SUPPLEMENT DATED 7 AUGUST 2019

TO THE BASE PROSPECTUS DATED 17 JULY 2019

Carmila
€ 1,500,000,000
Euro Medium Term Note Programme

This supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus (the "**Base Prospectus**") dated 17 July 2019 granted visa no. 19-364 on 17 July 2019 by the *Autorité des marchés financiers* (the "**AMF**") prepared by Carmila (the "**Issuer**") with respect to its outstanding Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. The Base Prospectus, as supplemented, constitutes a base prospectus for the purpose of Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

Application has been made to the AMF for approval of this Supplement in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in this Supplement.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purposes of (a) incorporating by reference the consolidated semi-annual financial statements relating to the Issuer for the first half of the financial year ended 30 June 2019 (the "**2019 Half Year Financial Report**"), (b) updating the "*Recent Developments*" section of the Base Prospectus and (C) updating the "*General Information*" section of the Base Prospectus.

Copies of this Supplement may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Paying Agent during normal business hours, (ii) at the registered office of the Issuer during normal business hours and (iii) on the website of the Issuer (*www.carmila.com*). A copy of this Supplement will also be available on the website of the AMF (*www.amf-france.org*).

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus.

This Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

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DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "*Documents Incorporated by Reference*" on pages 15 to 18 of the Base Prospectus is hereby amended as set out below.

On page 15, the following paragraph is added as a new paragraph (a), with the current paragraph numbering adjusted accordingly:

"(a) the *Rapport financier semestriel* (the "**2019 Half Year Financial Report**" (excluding the attestation of the *Président-Directeur Général* of the Issuer, included on page 4 of the 2019 Half Year Financial Report) in the French language relating to the Issuer for the first half of the financial year ended 30 June 2019, which includes the consolidated semi-annual financial statements for the first half of the financial year ended 30 June 2019 (including the audit report and the related notes);"

The following table is added after the existing table set out on pages 16 to 18:

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Information incorporated by reference **Commission Regulation (EC) No 809/2004, as amended – Parts of Annex IX in respect of Carmila**	**Reference**
9.11.1 Historical Financial Information	
9.11.1(a) Consolidated interim balance sheet	2019 Half Year Financial Report, pages 6-7 of the section entitled '*Comptes Semestriels Condensés au 30 juin 2019*' (Condensed Half-Year Financial Statements at 30 June 2019)
9.11.1(b) Consolidated interim income statement	2019 Half Year Financial Report, pages 5-6 of the section entitled '*Comptes Semestriels Condensés au 30 juin 2019*' (Condensed Half-Year Financial Statements at 30 June 2019)
9.11.1(c) Accounting policies and explanatory notes	2019 Half Year Financial Report, pages 10-50 of the section entitled '*Comptes Semestriels Condensés au 30 juin 2019*' (Condensed Half-Year Financial Statements at 30 June 2019)
9.11.3.1 Auditors' review report relating to the above	2019 Half Year Financial Report, final three pages

The information incorporated by reference which is not included in the above cross-reference list is considered as additional information and is not required by the schedules of Commission Regulation (EC) n°809/2004 of 29 April 2004, as amended."

RECENT DEVELOPMENTS

The following paragraphs shall be inserted in the "*Recent Developments*" section starting on page 64:

"On 25 July 2019, the Issuer published the following press release regarding the publication of its accounts for the half year ended 30 June 2019:

"2019 Half-year results

Carmila confirms its recurring earnings target growth for 2019, and reaffirms confidence in cash flow sustainability

Based on the first semester 2019 results, Carmila **confirms its target growth of recurring earnings per share,** expected **between +5% and +6.5%** for 2019.

Carmila **maintains confidence** in the sustainability and visibility of its medium-term cash flows.

"Our ability to grow our cash flows thanks to a strong letting momentum, a local digital marketing strategy aiming at boosting retailer revenues, our value-creating asset management and project development, will support the sustainability of our dividends at a level at least equal to that of 2018", Alexandre de Palmas, the new Chairman and CEO of Carmila declared.

Activity over the first half of 2019 was dynamic and Carmila's key business indicators performed better than last year:

- Net rental income **rose by +7.7%,** and +3.1% on a comparable basis[1];
- **Recurring earnings per share[2] reached €0.82** per share, up +**6.2%.**

Gross asset value, including transfer taxes at 30 June 2019 marginally fell to **€6,377.4 million** (-0.4% and -1.1% at comparable scope). Experts have taken into account an average cap rates expansion of

+22 bps in France. This effect was partially offset by the fact that they took into account asset management actions carried out on the portfolio in France and Spain in their valuations.

With an average 5.91% cap rate (+14 bps over 6 months), the Carmila portfolio is prudently valued given its profile (risk diversification, fully renovated portfolio, value creation potential) and its fundamentals (sustainable rental values, realistic values of vacant premises, reasonable and sustainable occupancy cost ratios).

The EPRA net asset value at 30 June 2019 was **€27.14 per share**, compared with €28.39 per share at 31 December 2018. Adjusted for the impact of the €1.50 per-share-dividend paid in May 2019, NAV- per-share increased by +**€0.25 per share (+0.9%)** over the half-year.

Rental activity - 1st half 2019

Letting activity was robust during the first semester, with an objective to reinforce commercial attractiveness, in particular by identifying and welcoming dynamic and talented local retailers within the centres, thereby adapting to new trends and reinforcing our shopping centres local leadership. 392 leases were signed over the semester.

Reversion on renewals over the period averaged **+6.3%**: +7.3% in France and +5.2% in Spain.

The financial occupancy rate of the portfolio[3] was **95.8%**, versus 96.2% at 31 December 2018. The rate in France is 95.3% (-70 bps), while Spain performed at 96.5% (+50 bps). The rate in Italy fell by 2 points, due to the departure of a major tenant, yet remains the highest of the three countries at 97.7%.

Net rental income rose **from €155.0 million** in the first half of 2018 to **€167.0 million** in the first half of 2019, up **+7.7%.** On a like-for-like basis, net rental income grew +3.1% including indexation impact of +1.5 point. Figures for the first half of 2019 also include the +0.5 point impact of accounting for leases under IFRS 16.

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[1] *Growth in net rental income between H1 2018 and H1 2019 excluding the impact of extensions delivered in 2018, acquisitions completed in 2018 and strategic vacancy.*

[2] *EPRA earnings adjusted for non-recurring items detailed in the attached appendix. Calculated on an average number of shares over the period, fully diluted.*

[3] *Excluding 1.37% strategic vacancy rate.*

Growth in net rental income as a result of the 2018 acquisitions represented +3.7 points of total growth, and extensions delivered in 2018 weighed for +1.5 point.

Results for the first half of 2019

Overhead costs, net from other operating income and expenses for the first half of 2019, amounted to €27.5 million. The increase against H1 2018 (+€2.2 million) is largely due to the recognition of non- straight-line expenses over the period. For 2019, Carmila aims to stabilise overhead costs compared with 2018, at a level between €50.0 million and €52.0 million.

EBITDA for the first half of 2019 rose to **€140.8 million** versus **€130.3 million** for the first semester of 2018, representing an increase of +8.0% in line with growth in net rental income.

EPRA recurring earnings amounted to **€111.7 million**, an increase of **+7.3%** compared with the first half of 2018. This amount is excluding non-cash expenses recognised over the two half-years (amortisation of debt issuance costs and residual costs related to repaid debts and unwound hedges, fair value adjustments of hedging instruments).

Taking into account the 2018 issue of 1.5 million shares for payment of the option to perceive the dividend in shares exercised by certain shareholders, recurring earnings per share rose **+6.2%** during the first semester 2019 compared with the same period in 2018, to **€0.82 per share**.

Portfolio valuation and NAV

Gross asset value, including transfer taxes, amounted to **€6,377.4 million** at 30 June 2019, a -0.4% decrease over 6 months (-€27.2 million).

On a comparable scope, the value of the portfolio fell by -1.1%. **The portfolio's average capitalisation rate** increased by +14 bps to **5.91%.**

Appraisers increased the cap rates in France by an average +22 bps on the Carmila portfolio, in order to take into account the lack of significant and representative transactions on the French market.
The impact of this average rate-increase, linked to market conditions, was partially offset by inclusion in their expertise of the asset management actions carried out on a certain number of centres in France (-5 bps on the average cap rate of the French portfolio).

Fully diluted **EPRA NAV per share** at 30 June 2019 stood at **€27.14 per share**, compared with €28.39 per share at 31 December 2018, bearing in mind that a €1.50 per-share dividend was paid to the shareholders in May 2019. Adjusted for the impact of this dividend, the company's NAV-per-share rose by €0.25 over the 6 months (+0.9%), owing to the increase in cash flows over the period, which more than offset the value decrease of the assets linked with the change in asset valuation method.

Fully diluted **EPRA NNNAV per share** stood at €25.57 per share, compared with €27.14 per share at 31 December 2018, almost stable including the adjustment for the impact of the dividend paid in May 2019.

Debt and financial structure

At 30 June 2019, Carmila's **gross debt** stood at €2,477 million[4] and available cash amounted to €200 million. Available facilities (RCF and net available cash) remained stable at €1.2 billion. The average debt term was also stable at 5.4 years.

With regard to its short-term marketable securities program (commercial paper), Carmila's outstanding balance drawn at 30 June 2019 was €155 million.

At 30 June 2019, the ratio of **consolidated net financial debt to fair value of property assets**

[4] *Including the gross amount of bonds, drawn bank debt and outstanding commercial paper issued as at 30 June 2019.*

(including transfer taxes) was **36.0%**, below the maximum bank covenant threshold of 55%.

At 30 June 2019, the ratio of **EBITDA/net cost of financial debt** was **4.9x**, above the contractually- agreed bank covenant threshold of 2.0x.

Extension pipeline and restructuring

At 30 June 2019, Carmila's 2019-2024 pipeline encompassed 25 projects for a total investment of €1.41 billion, with an average development yield on cost of 7.1%[5].

Four projects will be delivered in the course of the second half of 2019:

- The extension of the Carrefour Rennes-Cesson shopping centre, doubling the size of the centre, which will cover 13,000 m² and offer 67 stores;
- The restructuring of the Cité Europe shopping centre in Calais-Coquelles to accommodate Primark, create a Cité Gourmande food court alongside cinemas and boost the retail dynamic of this historically leading centre;
- The restructuring of Bourg-en-Bresse to make way for new medium-sized retailers and widen the commercial offering;
- The creation of a food court on the parking lots of the Toulouse Purpan shopping centre.

These four projects will generate an additional €1.9 million annual rental income and will be fully let on opening.

First-half activity and CSR policy

As part of its environmental strategy, Carmila pays particular attention to its sites' environmental certification. During the first half of 2019, 13 shopping centres received a BREEAM certification, with 3 receiving BREEAM New Construction and 10 BREEAM In-Use. During this period, an active BREEAM In-Use certification campaign was launched in partnership with Longevity to meet the objective of achieving certification for 75% of our assets by value by 2021.

Including the certifications of the first half-year, the certification rate of the portfolio[6] increased to 50%, from 35% at the end of 2018.

Carmila is accelerating its societal commitment through the organisation of charitable operations focused on five core principles:

- sustainable development;
- economic and social impact;
- charity and solidarity actions;
- public health;
- access to culture and sport.

In total, 673 CSR operations were organised, i.e. a +49% increase compared to the first half of 2018, thus exceeding the objective of a +10% increase in the number of CSR events. To highlight the Carrefour Group's Act for Food strategy, 20 initiatives dedicated to food transition were also carried out in our centres, in partnership with the Carrefour hypermarkets.

Business development

Innovation and entrepreneurship lie at the very core of Carmila's projects and are reflected in employees' initiatives as well as in business development activities. Carmila has launched Carmila Ventures, with the

[5] *6.1% after consideration of payment to the Carrefour group of its 50% share of the margin for jointly developed projects.*

[6] *Market value, including transfer taxes, of certified assets over total market value, including transfer taxes, of the shopping centre portfolio.*

objective of supporting the development of promising new retailers. Carmila acquires minority stakes in businesses developed by talented and dynamic entrepreneurs who wish to expand in Carmila centres. These include the barber La Barbe de Papa, the shoemaker Indémodable, the Cigusto e-cigarette brand, and the aesthetic clinics Centros Ideal in Spain.
At 30 June 2019, they had opened 30 stores in Carmila shopping centres, for a **€0.9 million** annual income.
Between 15 and 20 of these partnerships could be developed once up and running. After an average co-investment period of 5 years, the termination of these partnerships would be executed through the exercise of put and call options on the basis of a pre-agreed EBITDA multiple (between 5x and 7x).

Carmila also increases the attractiveness of its centres through the installation of optical fibre by its subsidiary Louwifi. As an expert in network integration, Louwifi installs and maintains low-voltage networks (including Wi-Fi) in Carmila's centres for the benefit of retail tenants, thus providing them with high-quality connectivity, and offering visitors and retailers ultra-fast broadband.

The provisional contribution of Louwifi to the 2019 EBITDA should be in a range of **€1.2 to €1.4 million**.

Going forward, Louwifi will offer its expertise outside of the Group, responding to external calls for tender on the installation of low-voltage networks (Wi-Fi, CCTV, etc.).

Lastly, through its Lou5G subsidiary, Carmila is developing a new activity of antennas: Lou5G owns land on which telecom companies install towers under a land leasing contract.
By the end of 2019, end of this first stage, Lou5G will have signed leases with 3 of the 4 French telecom operators for an annual **rental income of €1.2 million**[7].
This business has strong potential for growth in France as a result of goals set out by the Government and operators in terms of 5G deployment and coverage of "uncovered areas" or densely populated areas (additional antennas).

Carmila intends to continue developing any business for which holding a portfolio of 215 sites across 3 countries is a strength for negotiation or development.

Outlook

Carmila will continue to follow the strategy it started to implement 5 years ago, capitalising on its strengths:

- key and easily accessible locations in urban areas;
- long-standing position as a local leader, firmly rooted in its catchment area;
- teams of experts with a strong retail DNA;
- a powerful ecosystem developed in partnership with Carrefour.

Carmila retail activity is one of the future as it is fully equipped to meet the desires and needs of customers:

- convenience;
- choice;
- innovation;
- omni-channel approach;
- regional roots and a human scale;
- environmentally and socially responsible approach.

As a result, Carmila is confident in its perspectives:

- the target for cash flow growth in 2019 is confirmed with an expected increase in recurring earnings per share for the year between +5.0% and +6.5%;
- the sustainability of Carmila's shopping centre model offers strong visibility over future cash flows. Our cash flows should enable us to offer our shareholders dividends at least equal to those paid in 2018, with a target dividend payout ratio of 90% over recurring earnings.

Main results and financial indicators

[7] *Leases signed under conditions precedent, notably various authorisations to obtain.*

In thousands of euros	30 June 2019	30 June 2018	% change 2019/2018
Gross rental income	**178,930**	**166,875**	**+7.2%**
Net rental income	**166,962**	**155,018**	**+7.7%**
Overhead costs and other operating income and expense	(27,571)	(24,912)	
Provisions	84	(1,084)	
Other operating income			
Share of equity affiliates *(recurring earnings share)*	1,285	1,255	
EBITDA	**140,760**	**130,277**	**+8.0%**
Other adjustments	(1,063)		
Cost of net debt (cash portion)	(27,110)	(21,598)	
Other cash financial items[8]		(2,365)	
Other cash financial income and expenses	1,357	(1,737)	
Corporate income tax and other taxes[9]	(2,301)	(1,204)	
Minority interests	(146)		
EPRA Earnings	**111,643**	**103,373**	**+8.0%**
EPRA Recurring Earnings[10]	**111,660**	**104,073**	**+7.3%**
Depreciation and amortisation	(917)	(412)	
Other non-cash income and expenses	1,069	(5,727)	
Change in fair value of assets and liabilities, net of deferred tax	(85,758)	42,356	
Change in fair value of assets owned by equity affiliates	1,272	0	
Gains (losses) on sales of investment properties	(443)	28	
Consolidated net income – Group share	**26,883**	**140,218**	**-80.8%**
Per share data (in €), fully diluted			
EPS	**0.20**	**1.04**	**-81.0%**
EPRA Recurring Earnings	**0.82**	**0.77**	**+6.2%**

Euro million	30 June 2019	31 December 20180	% change 2019/2018 (6 months)
Gross asset value *(including transfer taxes)*	**6,377**	**6,405**	**-0.4%**
EPRA NAV *(in € per share)*	**27.14**	**28.39**	**-3.1%**
EPRA NNNAV *(in € per share)*	25.57	27.14	-5.8%

[8] *Debt issuance costs paid during 2018.*

[9] *Excluding deferred taxes on change in fair value of properties.*

[10] *Adjusted for miscellaneous non-recurring costs (€700 thousand) in 2018, notably including tax audit provisions."*

GENERAL INFORMATION

Paragraphs 4, 8 and 9(iii) of the "*General Information*" section on page 85 of the Base Prospectus shall be replaced by the following paragraphs:

"4 Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2019, and no material adverse change in the prospects of the Issuer since 31 December 2018."

"8 Deloitte & Associés and KPMG S.A. have audited the Issuer's accounts for the years ended 31 December 2017 and 31 December 2018, without qualification, prepared in accordance with generally accepted accounting principles in France and they have also issued a limited review report in relation to the Issuer's accounts for the half year ended 30 June 2019. Deloitte & Associés and KPMG S.A. are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes* (the "CNCC")."

"9(iii) the 2017 Registration Document and 2018 Registration Document (including the audited non-consolidated and consolidated accounts of the Issuer for the two financial years ended 31 December 2017 and 31 December 2018, respectively) and the 2019 Half Year Financial Report;"

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

To the best knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect the import of such information.

Carmila
58, avenue Emile Zola
92100 Boulogne-Billancourt
France

Duly represented by:

Patrick Armand, *Directeur Financier*
Dated 7 August 2019

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Supplement the visa no. 19-394 on 7 August 2019. This Supplement has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of whether the document is complete and comprehensible, and that the information contained within it is coherent. It does not imply the approval by the AMF that any transaction completed hereunder is or would be advisable nor that the AMF has verified the accounting and financial data set herein.

In accordance with Article 212-32 of the AMF's General Regulations (*Règlement Général*), any issuance or admission to trading of notes on the basis of the Base Prospectus, as supplemented by this Supplement, shall be subject to the publication of final terms setting out the terms of the securities being issued.