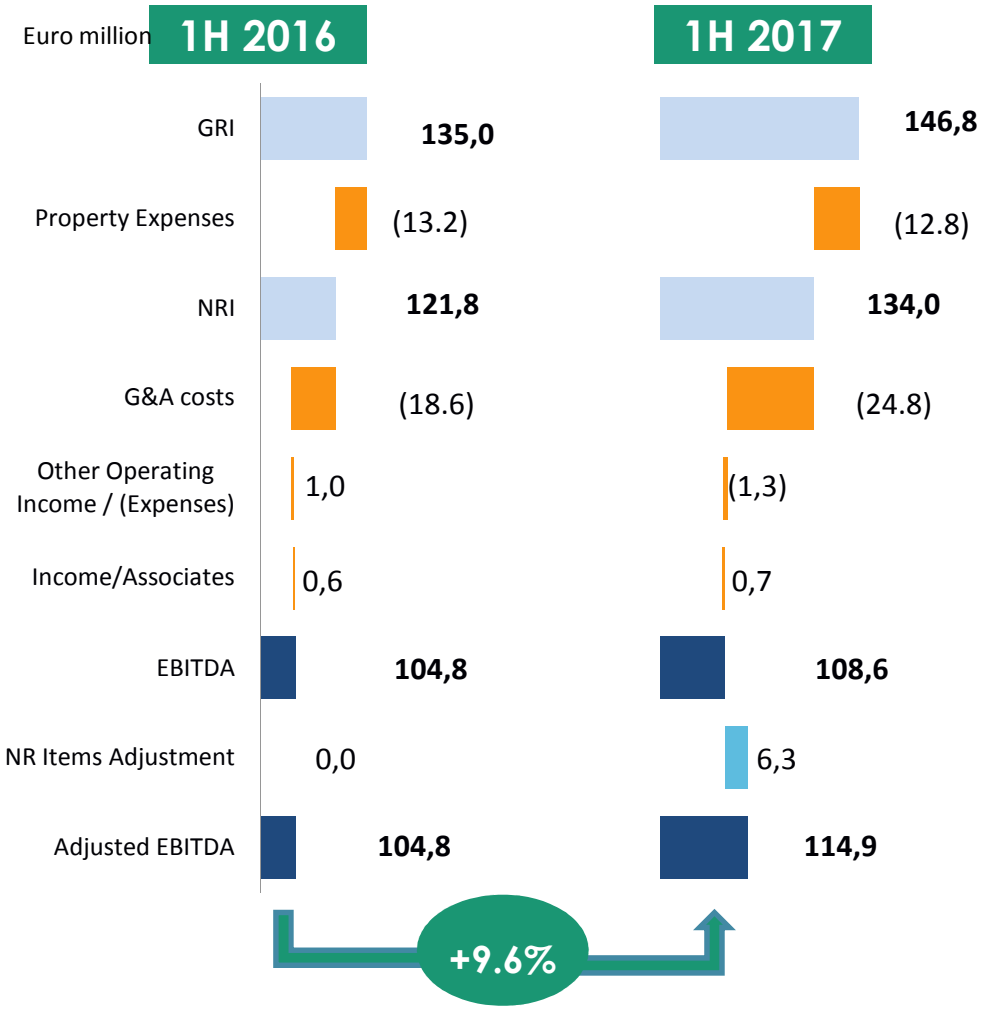
- Further improvement of +0.2 point in the financial occupancy rate across portfolio
- Organic growth through renewals (220 leases renewed)
- Active re-tenanting (180 new leases signed)
- Full effect of 2016 acquisitions and delivery extensions, notably BAB2 *phase 2*: respectively +7.4 Meuros and +2.8 Meuros
- Specialty leasing up +20.8% at 3.5 Meuros

Double-digit growth in NRI up +10.0% or +12.2 Meuros driven by

- GRI growth,
- NRI margins improved strongly thanks to lower vacancy (decline in non rechargeable charges)
- Non recurring ex-ante charges accounted for in 2016 on the recently acquired asset in Thionville

EBITDA growth in line with NRI

Reconciliation of GRI to EBITDA

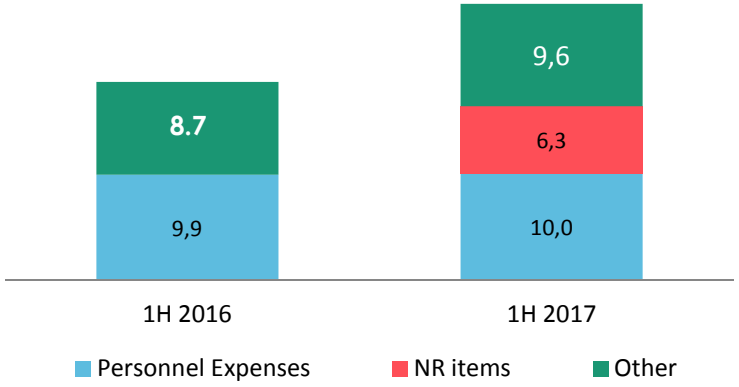


(*) Excluding 2016 development margin, provisions and amortization

EBITDA growth in line with NRI growth

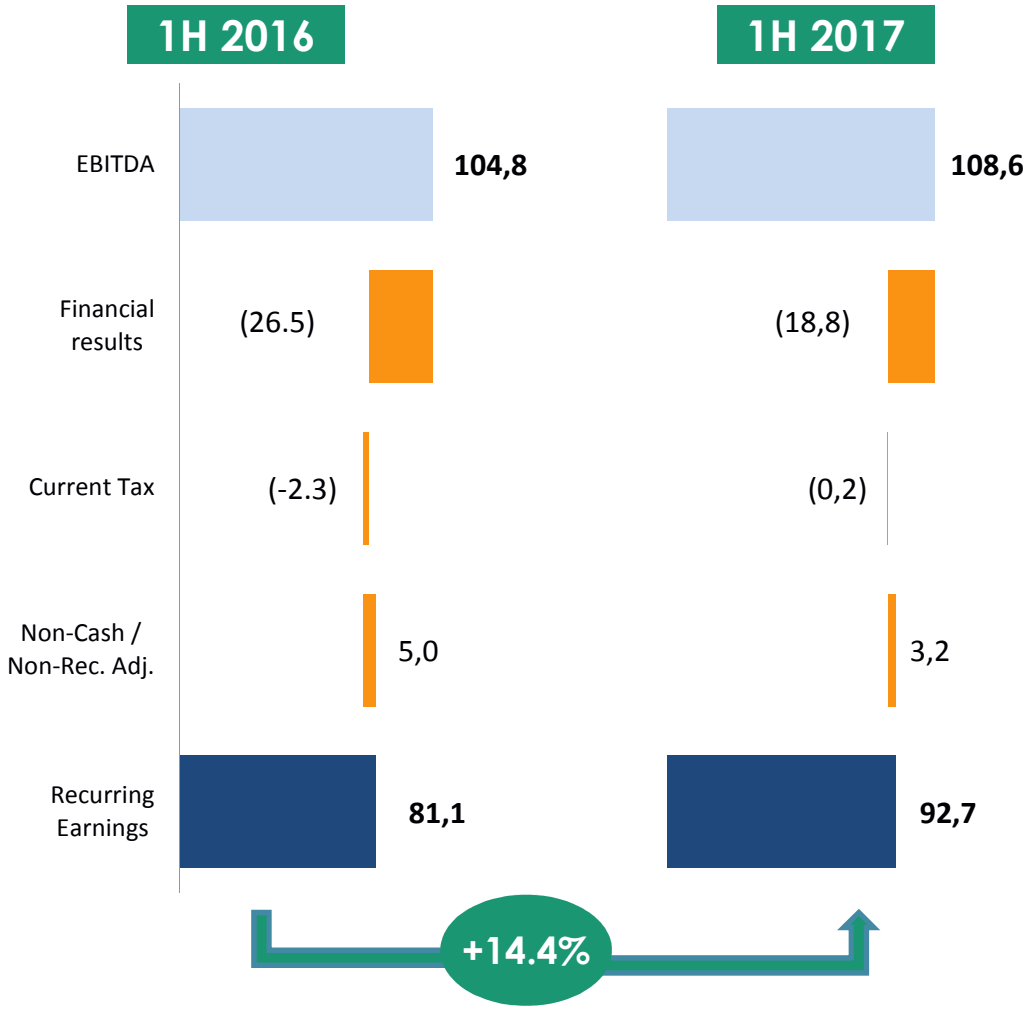
- 1H 2017 operating costs includes 6.3 Meuros of merger fees and related expenses
- Excluding this NR item, expenses grew by +5.2% at -19.6 Meuros, less than increase in revenues.
- Ramp up in costs delayed slightly into H2 and 2018 with some digital marketing costs to be incurred in the second half (seasonality)
- 1H 2016 includes a one-off bonus accrual

General expenses and other operating income*



Strong growth in Recurring earnings

Reconciliation of EBITDA to recurring earnings



Financial results decreasing

- Financial results include a +6.5 Meuros badwill resulting from the merger which is a non-recurring item
- Excluding this NR item, financial results improved by +3%. The average cost of debt improved by 26bp to 1.89% thanks to the launch of a CP program + fall in interest rates

Tax

On January 1, 2017, the Financière Géric subsidiary (owner of the asset in Thionville) opted to adopt the SIIC regime whereby no more income tax is due

Non recurring adjustements include in addition to the badwill resulting from the merger, the elimination of Carmila/Cardety merger costs (6.3 Meuros) and the amortization of debt issuance fees and cost of swap reversal linked to the refinancing

Successful transfer and refinancing of Carmila's debt

Debt maturity
6.7 years

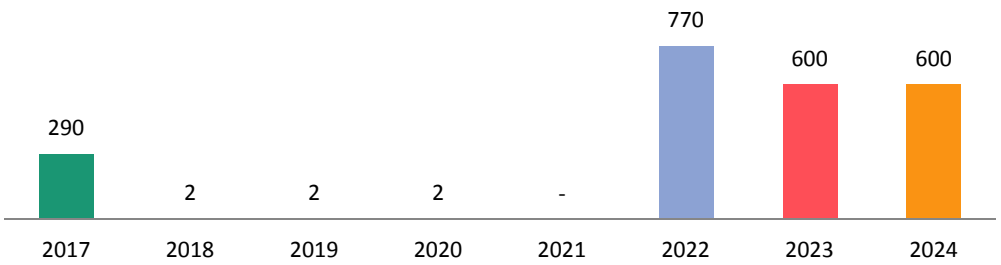
LTV
40.6 %

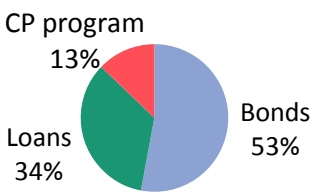
ICR*
4.5x

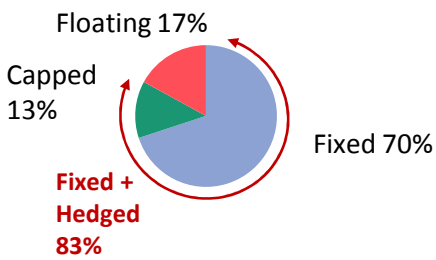
LTV proforma after IPO**
29.4 %

Debt repayment schedule

2.3 bn in gross debt





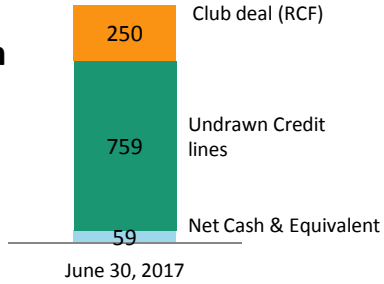


Restructuring of Carmila's debt

- Reimbursement of Cardety bank loans (21.6 Meuros)
- Repayment of Carmila's 90 Meuros outstanding bank debt due in sept-19
- Extension of Carmila syndicated term loan to 2022. Drawdowns increased from 754 Meuros to 770 Meuros
- New revolving credit facilities set up for 250 Meuros and 759 Meuros with respective maturity date in 2020 and 2022

Available undrawn facilities and cash *(before IPO)*

1,068 Meuros



(*) EBITDA/12months debt cost
(**) Including net proceeds of July IPO, everything being equal

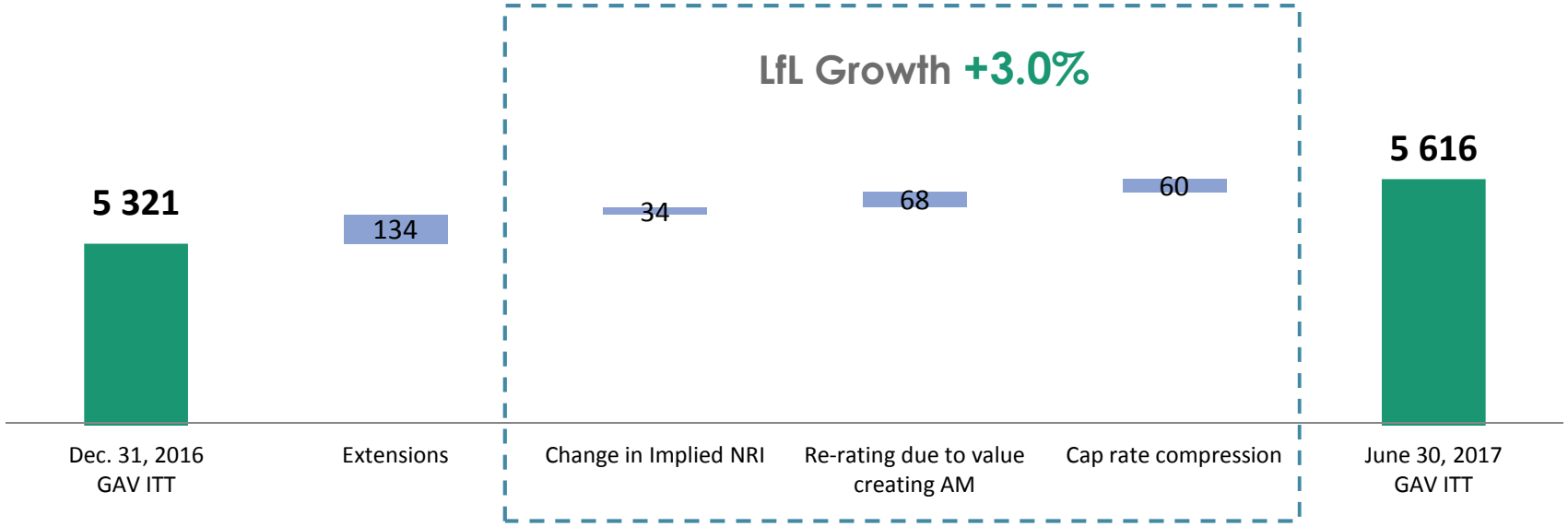
Portfolio valued at Euro 5.6 bn ITT
Up +295 Meuros since December 31, 2016

GAV (ITT) 5,616 Meuros / +5,6 %

Change in appraisal assumptions mainly reflecting:

The quality improvement of large assets in Spain and France as a result of active asset management (renovations, lower vacancy, improvement in quality of the merchandising mix, reversion, extension prospects)

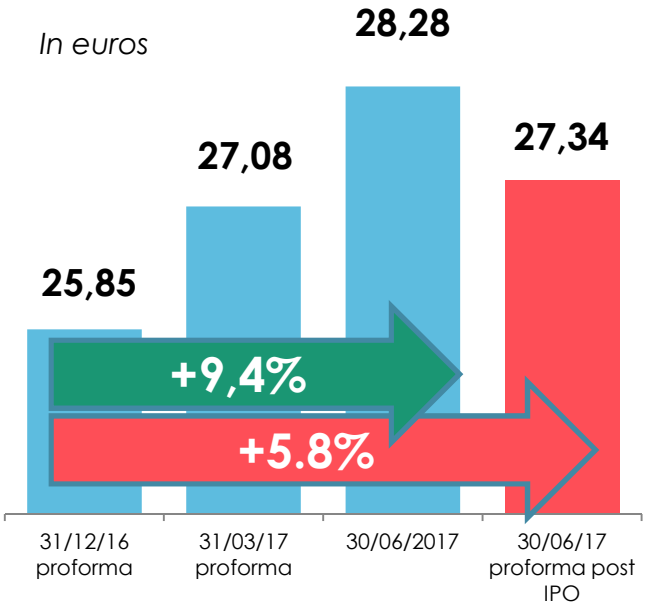
		Change vs Dec. 31, 2016	NPY
	4,170 Meuros	+5.6%	5.5%
	1,123 Meuros	+5.3%	6.4%
	324 Meuros	+6.0%	6.1%



Steady Increase in EPRA Net Asset Value

EPRA NAV per share (fully diluted)

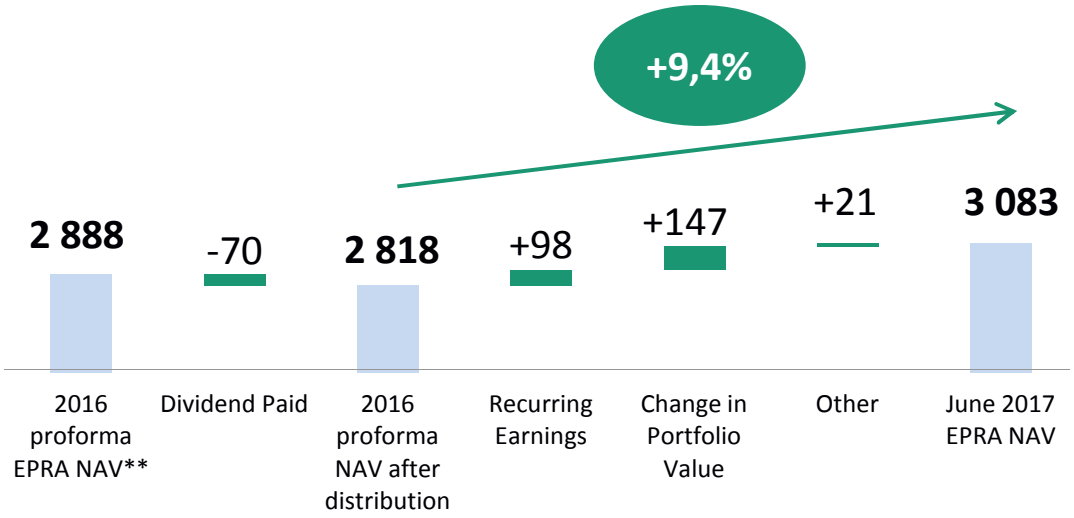
(after 2016 dividend paid)



109 014 868	109 014 868	109 010 040	135 201 840	outstanding number of shares fully diluted

Bridge showing change over 6 months

In Euro million



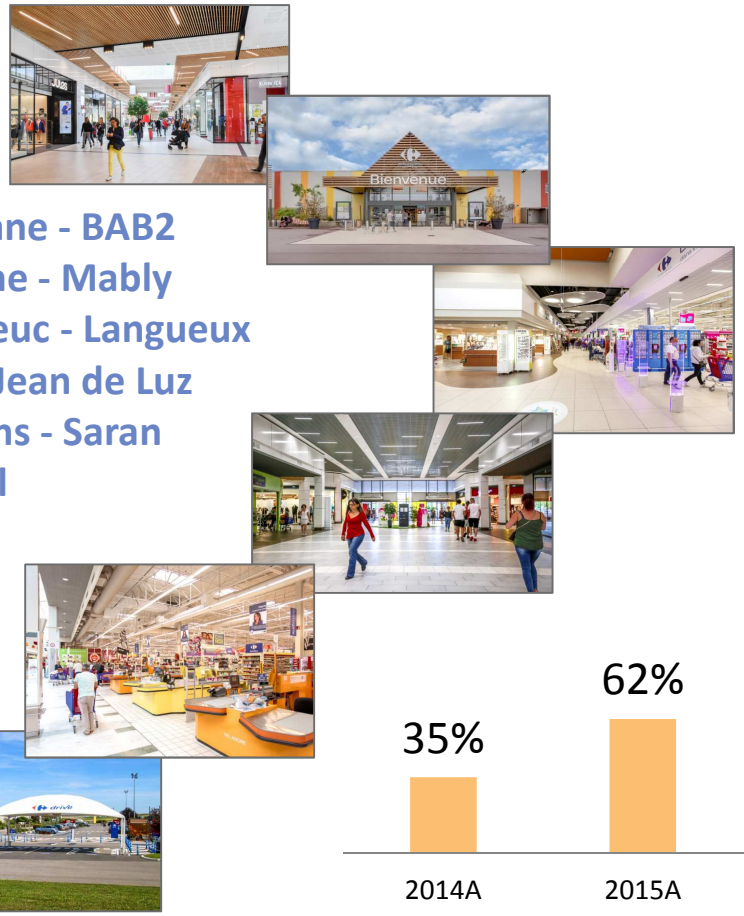
(*) Taking into account a 628 Meuros gross / 614 Meuros net capital increase and 26.2 million shares newly issued.
(**) Before payment of the remaining 2016 dividend by Cardety and Carmila

Developments

Renovation program on track: Completion of the 3-years comprehensive renovation plan by late 2017

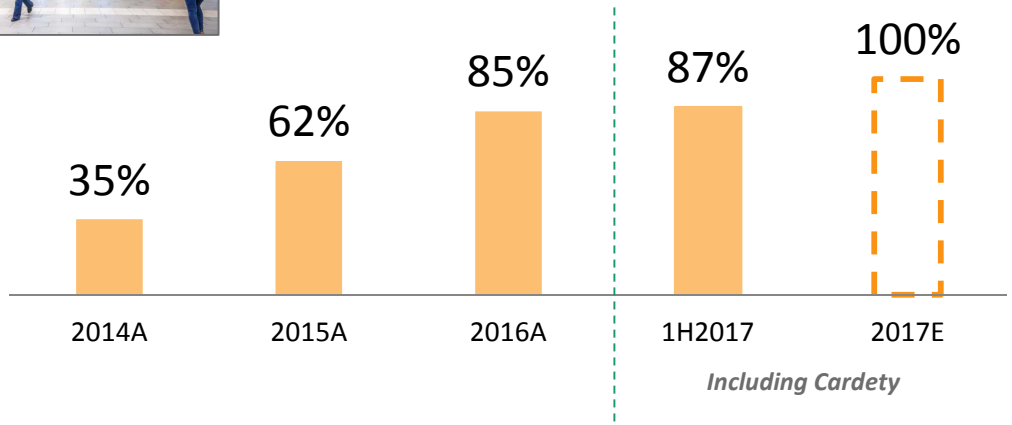
6 renovations delivered in the first half in France

5 renovations delivered in the first half in Spain



Bayonne - BAB2
Roanne - Mably
St Brieuc - Langueux
Saint Jean de Luz
Orléans - Saran
Rethel

Jerez Sur
Jerez Norte
Sevilla - Macarena
Bedajoz - La Granadilla
Lugo



12 Meuros in add. CAPEX on H1 2017

BAB2 extension in Bayonne completed

Phase 1 2016

+10 stores
+4,100 add.sqm
+1.3 Meuros NRI

Phase 2 2017

+28 stores
+6,900 add.sqm
+3.9Meuros NRI

ZARA, MANGO, Du Bruit dans la Cuisine, stradivarius, SEPHORA, CLEOR, the athlete's foot, PULL&BEAR, ZARA HOME, Columbus Café & Co, KUSMI TEA, Sergent Major, undiz, la fée maraboutée

+11% to + 18% of traffic every month since the opening

Good performances of both new tenants and existing stores

Leader in the Pays Basque

120+ stores

25,700+ sqm

c. 15,2 Meuros NRI

c. 300 Meuros GAV *ITT*

Investment : 82 Meuros

YoC Carmila 6.4%

Value creation: c.20Meuros

Trends in the pipeline – New permit awarded

40
extension projects

2016 - 2022

Total defined pipeline

4 delivered

36 extension projects

2H 2017 - 2022

June 30, 2017

+2
CDAC awarded over the semester

34 CDAC / CNAC* approvals awarded

+3
building permit awarded over the semester

21 building permits awarded

Nice Lingostière

Antibes

Montesson

(*) Commercial licenses

H2 2017 extensions deliveries on track

46,000
additional sqm**

12 Meuros
in potential annual NRI***

Approx. add.
5 Meuros 2017 GRI

Main delivery expected	% let*
Nichelino Turin Q4 2017	100%
Pau Lescar Q4 2017	83%
Crêches sur Saone Q4 2017	109%
Evreux Phase 1 Q4 2017	83%
St Brieuc - Langueux Q4 2017	102%
Vannes Q4 2017	103%
Rambouillet Q3 2017	100%
St Egrève Q4 2017	103%







(*) Annual rent secured/ Total forecasted rents in the budget
(**) BAB2 (Bayonne) extension delivered on H1 not included

Conclusion

The IPO = the spotlighted event of the first half

The solid set of results of the first half is achieved thanks to:

- ✓ a clear strategy implemented,
- ✓ good teams…
- ✓ … working hard.

Tailwinds in Spain since late 2013 = robust performance for Carmila

New dynamism and optimism flowing over in France = could boost the French activity

We are confident about our ability to achieve our 2017 Recurring earnings target at the upper end of the range

This year consolidates the prospect of achieving our 2018-2020 targets