2018 half-year results

30 July 2018

Key Highlights 2018

Carmila accelerated its transformation this semester

Agile teams at all levels of the organisation prepared to:

- anticipate new trends,
- support the retail sector which is constantly evolving,
- take benefit of new digital tools.

A local digital marketing built from inception to be scalable and which supports and strengthens actions of the company:

- **simple tools** elaborated at the headoffice…
- … and **deployed rapidly locally** by teams and retailers themselves,
- … which are **supporting the activity** at each stage,
- … and **enhance results**.

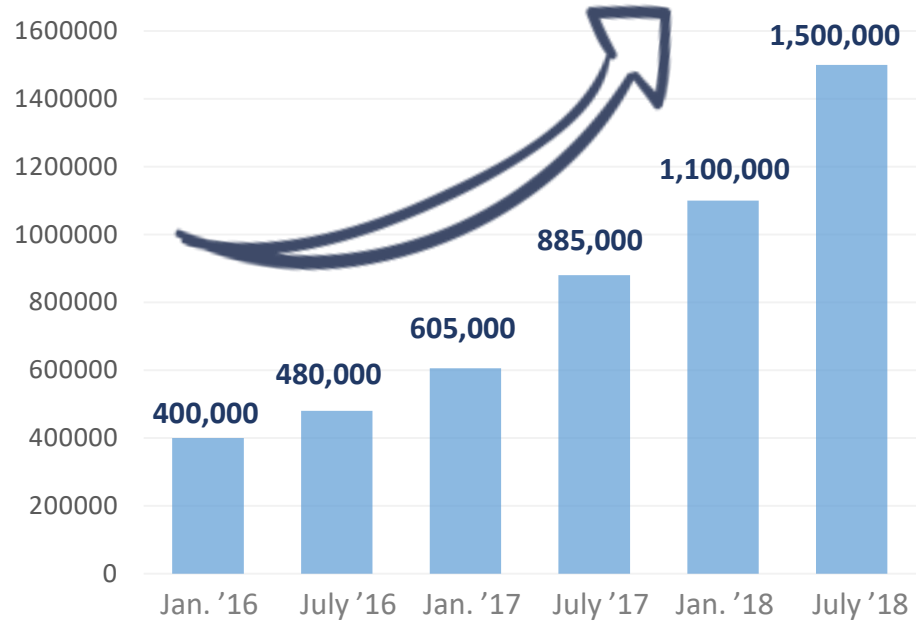
Ability **to catch growth** generated thanks to a powerful mix of efficient activities:

- sector of activity mix,
- brand mix and retailers mix,
- geographical mix.

The acceleration of our local digital marketing strategy is exponential

Number of contacts added to the database

+36% / 6 months



An exponential speed-up thanks to scalability

Le kiosque *

300

actions / month

+50% vs 2017

Nestor **

2,000

Brands using the platform

X2 relative to Dec.2017

Meet a need: tools and actions praised by retailers who acknowledge positive effects on their performance

(*) Digital marketing tools proposed to retailers
(**) Plateform gathering apps and services available for the centres or retailers

Turn the company towards the most performing activities (1/3)
Transform the activity mix towards most efficient activities

Serving new trends

- Medical sector
- Indoor sports and leisure
- Barber
- Pet shops
- Electronic cigarettes

Strengthening the food and drink offering

Letting extensions

New retail brands at Carmila

Changes in sectors of activity in Carmila's portfolio* since January 2017

Personal equipment	-2 pts
Services, catering, sports, …)	+2 pts

(*) Change in the share of each sector in annualised rents of the portfolio

Turn the company towards the most performing activities (2/3)
Attract most performing brands and retailers who are developing their activity

Attract brands which are developing their activity and generating growing revenues

Work with the best regional master franchisees

- They have an in depth knowledge of the local clientele and its needs …
- … and are very efficient retailers.

Extension at Orléans Cap Saran

17 franchisees out of 34 new retailers

(Muy Mucho, Mango, Devred, Promod, Naf-Naf, Altermoove)

We put in touch franchisees and brand developers and **provide them with shops**

Turn the company towards the most performing activities (3/3)
Increase our exposure to Spain

- Outstanding results in Spain for 4 years
  - Gross asset value multiplied by **3,6x** since April 2014
  - Financial occupancy rate up from **75.9%** in April 2014 to **96.3%** in June 2018
- A country experiencing a strongly dynamic activity
  - Expected GDP growth for 2018: **+2.8%** after two years >3%
  - Retailers' revenues growth on a comparable basis* : **+2.3%** in 2017 and **+2.4%** in the first half of 2018
- Acquisition of 7 shopping centers in Spain this semester
  - Leaders in their local catchment area,
  - With a potential for value creation (organic growth, extensions and restructurings).

Relying on the foundations put in place over the past four years

	4 past years	First Half 2018
A fully renovated portfolio	A **fully renovated** portfolio to enhance client satisfaction	Renovation of newly acquired assets launched
An innovating commercial strategy implemented by 5 complementary letting teams	**+3 000** leases signed Strengthening the local leadership	**433** leases signed Strengthening of the local leadership
A BtoBtoC differentiating digital marketing	A central team of 18 people creating tools deployed locally	**300 operations** / month (**+50%** vs 2017) Supporting key events for our centres and tenants
An extension pipeline which strengthen the leadership of our sites	**12** extensions opened	Delivery of **3 extensions**, including a major one in Orléans-Saran **4 extensions** to be delivered in H2
Value-creating acquisitions	**€2Bn** of acquisitions since 2014	**8 shopping centres** acquired in H1 2018 for a total amount of **394 M€**

This dynamic has a significant impact on Carmila's performance

It is at the heart of all our activities and supports:

- our model,
- our results,
- and our outlook.

It reinforces our actions.

Enabling Carmila's results for the first half of 2018 to grow strongly

Sustained **organic growth** in gross rental income

+2.9%*

Recurring earnings**** strongly increasing…

+12.2%**

to €104.1 million

… and NAV continuing to raise driven by organic growth,
with the average portfolio capitalisation rate remaining stable

€27.96 per share

+1.8%* *over six months*

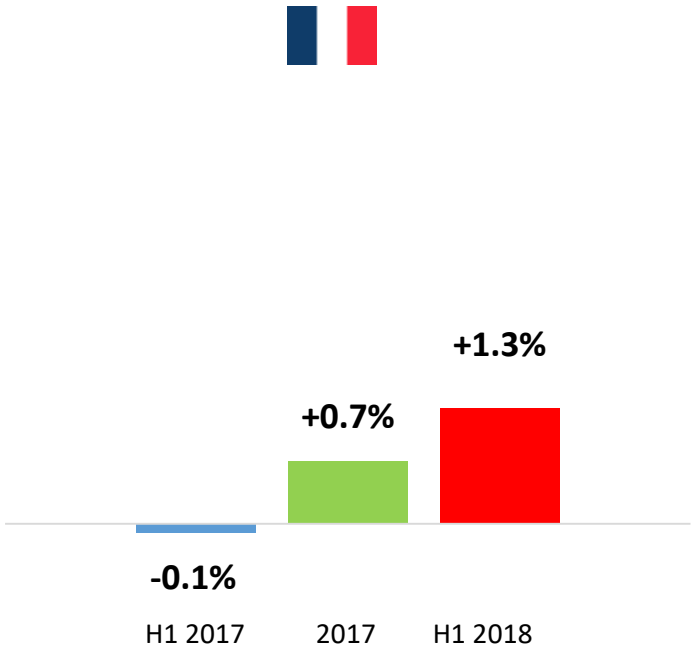
(*) Growth in gross rental income on a like-for-like basis from 30 June 2017 to 30 June 2018
(**) Growth in EPRA recurring earnings between H1 2017 and H1 2018
(***) Growth in EPRA NAV
(****) EPRA earnings restated for non-recurring items during the period

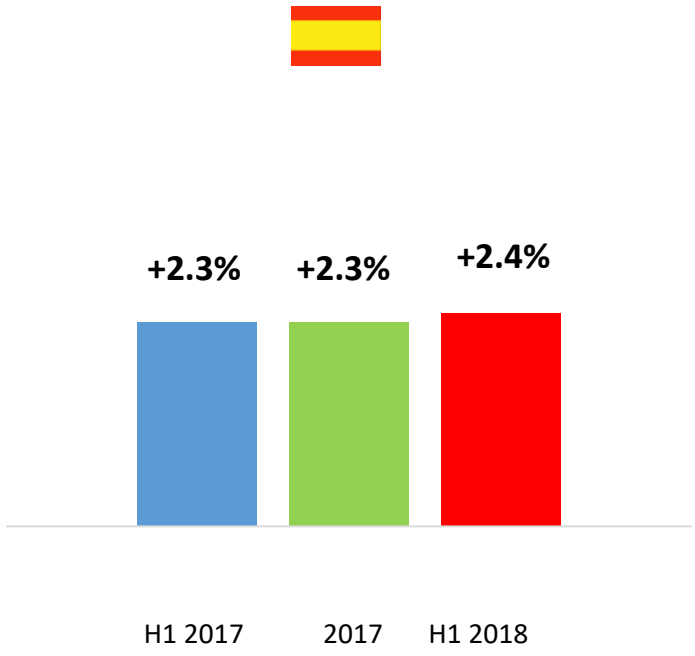
Orléans – Cap Saran

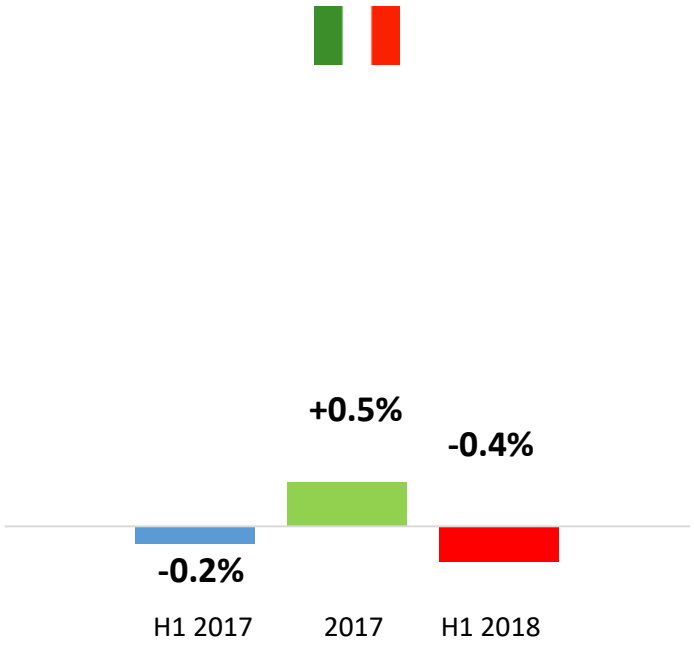
Activity in the first half of 2018

The performances of the retailers in our centres demonstrated the resilience of our merchandising mix

Tenants sales change in Carmila shopping centers
First Half of 2018 vs First Half of 2017
Comparable perimeter







Our expertise: forming partnerships with successful retail brands and growing local retailers

Well established brands in our centres, developing their business with strong performances

YVES ROCHER
45 stores (+4*)
Chge. H1 2018 revenues** > 3.5%

Histoire d'Or
39 stores (+5*)
Chge. H1 2018 revenues** > 3.0%

IDEAL
27 stores (+12*)
Chge. H1 2018 revenues** > 10%

orange
36 stores
Chge. H1 2018 revenues** > 4.0%

NOCIBÉ
33 stores
Chge. H1 2018 revenues** > 3.0%

COURIR
24 stores (+4*)
Chge. H1 2018 revenues** > 4.5%

COLUMBUS CAFE & CO
16 stores (+13*)
Chge. H1 2018 revenues** > 10%

LA BARBE DE PAPA NANTES
Signing of seven stores in 6 months. Targeted revenues €500K/year

Developing Master Franchisees who succesfully operate in our centres

Sylvain Maronneau
Developing its new brand rapidly: 5 shops + 2 add. ones under discussions

imua

Marie-Valérie Bureau
16 shops + 2 under discussion

KAPORAL JEANS
Happychic
IDKIDS act for kids

Damien Vallard
Entrepreneur and operator
9 restaurants opened in France including 3 with Carmila

HOLLY'S Diner

And a lot more…

Anchor brands strengthen our sites

fnac
opening in Douai and Montluçon, after Epinal, and Alençon in 2016

KIABI
Integrating the shopping centres of As Cancelas and Orléans Cap Saran

ACTION
Strengthening our Lyon Vaulx-en-Velin site, following Troyes La Chapelle and Reims Cernay

(*) Growth in the number of stores in the Carmila portfolio on a 12-month sliding basis
(**) Growth in revenues in Carmila's centres in France in the first half of 2018 compared with H1 2017 on a like-for-like basis

Growing activities, performing brands and efficient retailers in France

New trends

Medical Sector
Medical center Sartrouville – €90K
Dental center Reims Cernay – €25K
4 Pharmacy and parapharmacy – €440K

Barber
8 La Barbe de Papa – €280K
The Barber Company Evreux – €20K

Indoor sports and leisure
3 Basic Fit – €409K
Space Jump Besançon – €133K
Happik Chambourcy – €60K
L'appart Fitness St Herblain – €52K

Petshop
2 Maxi Zoo – €167K

Electronic cigarettes
11 CiGusto – €273K
5 VapAccess – €52K
2 Happesmoke – €27K

Catering

Holly's Diner Evreux – €78K
4 Columbus Café – €188K

New at Carmila:
Brut Butcher Grenoble St Egreve - €85K
BPA Hippopotamus Evreux - €75K
Pegast Biarritz BAB2 - €27K

In the extensions:
KFC Athis Mons - €71K
Waffle factory Nice Lingostière - €50K
La pizza de Nico Perpignan Claira - €47K
Créé ta crêpe Vannes - €21K

Performing retailers

Sport:
Go Sport Bourg en Bresse - €185K
3 Courir – €218 K

Health & Beauty:
7 Nocibé – €706K
Sephora Calais - €185K
Yves Rocher Le Mans - €56K

Personal equipment:
4 Promod – €413K
Deichman Evreux - €125K
3 Petit Bateau – €219K
Naf-Naf Calais - €97K
2 Mango – €201K
Undiz St Brieuc - €87K
Chaussea Brest - €84K

Kiabi Roanne Mably – €202K
Pandora Calais – €110K
Bonobo Chambourcy – €86K

Household goods:
Zodio Nice Lingostière - €729K
Maison du Monde Evreux - €160K
Action Lyon Vaulx en Velin - €104K

New at Carmila:
Districenter Evreux - €160K
Adidas Toulouse Labège - €85K
2 Imua – €68K
Hunkemöller Calais - €66K

GIFI Evreux - €347K

Growing activities, performing brands and efficient retailers in Spain

New trends

Medical sector
9 Centros Ideal (aesthetic) - €321K
Pharmacy Los Patios (Malaga) – €39K

Electronic devices repair
3 Prink Iriparo – €106K

Barber
Carlos Conde Alcobendas (Madrid) – €26K
La Barbería Plasencia – €16K

Lawyers
Arriaga y Asociados Los Patios (Malaga) – €34K

Electronic cigarettes
Sapporet Fan (Mallorca) – €16K

Catering

La Tagliatella
Fan – €125K

100 Montaditos
As Cancelas – €21K

Taberna Lizarran
Fan – €81K

Dunkin Coffee Fan (Mallorca) – €65K

Bull's Pizza Peñacastillo – €64K

Performing retailers

Sport :
2 OTS - 82K€
2 Mas Deporte– 64 K€

Health & Beauty:
3 D'uñas – 66 K€
Autres enseignes - 178 K€

Personal equipment:
3 Parfois – €117K
Kiabi As Cancelas (St J. de C.) – €301K
Koroshi El Mirador (Burgos) – €46K
Carpisa Fan (Mallorca) – €63K
Alvaro Moreno Holea (Huelva) – €56K
Suits Inc As Cancelas (St J. de C.) – €46K
Yamamay Gran Sur (Algeciras) – €30K
Salsa Fan (Mallorca) - €75K

House goods:
Gifi Elche – €174K
2 Bedland – €62K
Sofeeling Atalayas (Murcia) – €98K

New at Carmila :
K-Tuin Fan (Mallorca) - €87K

The entire digital marketing mechanism supports the activity

Example: FNAC opening in Douai

Platform

YouTube | Facebook | Google AdWords | Google Display Network

Formats

Google Display: geolocated post

Preview of a Google ad with illustration and text

Facebook Ads

Store Visit

WHITELISTED

Facebook	345,948 posts	85,264 Persons concerned	3,575 Store Visit	1,900 euros	0.53 €/customer
Google Display Network	2.5 million posts	5,410 clicks	1,248 Store Visits	1,300 euros	1.04 €/customer

Competitions

In-mall information point with customisation of the centre's tools for FNAC and digital information point: Facebook, email teasing, D-7, D-day, D+1, etc.

Impact on the shopping centre

+23.4%	+1.5pts	+35%
Number of visitors D-day	Footfall versus CNCC average	web traffic since opening

"Thanks to Carmila for all the work done and the professionalism" (person in charge)

The enrichment of the B2C database is accelerating thanks to the installation of on-site collection devices

Multi-format and omnichannel collection devices…

NEW

NEW

200
gaming devices deployed over France

450
Players / day / centre

100%
customisable locally

Since 2017

Shopping centres
Internet sites and Apps

Gaming

Wifi ++

Data Carrefour

80 local access in shopping centers

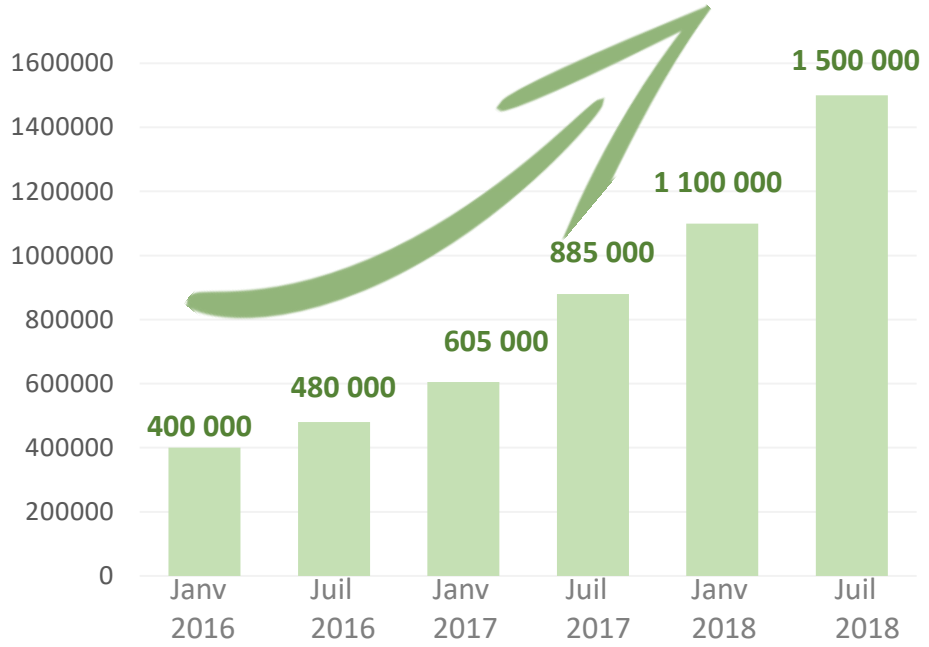
Controlling contents of 200 devices

SAAS device
Diffusion Manager

Admin access headquarter

Synchronisation Webservices with our database

…for enhanced results



94%
opt-in vs 30% in 2017

+400k
geolocalised points of contact

100%
of emails verified before regstration

BriteVerify

100%
RGDP compliant

The strengthening of the digital marketing system is spreading on the field and drives the transformation

X 5
The number of times our centres have been showcased on Google

24 million
Reachs**

Le kiosque par CARIMILA
300
actions / month
+50% / 2017

Nestor
2,000
Brands using the services
X2 vs Dec. 2017

4.5 mn */6 months*
visits
+700 000 vs n-1

1.5 million
contact points*
+35% vs Dec. 2017

1,200
Local digital campaigns

1,660
Pass offers available
+20% / 2017

(*) Means of contacting clients: e-mail address, cellphone number, etc.
*(**) Number of de publications * number of people seeing the message*

All these actions reinforce the activity and strengthen organic growth

Organic growth of rental income **2.9%**

- +2.5%
- +4.4%
- +1.0%

Reversion on renewals **+9.2%**

- +11.5%
- +6.9%
- +1.2%

Deliveries from the pipeline continue, with in particular the opening of the extension of Cap Saran (Orléans)

The biggest retail park creation adjoining an existing site in 2018 in France

The extension

+29,000 sq.m.

+34 mid-size stores

+€3.5 million in net rental income

An investment of €43.5 million

Return of 7.6%

The shopping centre after extension

85 stores and mid-size stores

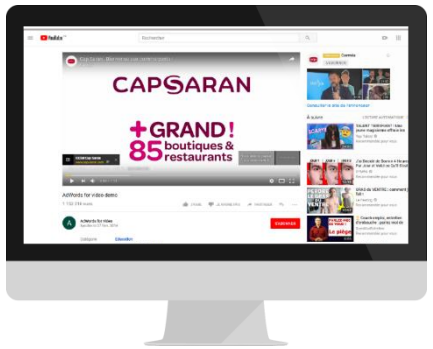
€7.2 million in rents

€120 million in GAV

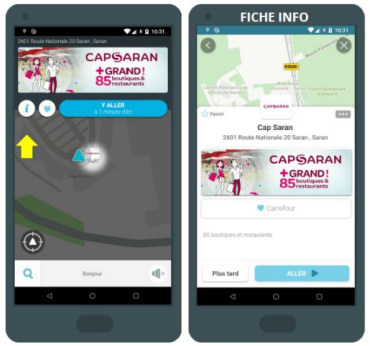
BREEAM certified
"Very good" in design phase

The opening of the Cap Saran extension is supported by a comprehensive digital system to boost the centre's reputation in its enlarged catchment area

Formats



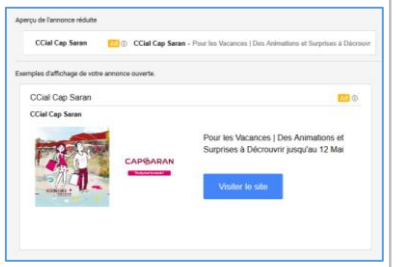
YouTube campaigns: Film presenting the new range of the Kiosque



Optimised presence on Waze with Waze Ads

Google Display ad with illustration and text

Flux Boutique Facebook with route to marker



geolocated pub in Gmail

Plateforms

YouTube · Google AdWords · Google Display Network · waze

Store Visits

WHITELISTED

Facebook	697 427 posts	91 225 Persons concerned	23 836 Store Visits	5 728 euros	0,24 €/client
Google Display Network	5,4M posts	10 929 clicks	6 230 Store Visits	2 536 euros	0,40 €/customer
Google AdWords	147 339 posts	8 362 clicks	7 486 Store Visits	3 774 euros	0,50 €/customer

Results

+5.7pts Of footfall in the centre*

X 4 Website traffic **

127 000 Video views

YouTube · Facebook

Deliveries to be implemented this year reach high rates of pre-letting

64,000 additional sq.m.**

€10.4 million in potential annual NRI***

Additional rents/2018 €3.8 million

Deliveries 2018 extensions /restructurings	Rate of pre-letting*
Cap Saran *April 2018*	100%
Douai *February 2018*	76% Remaining: 1 lot/7
Hérouville *February 2018*	69% Remaining: 1 lot/6
Besançon Chalezeule *September 2018*	98% Remaining: 2 lots/18
Evreux *(phase 2)* *October 2018*	96%*** Remaining: 3 lots/61
Athis-Mons *November 2018*	96% Remaining: 1 lot/22
Los Patios *December 2018*	94% Remaining: 5 lots/38

(*) Annual rent secured to date/Total forecasted rents in the budget
(**) Cumulative letting rate phases 1 and 2

After the deliveries of the first half of 2018, 28 projects remain in the pipeline, for a total of €1.49 billion

PIPELINE

31 Extension projects 2018 – 2023

€1.55 billion
+€100 million NRI
YoC 6.5%

1 January 2018

3 delivered

PIPELINE

28 Extension projects 2018 – 2024

€1.49 billion
+€96 million NRI
YoC 6.4%

30 June 2018

14 CDAC / CNAC approvals awarded (commercial licenses)

13 building permits obtained

Deliveries 2018

7 Extension projects

+64,000 sq.m.
+€10.4M NRI
Inv. €134M
YoC 7.8%

Carmila's activity in Spain: a strong growth dynamic

December 2014

Acquisitions of Holea (Huelva), Talavera (Toledo), As Cancelas (St Juan de C. - 50%) from Carrefour Property

August 2016

Acquisition of Montigala (Barcelona), Burgos and Atalayas (Murcia) from Grupo Lar

December 2016

Acquisition of FAN (Palma de Mallorca)

February 2018

Acquisition of Gran Vía de Hortaleza (Madrid) from Klépierre

May 2018

Acquisition of a portfolio of six shopping centers from the Pradera fund

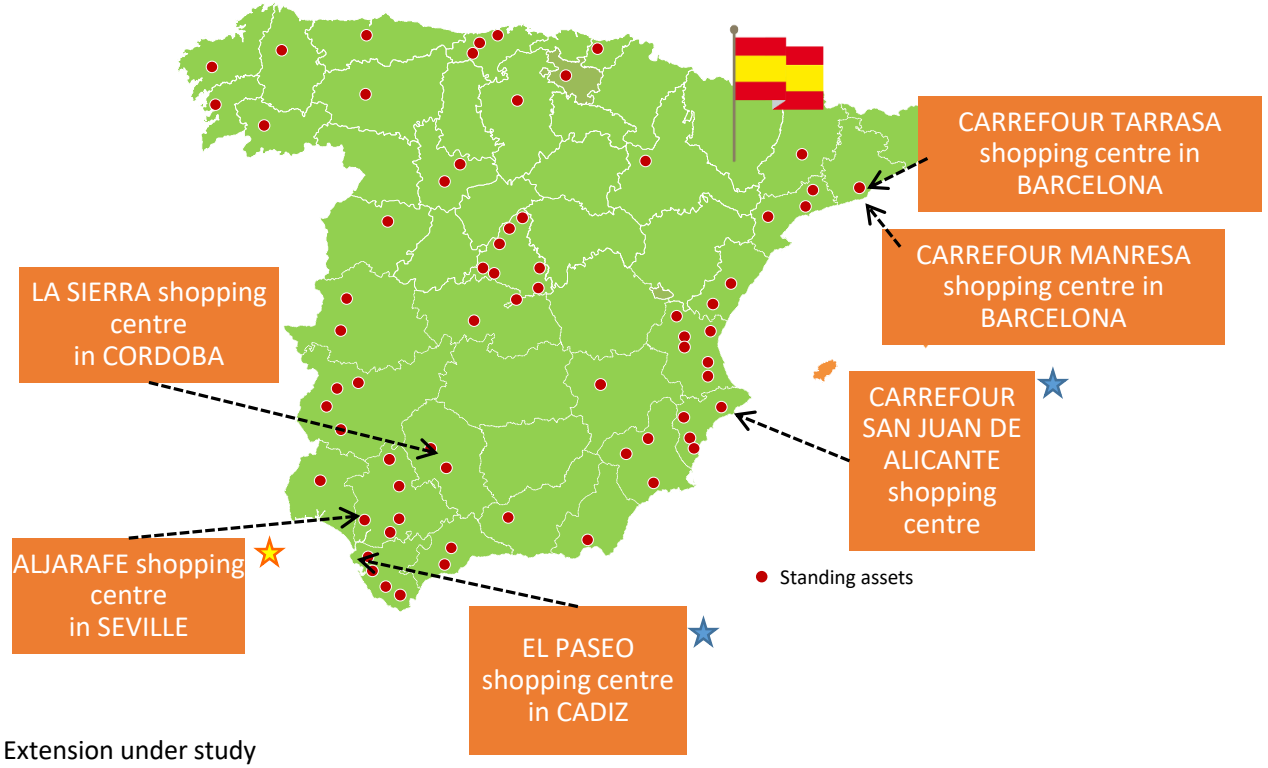
The value of the portfolio at 30 June 2018 has been multiplied by **x3.6** since its creation in April 2014 thanks to acquisitions and strong organic growth **(CAGR +14%)**

Strong improvement in the financial occupancy rate, from **75.9%** in April 2014 to **96.3%** in June 2018

	April 2014	June 2018	CAGR
# sites	63	77	
GAV* €m / Growth vs. N-1	€380 million	€1,377 million / +22%	+36%
Growth in GAV on a like-for-like basis			+14%
Gross rental income	€36.8 million	€94.2 million	+25%
Appraisers' average capitalisation rate	10.0%	6.4%	
Financial Occupancy Rate	75.9%	96.3%	
% GAV* Carmila	14%	22%	

(*) Gross asset value: Appraisal value of investment properties, including transfer taxes

Based on the strong performance of the activity in Spain, Carmila consolidates its position there with the acquisition of six shopping centres after Gran Vía de Hortaleza in Madrid, acquired in February 2018



Extension under study

Restructuring under study

Potential for value creation through:

- *optimisation of the merchandising mix,*
- *the increase in the occupancy rate (current average rate of the portfolio is **95%***),*
- *restructuring and extension plans on three sites.*

6 shopping centres adjoining Carrefour hypermarkets leaders in their catchment areas

€182 million in capital expenditure

6.3% average capitalisation rate

+€12 million in annual net rents

+256 shops and mid-size stores

+56,900 sq.m.

(*) Average financial occupancy rate of the portfolio of six assets

A few weeks after its acquisition, the Marseille Vitrolles shopping centre had the entire B2B2C marketing arrangements in place

+80% visits to website *

Contact database optimised and terminals installed

32 actions carried out for retailers

35 active Nestor accounts

28 Premium Offers fo Carte Pass holders

Our partners, on board and integrated

Columbus – June 2018

Context

Opening of the Columbus shop in Vitrolles

Arrangements

- Communication in mall and online
- Competition-type games on the Columbus-branded terminals in the centre

Results

Top 10
France since opening

"We're very happy with the support deployed for our arrival"

Marionnaud - May 2018

Context

On the occasion of Mothers' Day, promotion of exclusive products and make-up sessions offered

Arrangements

- Sponsored Facebook post
- Showcasing of products and news on the centre's website
- Stand placed in the shopping mall

Results

+22% in revenues for the week

"We're happy about the visibility we were given in an essential period for us!"

La Casa - May 2018

Context

On the occasion of Mothers' Day, free lunch for mothers during the week-end

Arrangements

- Digital teasing and communication of the retailer ad

Results

+85% on Saturday revenues vs n-1
x2 Sunday revenues vs Sunday average

"Very happy with the buzz around the restaurant and the financial benefits"

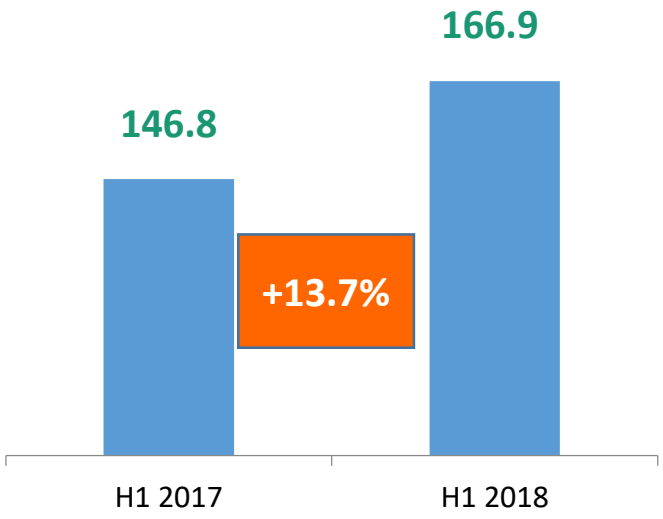
(*) Based on Klépierre historical data. September-November 2017 compared with March-May 2018

2018 half-year results

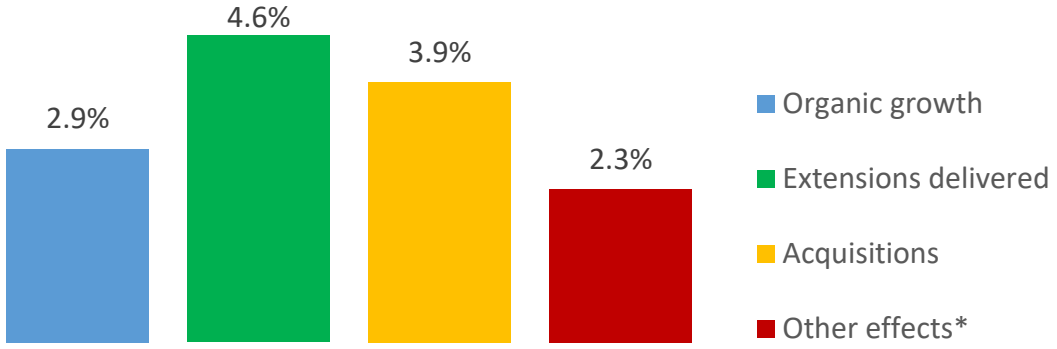
A half-year of strong growth in gross rental income

Gross rental income

In Euro million



Growth in gross rental income H1 2018 **+13.7%/+€20.1 million**



Organic growth in gross rental income

+2.9%

- 167 renewals and 205 new leases signed: an average reversion rate of 9.2%
- Average occupancy rate for the period up on that of H1 2017
- Specialty leasing up by **+24.5% to €4.7M**
- +1.1 point due to indexation

Acquisitions in 2018: +€5.7M
- Marseille Vitrolles
- Gran Vía de Hortaleza (Madrid)
- Spanish portfolio of six assets

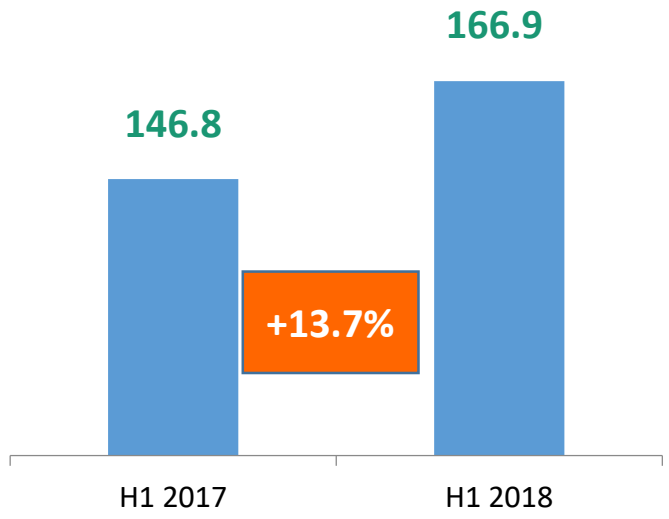
Extensions: +€6.8M
- **Extensions delivered in 2017: +€5.5M**
- **Extensions delivered in 2018: +€1.3M**

(*) Essentially inclusion of gross rental income of Cardety from 1 June 2017

Ratio of NRI/GRI improved by 1.6 pp
Net rental income up by +15.7%

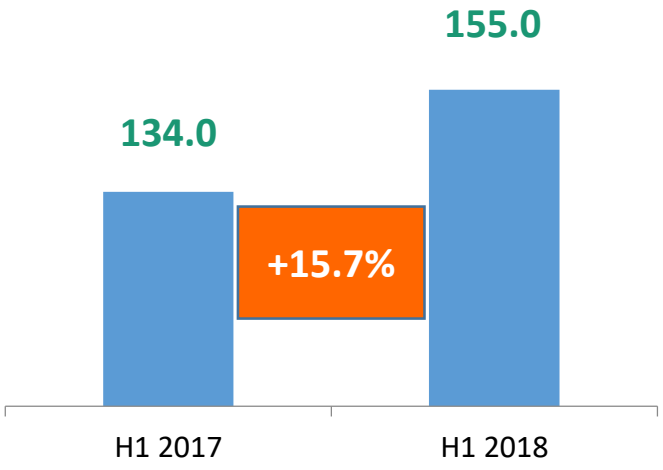
Gross rental income

In Euro million



Net rental income

In Euro million



	H1 2017	H1 2018
Transformation rate*	**91.3%**	**92.9%**

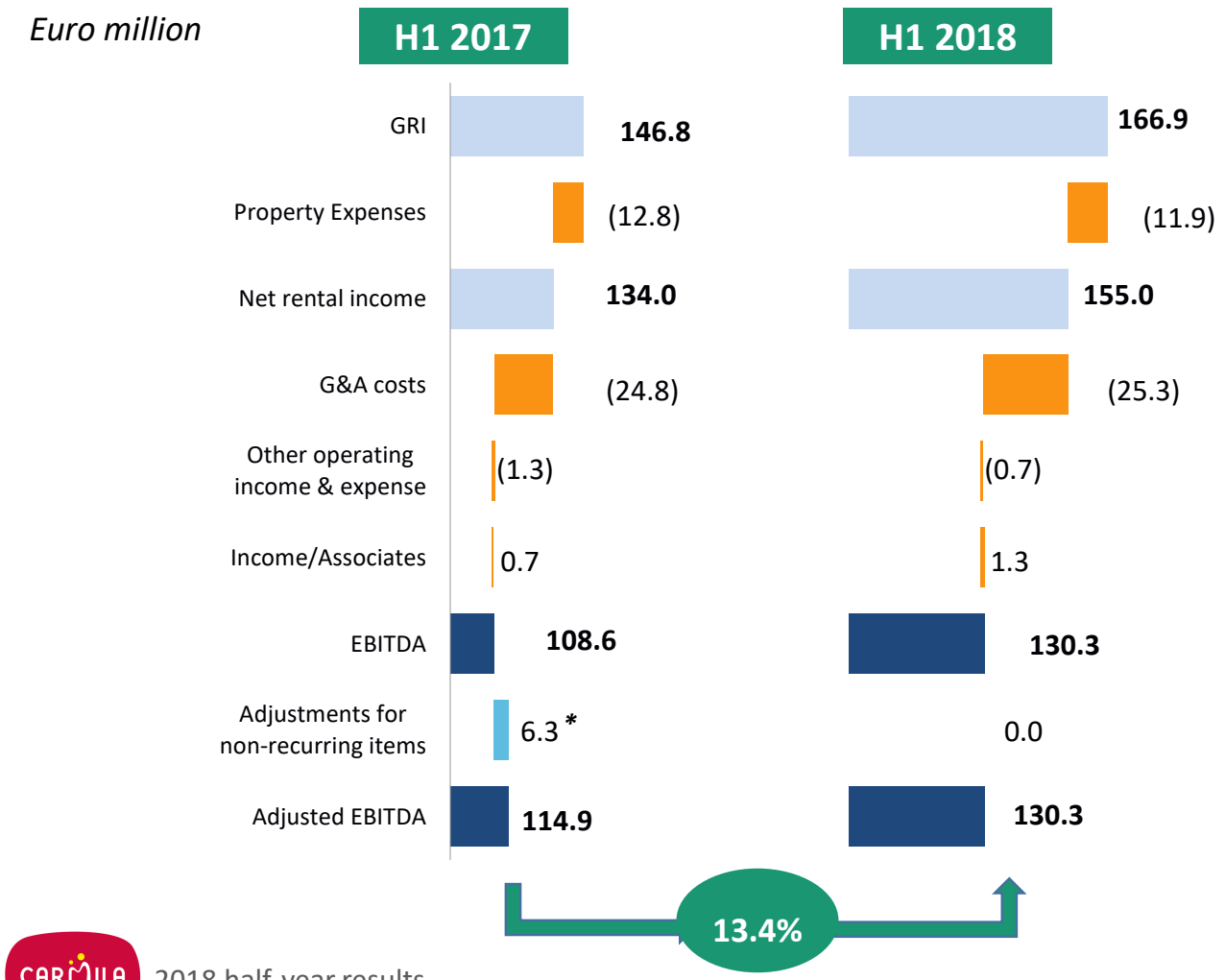
Margin between NRI and GRI up by 1.6 pp, mainly due to

- an improvement in the quality of the portfolio of tenants and the rate of recovery of receivables;
- an improvement in the rate of reinvoicing of rental expenses thanks to a rising average occupancy rate between H1 2017 and H1 2018;
- lessor charges growing at a slower rate than rents.

(*) Net Rental Income/Gross Rental Income ratio

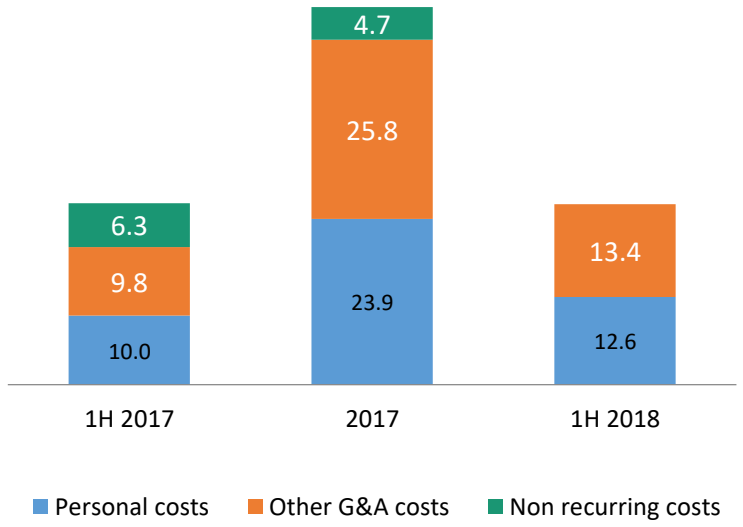
EBITDA, restated for exceptional items, up by +13.4%

Reconciliation of GRI to EBITDA



G&A costs for the first half of 2018 were in line with our objective of stabilising them at a level close to €50 million per year

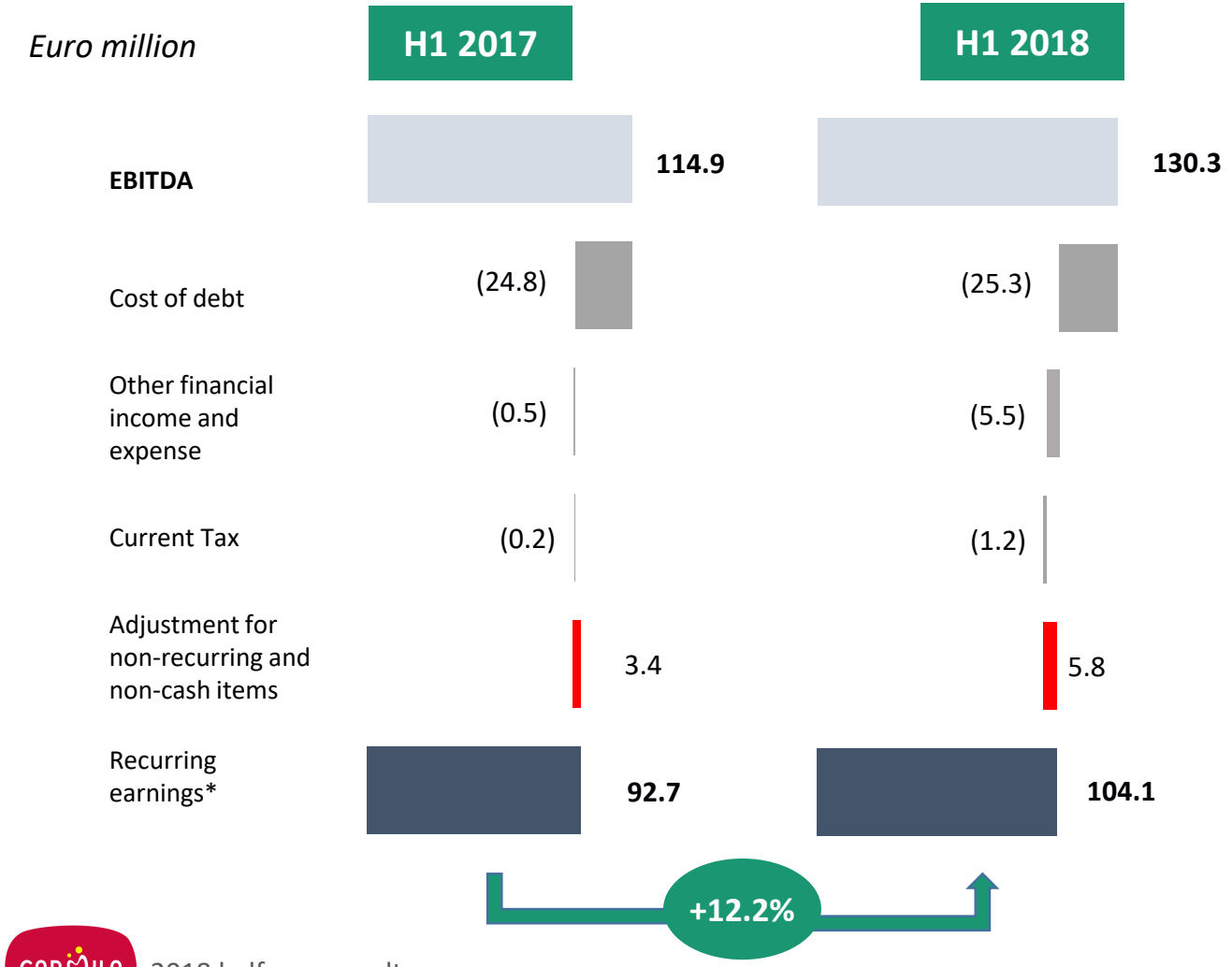
G&A costs and other operating income and expense



(*) Costs linked to the merger between Carmila SAS and Cardety on 12 June 2017

Recurring earnings* up by +12.2%

From EBITDA to Recurring EPRA Earnings



Cost of debt

Restated for non-cash items (€3.7M in H1 2018 compared with €3.5M in H1 2017), **the cost of debt was stable** at **€21.6M** compared with €21.3M in H1 2017.

Other financial income and expenses

Restated for the non-cash items, other financial income and expenses amounted to **-€1.7M** compared with -€0.5M in 2017 due to adjustments of commissions in 2017.

Includes non-cash charges in 2018 for a total of -€3.7M including in particular the IFRS 9 expense and an adjustment to the fair value of financial investments.

Other restated non-cash and non-recurring items

- Issuance fees on debt issued paid in 2018: -€2.4 million
- Other non-recurring expenses in 2018: -€0.7 million

(*) EPRA earnings adjusted for non-recurring items during the period

A solid financial structure at 30 June 2018

Debt maturity
6.1 years

LTV ratio*
33.8%

Interest coverage ratio**
5.1x

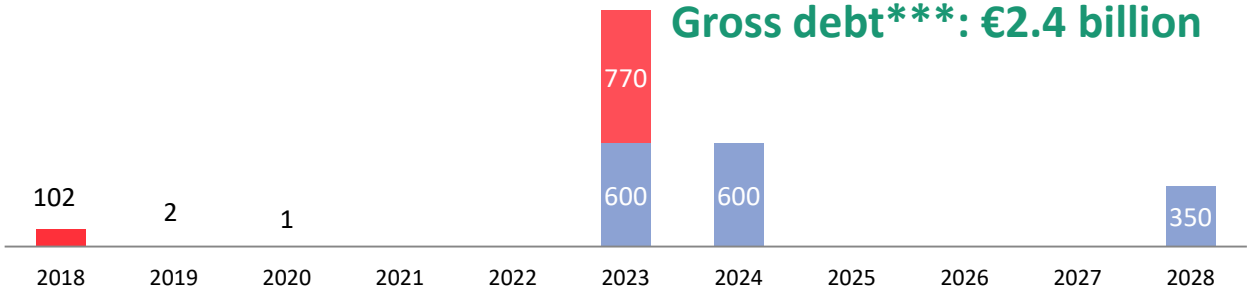
S&P confirmed Carmila's BBB rating and raised its outlook from stable to positive

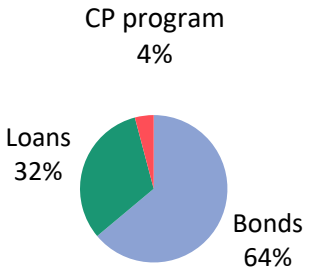
Other Highlights of the first half of the year

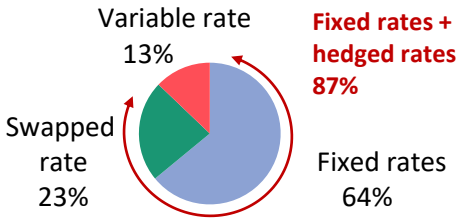
- Issue in February 2018 of **€350 million in bonds at 10 years** – Coupon 2.125%
- Average cost of borrowings in H1 2018: 1.94%
- Stable liquidity reserves
- One-year postponement of maturity of bank borrowings

Debt repayment schedule

Gross debt*: €2.4 billion**

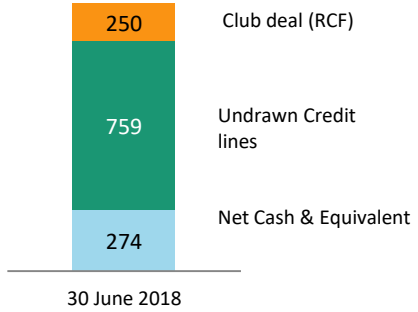






Liquidity and back-up lines available at 30 June 2018

€1,283 million



(*) Net borrowings in relation to the appraised value of the assets including transfer taxes
(**) EBITDA/ cost of borrowing over 12 months – Value H1 2018
(***) Gross debt excluding accrued interest, issuance expenses and derivative instruments

Portfolio and NAV

Portfolio valued at €6.345 billion at 30 June 2018

	# assets	GAV incl. taxes**	Gross leasable area	Annualised rents	Average cap. rate***	Average net initial yield****
	214	€6.345 billion	1.5 million sq.m.	€346 million	5.7%	5.4%
Change in H1 2018	+8	+€0.539 billion	+0.1 million sq.m.	+€31 million	stable	stable

	72%*	22%*	6%*
	€4,597 million	€1,377 million	€371 million
# assets	129	77	8
Reminder April 2014 values	*2 067 M€ / 78%*	*380 M€ / 14%*	*221 M€ / 8%*

(*) % of total GAV including transfer taxes at 30 June 2018
(**) Gross Asset Value of the portfolio including transfer taxes and the valuation of the extensions to be delivered in 2018 (margins and works in progress recognised in property) and 2018 acquisitions at acquisition price
(***) Average capitalisation rate of the portfolio based on external appraisal values and 2018 acquisitions
(****) Average yield on occupied lots

Portfolio value up +9.3% (+€539 million) since 31 December 2017, including 1.3 pp growth on a like-for-like basis

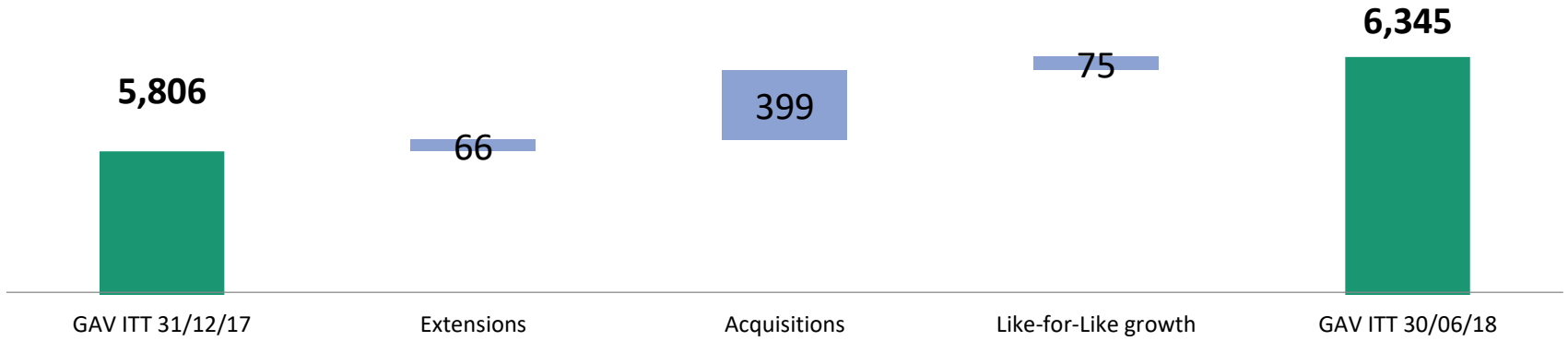
GAV *Including Transfer Taxes*

€6,345 million / +9.3%

		Change relative to 31 December 2017	NPY
	€4,597 million	+6.3%	5.5%
	€1,377 million	+22.1%	6.4%
	€371 million	+4.7%	6.1%

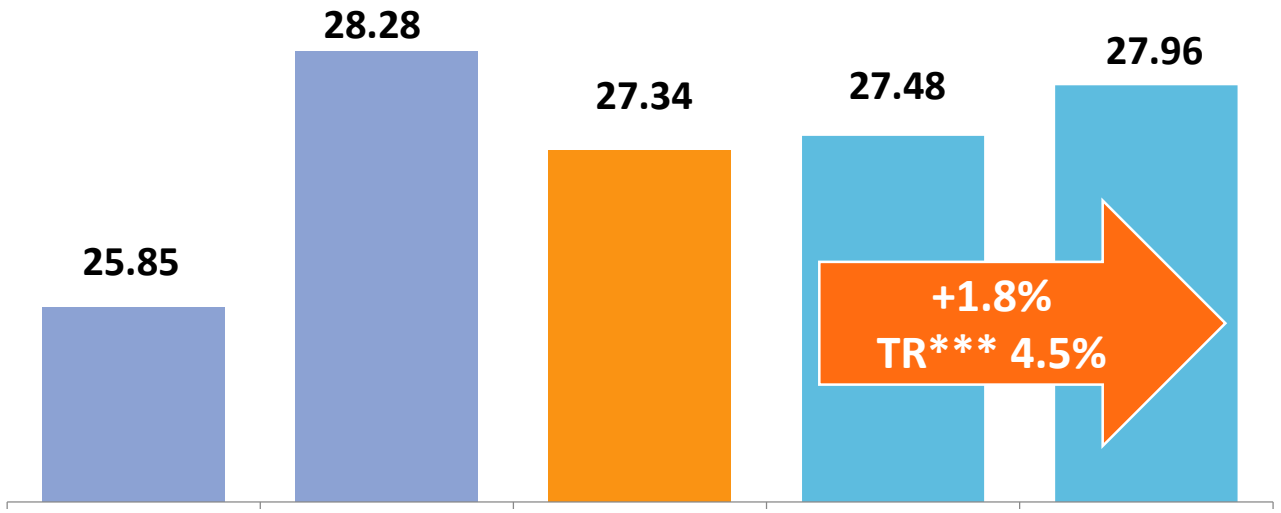
LfL Growth

+1.3%



NAV up by +1.8% over 6 months to €27.96 per share after the payment of the balance of 2017 dividend for €0.75 per share Hence, total return over the period was 4.5% in 6 months

EPRA NAV per share *fully diluted*
in euros per share



109,014,868	109,010,040	135,201,840	135,182,748	136,687,965	Outstanding shares, fully diluted

(*) Proforma for the Cardety-Carmila merger of 12 June 2017 – Cardety assets and liabilities at 31 December 2016 included
(**) Taking account of a capital increase in July 2017 on the occasion of the IPO in an amount of €614 million net of costs recognised and 26.2 million newly issued shares
(***) Total return = (change in NAV 2018 vs 31 Dec. 2017+ balance of 2017 dividend paid)/NAV as of 31 December 2017

Outlook for 2018

2018: a year of exception

The past half-year saw an acceleration in the transformation and a ramp-up of the business model, as well as growth

Our objective in 2018:

A solid double-digit growth in recurring earnings