COMPAGNIE
FONCIÈRE
INTERNATIONALE

Financial Report - First Half 2009

Period from 12 February 2009 to 30 June 2009

(Article L 451-1-2 III of the Monetary and Financial Code)

- Interim Consolidated Statements to 30 June 2009

- Interim Management Report to 30 June 2009

- Certificate of person responsible for the Financial Report

- Statutory Auditors' Report

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Société Anonyme au capital de 25 625 720 euros I 542 033 295 R.C.S Paris I FR 45 542 033 295

CFI LISTED NYSE EURONEXT

French limited liability company (*Société Anonyme - SA*) with capital of €25,626,720

Registered office: 72, Rue du Faubourg Saint-Honoré
75008 Paris, France
The company is registered in the Paris Trade and Companies Register under no. B 542 033 295

Interim Consolidated Financial Statements to 30 June 2009

Period from 12 February 2009 to 30 June 2009

I – Interim Consolidated Balance Sheet at 30 June 2009

ASSETS (€000)	Notes	Consolidated financial statements 30 June 2009	Consolidated financial statements 11 February 2009
Non-current assets			
Intangible assets			
Property, plant and equipment		3	2
Investment property	8	200, 800	
Derivative financial instruments	9		
Deferred tax assets			
Other non-current assets	10	11	11
Total non-current assets		**200, 814**	**13**
Current assets			
Trade receivables	11	4 120	
Other current assets	12	540	34, 147
Cash and cash equivalents	13	848	426
Total current assets		**5, 508**	**34, 573**
Total assets		**206, 323**	**34, 586**

EQUITY AND LIABILITIES (€000)	Notes	Consolidated financial statements 30 June 2009	Consolidated financial statements 11 February 2009
Capital and reserves			
Share capital		25, 627	25, 627
Capital reserves		52	52
Other reserves		2, 527	2 ,827
Treasury shares		-27	-22
Fair value adjustments to financial instruments		-1, 408	
Profit attributable to the equity holders of the parent		26 677	-301
Equity attributable to the equity holders of the parent	14	**53, 448**	**28, 183**
Minority interests	15	**41, 783**	
Total equity		**95, 231**	**28, 183**
Non-current liabilities			
Bonds redeemable in shares	16	7, 617	
Borrowings	16	91, 179	
Provisions			
Deferred tax liabilities			
Derivative financial instruments	9	1, 482	
Other non-current liabilities	18		
Total non-current liabilities		**100, 278**	
Current liabilities			
Bonds redeemable in shares	16	1, 873	
Borrowings	16	4, 328	5, 800
Accrued interest on bonds redeemable in shares	16		
Other current liabilities	18	4, 613	603
Total current liabilities		**10 ,814**	**6 ,403**
Total equity and liabilities		**206 ,323**	**34 ,586**

II – Interim Consolidated Income Statement to 30 June 2009

Period from 12 February 2009 to 30 June 2009

(€000)	Notes	Consolidated financial statements to 30 June 2009 (4.5 months)	Company financial statements to 30 June 2008 restated on IFRS basis (6 months)	Consolidated financial statements to 11 February 2009 (2 months)
Gross rental income		4, 883		
Service charge income and expenses		42		
Other property operating income and expenses				
Net rental income	19	**4, 925**		
Revenue from other activities				
Employee benefits expense		-207	-70	-30
External charges (*)		-671	-214	-346
Taxes (other than income taxes)		-61	-17	-3
Depreciation, amortisation and provisions			-1	
Other operating income and expenses		-13	-15	-17
Operating profit on ordinary activities		**3, 973**	**-317**	**-396**
Profit on disposal of properties				
Changes in fair value of investment properties		49, 236		
Operating profit		**53, 209**	**-317**	**-396**
Income from cash and cash equivalents		28	685	95
Gross financing costs		-2, 181		
Net financing costs	20	**-2, 153**	**685**	**95**
Other financial income and expenses				
Income tax expense	21	-44	-126	
Profit for the year from discontinued operations				
Profit for the period		**51, 012**	**242**	**-301**
Attributable to:				
- Equity holders of the parent		26, 677	242	-301
- Minority interests		24, 335		
Basic earnings per share attributable to the equity holders of the parent	22	**31.25**	**0.28**	**-0.35**
Diluted earnings per share attributable to the equity holders of the parent	22	**31.25**	**0.28**	**-0.35**

(*) These charges comprise mainly acquisition costs that it was determined could not be capitalised.

III – Statement of Recognised Income and Expense

(€000)	Notes	Consolidated financial statements to 30 June 2009 (4.5 months)	Company financial statements to 30 June 2008 restated on IFRS basis (6 months)	Consolidated financial statements to 11 February 2009 (2 months)
Profit for the period		**51, 012**	**242**	**-301**
- Efficient portion of the gains and losses on hedging instruments		-1, 482		
Total gains and losses recognised directly to equity		**-1, 482**		
Profit for the period and gains and losses recognised directly to equity		**49, 530**	**242**	**-301**
Of which attributable to:				
- Equity holders of the parent		25, 269	242	-301
- Minority interests		24, 261		

IV – Interim Consolidated Cash Flow Statement to 30 June 2009

(€000)	Notes	Consolidated financial statements to 30 June 2009 (4.5 months)	Consolidated financial statements to 11 February 2009 (2 months)	Company financial statements to 30 June 2008 restated on IFRS basis (6 months)
Profit for the period		**51, 012**	**-301**	**242**
Amortisation, depreciation and provisions				-1
Unrealised valuation movements	8	-49, 236		
Estimated charges		85		
Realised profits on disposals and subsidies received				
Net financing costs	21	2, 154	-95	-685
Income tax expense (including deferred tax)		44		126
Cash flow before net financing costs and tax (A)		**4, 059**	**-396**	**-318**
Income taxes paid (B)		-44		-70
Change in working capital linked to the activity (C)	23	33, 496	-33, 879	-286
Net cash from (used in) operating activities (D) = (A + B + C)		**37, 511**	**-34, 275**	**-674**
Acquisitions of property, plant and equipment and intangible assets	8	-151, 193		
Proceeds from the sale of non-current assets				
Acquisitions of investments			-7	
Proceeds from the sale of investments				23
Acquisitions of subsidiaries, net of cash acquired				
Change in amounts due on the acquisition of non-current assets				
Other cash flows from investing activities				
Net cash from (used in) investing activities (E)		**-151, 193**	**-7**	**23**
Capital increases and decreases		1, 480		
Proceeds from the issue of securities providing access to the capital of CFI-Image		16, 049		
Proceeds from bond issue by CFI-Image		9, 491		
Purchases and sales of treasury shares		-6	-7	-1
Dividends paid to the equity holders of the parent and to minority interests				-4, 543
New loans		96, 769		
Repayment of loans and other borrowings		-1, 938		
Change in cash related to financial income and expenses		-1, 942	95	685
Other cash flows from financing activities				
Net cash from (used in) financing activities (F)		**119, 903**	**88**	**-3, 859**
Change in cash and cash equivalents (D + E + F)		**6, 221**	**-34, 194**	**-4 ,510**
Cash and cash equivalents at the start of the period	23	-5, 374	28, 820	33, 028
Cash and cash equivalents at the end of the period	23	848	-5, 374	28, 519

V – Consolidated Statement of Changes in Equity

(€000)	Share capital	Capital and other reserves	Treasury shares	Gains and losses recognised directly to equity	Profit for the period	Equity attributable to the equity holders of the parent	Equity attributable to minority interests	Total equity
Balance at 15 December 2008	**25, 627**	**2 ,798**	**-14**		**81**	**28, 491**		**28, 491**
Earnings appropriation		81			-81			
Profit for period ended 11 February 2009					-301	-301		-301
Treasury shares			-7			-7		-7
Balance at 11 February 2009	**25 ,627**	**2, 879**	**-22**		**-301**	**28, 183**		**28, 183**
Earnings appropriation		-301			301			
Profit for period ended 30 June 2009				-1 408	26, 677	25, 269	24 ,261	49 ,530
Treasury shares			-6			-6		-6
Gain on sale of treasury shares		0				0		0
Capital increase by CFI-Image							1, 473	1, 473
Issue of securities giving access to the capital of CFI-Image							16, 049	16, 049
Balance at 30 June 2009	**25, 627**	**2 ,578**	**-27**	**-1, 408**	**26 ,677**	**53, 447**	**41 ,783**	**95, 230**

VI – Notes to the Interim Consolidated Financial Statements for the period from 11 February 2009 to 30 June 2009

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1. General information

CFI-Compagnie Foncière Internationale (formerly Didot Bottin) modified its object clause to focus on the acquisition or construction of property with a view to leasing out this property.

The Company is listed on the NYSE Euronext Paris.

Exceptionally, the Company brought forward its year-end to 15 December 2008, this decision - which shortened the reporting period to eleven and a half months - having been taken in order to opt for the tax regime applicable to public property companies (*Sociétés d'Investissements Immobiliers Cotées – SIIC*). As all the conditions for eligibility had not been fulfilled at that date, the end of the next financial period was brought forward to 11 February 2009, the company changing status with effect from 12 February 2009.

The interim consolidated financial statements cover the period from 12 February 2009 to 30 June 2009. In drawing up these financial statements to 30 June 2009, the Company had in mind it would revert to a 31 December year-end.

2. Significant events

The Company's activity in 2008 such as reflected in its financial statements consisted mainly in the recognition as income of the revenue generated by the management of its cash positions, invested for the short term in secure products, and as charges of administrative expenses and fees related to projects.

With a view to the proposed acquisition of a portfolio of property assets, a subsidiary named CFI-Image was registered on 15 October 2008. The Company did not have any subsidiary or participating interest beforehand. With the approval of the French financial markets supervisor (*Autorité des Marchés Financiers - AMF*), the Company did not draw up consolidated financial statements to 15 December 2008 and to 11 February 2009, as its subsidiary was not carrying on an activity and was not material.

On 13 February 2009, after the lifting of various conditions precedent, and in particular the election by CFI for the status applicable to public property companies, CFI-Image completed the acquisition from CNP-Assurances of a portfolio of eleven properties used as cinema complexes leased to UGC Ciné Cité, in addition to which there is the UGC cinema multiplex in the Lille town centre, under a lease agreement sold by UGC Ciné Cité.

These assets are leased for a fixed term of 12 years. They generate annual net rental income of around €12.8 million for an investment of €153 million including acquisition costs and arrangement fees. CFI-Image has financed this investment by taking out a mortgage loan of €98 million with a pool of banks, the balance coming from its own resources and from the issue of securities conferring, under certain circumstances, access to its capital.

CFI controls 95% of the capital of CFI-Image. The other shareholder is UGC Group with 5% of the capital. Both shareholders have signed an agreement pertaining to the liquidity of their investment, including standard clauses providing for pre-emptive rights and tag and drag along rights, in addition to which purchase options are exercisable by UGC Group under certain conditions and during specified periods, no later than 14 February 2014. The options' exercise is subordinated, notably, to the requirement that it should not cause CFI-Image to lose its status as a public property company.

3. Basis of preparation of the consolidated financial statements

The interim consolidated financial statements cover the period from 12 February 2009 to 30 June 2009. They were approved by the Board of Directors on 23 July 2009.

To provide a basis for comparisons, the Company has provided an opening consolidated balance sheet at 11 February 2009 prepared in accordance with International Financial Reporting Standards and a company income statement for the period 1 January 2008 to 30 June 2008 restated in accordance with International Financial Reporting Standards, bearing in mind the Company had no subsidiary during the first half of 2008.

The interim consolidated financial statements for the four and a half months to 30 June 2009 were prepared in accordance with IAS 34, Interim Financial Reporting.

The Company applies International Financial Reporting Standards, namely the new numbered series of pronouncements, International Financial Reporting Standards (IFRS), that the IASB is issuing, International Accounting Standards (IAS) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretation Committee (SIC) as approved by the

European Union and which are effective for periods beginning on or after 12 February 2009. These standards can be consulted on the Internet site of the European Commission[1].

New standards, amendments to existing standards and new interpretations have been adopted that are effective for periods beginning after 30 June 2009. The Company has not elected for the early application of these pronouncements when earlier application was not mandatory.
With regards to the foregoing, only the following standards and interpretations may be applicable to CFI, but the impact of applying these pronouncements, which is still being assessed by the Company, is unlikely to be material:

- Amendment to IAS 39 for eligible hedged items.

4. General principles

The consolidated financial statements are expressed in thousands of euro unless otherwise indicated.
They were prepared under the historical cost convention except for investment property, for financial instruments held for trading and for derivative financial instruments, which are measured at fair value.

5. Use of estimates

For the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards, Management relied on estimates and assumptions that are reflected in the valuation of certain assets and liabilities and certain income and expenses, more particularly as regards:

- valuation of investment properties; and
- valuations serving as a basis for impairment testing.

Management constantly reviews estimates and assessments based on past experience and on factors deemed reasonable, which underpin its assessment of the amount at which assets and liabilities are carried. Actual values could be materially affected were assumptions and/or conditions to differ.

6. Accounting policies and methods

6.1. Consolidation methods

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Companies controlled by the Group are consolidated under the full method.
The list of consolidated companies is provided in Note 7, Consolidation Scope.

6.2. Accounting period and balance sheet date

All consolidated companies prepare their annual financial statements and their interim financial statements to the same date and for the same period as for the consolidated financial statements.

6.3. Presentation of the consolidated financial statements

An asset is classified as current if it is expected to be realised within 12 months, and a liability is classified as current if it is expected to be settled within 12 months. Assets and liabilities that do not meet these criteria are classified as non-current.
In the consolidated income statement, the format used by the Group consists in aggregating expenses according to their nature.
In the consolidated cash flow statement, the method used by the Group to report cash flows from operating activities is the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

[1] http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

6.4. Intra-group transactions

All intra-group transactions, balances, income, expenses and dividends are eliminated on consolidation.

6.5. Investment property

Property held as owner or held as lessee under a finance lease to earn rentals or for capital appreciation or both is classified as investment properties in the balance sheet in accordance with IAS 40.
All property consists of buildings leased out under operating leases meeting the definition of investment property.
The Group has elected to account for investment property using the fair value model. This requires property to be re-measured at market value and for this to reflect the actual market state and circumstances at each balance sheet date.
For the purpose of the interim and year-end consolidated financial statements, investment properties are stated at fair value as determined by the independent appraiser CB Richard Ellis.
The methodology used to determine the market value of property used as cinema complexes gives preference to the present value of future net cash flows over the period of ownership. The method consisting in the capitalisation of net rental income at the market rate is used to corroborate the value obtained using the discounted cash flow method.
Fair value does not include taxes and costs. Gains or losses arising from changes in the fair value of investment properties are recognised to profit or loss.
The change in the fair value of each property recognised to profit or loss is determined as follows: market values at the balance sheet date less the sum of the market value at the previous balance sheet date and the work and expenses capitalised during the period ended.
Expenses that are capitalised include the cost of the property, transfer taxes and transaction costs.
As required by IAS 40, no depreciation or impairment losses are recognised since properties are stated at fair value.

6.6. Finances leases involving investment property

A lease involving investment property is classified as a finance lease when it transfers substantially all the risks and rewards incident to ownership to the Group. The fair value of the property that is the object of the finance lease is recognised as an asset. Lease obligations towards the lessor are recognised as current liabilities and non-current liabilities.
At the balance sheet date, investment properties are measured at fair value (see Note 6.5).
Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

6.7. Trade receivables and other current assets

Trade receivables are recognised initially at fair value. Subsequently they are measured at amortised cost.
An impairment loss is recognised when there is objective evidence amounts due will not be collected in their entirety in the conditions agreed to initially at the time of the transaction.

6.8. Financial assets

Financial assets are recognised initially at fair value, including transaction costs for assets that will not subsequently be measured at fair value through profit or loss. At the date of acquisition, and in light of management intentions, financial assets are classified in one of the categories defined by IAS 39. This classification determines whether a particular asset will be measured subsequently at amortised cost or fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. These assets are measured at amortised cost using the effective interest method. This category includes trade receivables, receivables related to non-consolidated participating interests, guarantee deposits, financial advances, guarantees and other loans and receivables. The amount at which loans and receivables are carried may be reduced by impairment losses if there is a risk amounts due will not be collected. Gains and losses on loans and receivables correspond to interest income and impairment losses.

Available-for-sale financial assets are measured at fair value and changes in fair value are recognised directly in equity. However, if negative fair value adjustments are required and there is evidence the asset has been

impaired, cumulative gains or losses recognised directly in equity are reversed to profit or loss. Available-for-sale financial assets comprise mainly non-consolidated participating interests which are quoted. In the absence of an active market, these assets are recognised at their cost of acquisition. Gains and losses on available-for-sale financial assets correspond to dividends, impairment losses and cumulative gains and losses recognised in equity reversed to profit or loss on derecognition of the asset.

Financial assets at fair value through profit or loss include financial assets held for trading (financial assets, including derivative instruments not designated as hedging instruments, acquired principally for the purpose of selling in the short term) and financial assets designated when initially recognised as assets to be measured at fair value through profit or loss (option applied to cash equivalents and other investments). This option is available because the securities in question are managed at fair value. Changes in fair value are recognised to profit or loss. Financial assets at fair value through profit or loss include notably cash equivalents and investments not designated as cash equivalents. Gains and losses on financial assets at fair value through profit or loss correspond to interest income, changes in fair value, and gains and losses on disposal.

Cash consists of debit balances on bank current accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. They are designated as financial assets at fair value through profit or loss pursuant to the option given by IAS 39.

6.9. Capital and reserves

6.9.1.Minority interests

Minority interests correspond to the shareholding of UGC Group in the capital of the subsidiary CFI-Image. Note that minority interests in the capital of CFI-Image are measured on the basis of their interest in the capital and reserves of this company after the redemption of the bonds redeemable in shares. Assuming these bonds were redeemed in cash, it is provided that the payment would be equal to the actual value of the company's shares determined on the basis of the company's Net Asset Value..

6.10. Bonds redeemable in shares

On 13 February 2009, CFI-Image issued 25,540,073 bonds redeemable in shares, amounting to €25,540,073 that were subscribed to by UGC SA.
Financial instruments that have both a liability component and an equity component, for instance bonds redeemable in shares, are accounted for in accordance with IAS 32. The carrying amount of the compound instrument is apportioned between its liability component and its equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined as the fair value of its liability component. The carrying amount of the liability component corresponds to the fair value of a similar liability that does not have an associated equity component. The equity component is recognised in equity under minority interests. In the event the bonds were redeemed in shares, CFI would control 51% of the capital of CFI-Image and UGC SA 49%. This is the ownership structure that is reflected in the consolidated financial statements.
The liability component is measured at amortised cost over its estimated life. Issue costs are apportioned between the liability component and equity component based on their relative carrying amount at the date of issue.

6.11. Financial liabilities

Except for derivative instruments, financial liabilities are recognised initially at fair value, deduction made of transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

Given that these liabilities are to be settled within a short term maturity, trade payables and other payables arising from the operations are stated at cost in the balance sheet, their valuation not being materially different when they are measured at amortised cost using the effective interest method.

Interest-bearing loans are recognised at fair value on the date of issue. Subsequently, they are measured at amortised cost using the effective interest method. Transaction costs attributable to the loans are deducted

from the carrying amount of the financial liability and amortised on an actuarial basis over the life of the liability using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability. The calculation takes into account all fees and points paid between parties to the contract, transaction costs, and all other premiums or discounts.

6.12. Fair value of derivative instruments

Loans initially contracted at variable rates result in exposure to a risk of variability in cash flows if there is a change in the relevant interest rate. Loans initially contracted at fixed rates result in exposure to a risk of variability in the fair value of the financial liability if there is a change in interest rates. In accordance with the cash management policy that has been defined, the Group does not own and does not issue derivative financial instruments for trading purposes.
Derivative financial instruments are used to hedge variable-interest loans against the risks associated with interest rate fluctuations (i.e. hedge of exposure to variability in future cash flow). Hedge accounting is applied when conditions in terms of documentation and effectiveness are met. Hedge effectiveness is demonstrated if changes in the cash flows of the hedged item are offset by changes in the cash flows of the hedging instrument within a range of 80% to 125%.
In this case, the effective portion of any change in the fair value of the hedging instrument is recognised directly in equity, the change in the fair value of the hedged portion of the hedged item not being recognised in the balance sheet. The ineffective portion of any change in fair value is recognised immediately in profit or loss. Gains or losses deferred in equity are reversed to profit or loss in the same period in which the hedged items affects profit or loss.
The fair value of derivative instruments is measured using generally accepted methods (discounted cash flow method, etc.) and is based on market data.

6.13. Provisions

Provisions reported as a liability in the balance sheet represent liabilities of uncertain timing or amount. They are recognised when the Group has a present obligation (legal, constructive or contractual) as a result of an event prior to the balance sheet and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The effect of the time value of money not being material, expected cash outflows were not discounted to their present value.

Non-current provisions correspond to liabilities that are expected normally to be settled in more than one year. Current provisions correspond to provisions linked directly to the operating cycle of each activity, whatever their estimated timing, and other provisions that are expected to be settled within one year.

6.14. Post-employment benefits

Post-employment benefits under defined benefit plans consist of indemnities payable to employees on the date of retirement. Given the small number of employees and their short period of employment, these indemnities are not material and have not therefore been recognised.
Note that pension benefits to which employees will be entitled will be paid by state plans operating as contributory pension schemes. The Group considers that it has no obligation over and above the obligation to make contributions to these plans. These contributions are recognised to profit or loss in the period when called.

6.15. Lease payments

Payments in respect of operating leases are recognised in profit or loss on a straight-line basis over the term of the relevant lease. Minimum payments in respect of finance leases are apportioned between finance charges and reduction of the lease obligation. The finance charges are allocated to each period covered by the finance lease so as to achieve a constant rate of interest on the remaining balance of the liability.

6.16. Taxation

6.16.1. Income tax

Income tax represents the sum of the tax currently payable or receivable and deferred tax payable or receivable. Income tax is recognised to profit or loss unless it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred taxes are recognised in respect of temporary differences between the carrying amount of the assets and liabilities and their tax base using the liability method. Accordingly, deferred taxes are calculated based on the tax rates and tax laws that have been enacted or announced at the balance sheet date, as applicable depending on the Company's tax status. Deferred taxes in the consolidated financial statements were calculated applying a rate of 33.33%.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

As required by IAS 12, deferred tax assets and liabilities are not discounted.

As required by IAS 12, deferred tax assets and deferred tax liabilities are offset at the level of the individual tax entities.

6.16.2. Regime applicable to public property companies

On 12 February 2009, Compagnie Foncière Internationale opted for the tax regime applicable to listed property companies (*Régime SIIC*) under Article 208 C II of the General Tax Code (*Code Général des Impôts*). Its 95%-owned subsidiary CFI-Image also opted for this tax regime and is assessed to corporation tax.

This regime has for effect to exempt from corporation tax that fraction of the taxable income generated mainly from:
- rental or sub-rental of real estate held under finance leases;
- capital gains on the sale of real estate or rights relating to finance leases;
- capital gains on the sale of securities in a partnership having the same purpose;
- the share of the taxable income partnerships having the same purpose; and
- dividends received from subsidiaries assessed to corporation tax having opted for the same regime.

In return for the tax exemption on qualifying income, public property companies and subsidiaries having opted for the tax regime applicable to listed property companies must distribute at least:
- 85% of profits generated from rental income before the end of the year following that in which the profits were generated;
- 50% of the capital gains from the sale of real estate, of participating interests in partnerships governed by Article 8 of the General Tax Code and having the same purpose as a SIIC public property company, and of shares in subsidiaries assessed to corporation tax having opted for the said tax regime.. The capital gains must be distributed no later than two years following the year in which these gains were generated; and
- 100% of dividends received from companies assessed to tax having opted for the SIIC tax regime before the end of the year following that in which the dividends were received.

6.17. Rental income

Rental income generated by investment properties is recognised on a straight-line basis over the term of the rental agreements.

6.18. Service income and charges

When applicable, service charges re-invoiced are reported net of amounts recovered from tenants and are not therefore reported separately in the income statement.

6.19. Other property operating income and expenses

Other property operating income corresponds to income that is not in the nature of rental income or re-invoiced service income.
Other property operating expenses correspond to litigation expenses, charges relating to doubtful accounts and charges in respect of work that are not in the nature of service charges.

6.20. Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.
Diluted earnings per share are calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares. The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of warrants or options are used to repurchase company shares at their market value (average CFI share price).
Treasury shares are deducted from the weighted average number of ordinary shares used for calculating basic and diluted earnings per share.

6.21. Segment reporting

The Company has not identified distinct operating segments to the extent its activity focuses on property investment, notably the leasing out of investment properties to earn rentals, and the Group does not market any product or provide any service that might be considered as a separate business segment.

6.22. Risk management

6.22.1. Market risk

All commercial leases entered into with UGC Ciné Cité are for a fixed term of 12 years from 13 February 2009. They were concluded in return for the payment of rental net of all charges featuring a guaranteed minimum rental that is indexed by 2% in 2010 and 2011 under the terms of the lease and subsequently to the retail rental index (*Indice des Loyers Commerciaux – ILC*).
The value of the property portfolio depends on numerous factors, some of which are affected by the general economic environment. In particular, an increase in the level of interest rates may result in an increase in the rates used to discount future cash flows to their present value and in the capitalisation rates applied by property appraisers to rentals, with as effect a reduction in appraisal values.

6.22.2. Counterparty risk

Tenants are subsidiaries of UGC SA and as such do not present a significant solvency risk.

6.22.3. Liquidity risk

Prudent management of the liquidity risk implies maintaining a sufficient cash position (including marketable securities) and a capacity to generate rentals, upstream dividends, and raise funds. The Company's view is that the liquidity risk is controlled properly. Note that the Company has arranged a €1 million bank overdraft for a period of 12 months to address any contingencies.

6.22.4. Interest rate risk

The Company is exposed to a risk of variability in finance costs in respect of variable rate loans if there is a change in market interest rates. This risk has been hedged totally through the use of derivative financial instruments.

6.22.5. Equity market risk

The Company holds a number of its own shares in treasury in connection with a liquidity agreement managed by an investment services provider.
Note, however, that the number of shares is not material and that the Company's sensitivity to changes in its listed share price, as measured by the impact on equity, is negligible.

6.22.6. Capital risk

Capital management consists in maintaining a prudent balance between equity and net debt, the breakdown between these two sources of financing being susceptible to vary according to the nature of investment projects and market conditions.

7. Consolidation scope

Legal form	Company	Siren no.	Country	Registered office	% held	% interest (*)	Period covered in the consolidated financial statements to	
							30 June 2009	30 June 2008
SA	CFI	542 033 295	France	Paris	Parent	Parent	12 February 2009 to 30 June 2009	1 January 2008 to 30 June 2008
SAS	CFI-Image	508 559 069	France	Paris	95.00%	95.00%	12 February 2009 to 30 June 2009	Not applicable

SA: *Société Anonyme*, French limited liability company
SAS: *Société par Actions Simplifiée*, French simplified joint stock company

* Before taking into account the exercise of the bonds redeemable in shares (see Note 6.10).

The registered offices of Compagnie Foncière Internationale and CFI-Image are located at 72, Rue du Faubourg Saint-Honoré, 75008 Paris, France.

8. Investment property

(€000)	At 30 June 2009	At 11 February 2009
Fair value – opening balance		
Acquisition of property owned outright	129, 503	
Acquisition of finance lease agreement	14, 407	
Liability in respect of lease agreement at acquisition date	372	
Transaction costs	7, 282	
Cost of acquisition	**151, 564**	
Change in fair value	49, 236	
Fair value – closing balance	**200, 800**	**0**

The average discount rate for determining the fair value of the investment properties is 7.22%. In terms of sensitivity, a 0.50% increase (decrease) in the discount rate used for the DCF method would result in a 4% decrease (increase) in the portfolio's market value.

9. Derivative financial instruments and interest rate risk management

(€000)	Fair value – opening balance	Change in fair value recognised to profit or loss	Change in fair value recognised in equity	Fair value – closing balance
Interest rate swaps, payer of fixed			-1, 482	-1, 482
Total cash flow hedges			**-1, 482**	**-1 ,482**

The Group uses derivative instruments to manage and reduce its net exposure to changes in interest rates. The Group has entered into an agreement to substitute a fixed rate for a variable rate for an initial amount of €98 million. This swap neutralises the impact of the variability in future cash flows arising from interest payments in respect of variable rate loans. Under the terms of the swap agreement, the Group pays fixed interest rates (as indicated below) and receives variable rates calculated by reference to the three-month Euribor applied to the amount in capital that has been hedged.
This swap presents the following characteristics:

- Swap to pay a fixed rate and receive three-month Euribor with effect from 11 February 2009 on an amount of €98 million, the maturities being strictly the same as for the loan of the same amount, for which the final maturity is 13 February 2014. The fixed rate under this agreement is 2.95%.

10. Other non-current assets

(€000)	At 11 February 2009	Increase	Decrease	At 30 June 2009
Deposits and other sureties paid	11			11
Total	**11**			**11**

11. Trade receivables

(€000)	At 30 June 2009	At 11 February 2009
Trade receivables	4, 120	
Doubtful trade receivables		
Trade receivables –gross amount	**4, 120**	
Impairment losses		
Trade receivables – carrying amount	**4, 120**	

There were no amounts past due at 30 June 2009, nor had any impairment losses been recognised.

12. Other current assets

(€000)	At 30 June 2009	At 11 February 2009
Tax and social security	244	170
Other receivables from activity	262	33 944
Prepaid expenses	35	33
Other current assets	**541**	**34 147**

At 11 February 2009, other receivables from activity comprised mainly funds deposited with a notary in connection with the acquisition made by CFI-Image.

13. Cash and cash equivalents

(€000)	At 30 June 2009	At 11 February 2009
Short-term highly liquid investments	808	80
Cash at bank and in hand	40	346
Cash and cash equivalents	**848**	**426**

Short-term investments consist of units or shares in money market mutual funds (*Fonds Communs de Placement – FCP*) and investment trusts (*Société d'Investissement à Capital Variable – SICAV*).

14. Capital and reserves

14.1. Share capital

(€)	Number of shares	Par value	Share capital
Share capital	854 224	30	25, 626, 720

14.2. Dividends distributed

No dividend was paid during the period ended 30 June 2009.

14.3. Treasury shares

(€000)	Closing balance	Opening balance	Change	Gains (losses) on disposal
Cost of acquisition	27	22	6	0
Number of treasury shares	770	617	153	

These shares are held under a liquidity agreement, compliant with the Code of Conduct of the French Financial Markets Association (*Association Française des Marches Financiers – AMAFI*) as approved by the French financial markets regulator (*Autorité des Marchés Financiers – AMF*), managed by an investment services provider.

15. Minority interests

(€000)	At 30 June 2009	At 11 February 2009
Equity component of bonds redeemable in shares	16, 049	
Minority interests in capital and reserves	25, 734	
Minority interests	**41, 783**	

16. Borrowings

16.1. Change in borrowings

(€000)	At 11 February 2009	Increase	Decrease	Reclassifications	At 30 June 2009
Bonds redeemable in shares (short term part)		**9, 491**		**-1, 873**	**7, 618**
Loans		98 ,000		-5 ,682	92 ,318
Loan issue costs (a)		-1, 231		92	-1, 139
Finance lease obligations					

Medium- and long-term borrowings		**96, 769**		**-5, 590**	**91, 179**
Bonds redeemable in shares (long term part)				**1, 873**	**1, 873**
Loans			-1, 566	5, 682	4,116
Finance lease obligations		372	-372		
Accrued interest – Loans		212			212
Accrued interest – Bonds redeemable in shares					
Bank overdrafts	5, 800		-5, 800		
Accrued interest – Bank overdrafts					
Short-term borrowings	**5 ,800**	**584**	**-7, 738**	**5, 682**	**4 328**
Total borrowings, gross	**5 ,800**	**106, 844**	**-7, 738**	**92**	**104, 998**

(a) Reclassification of loan issue costs as a reduction in the liability represented by loan and partial reversal to profit or loss such that the finance charge corresponds to the amount obtained by applying the loan's effective interest rate.

On 26 June 2009, CFI-Image elected for the early exercise of the purchase option embedded in the finance lease for the UGC Ciné Cité cinema complex in Lille city centre, at a price of €311 thousand.

In connection with the financing of the acquisitions mentioned in Note 1.3, CFI-Image issued 25,540,073 bonds redeemable in shares amounting to €25,540 thousand on 13 February 2009. All these bonds were subscribed to by UGC SA. The carrying amount of these bonds has been apportioned between their liability component (being the present value of the coupon payments) for an amount of €9,491 thousand and their equity component (recognised in equity under minority interests) for an amount of €16,049 thousand.

These bonds mature on 31 December 2023.

These bonds are redeemable in the following conditions:

- in shares at maturity or from 1 July 2014, at the sole discretion of the issuer; or
- in cash before 30 June 2014 at: (i) the initiative of the issuer and approval of the bondholder, the cash payment being determined by reference to the Net Asset Value of CFI-Image drawn up on the basis of the company financial statements assuming all bonds had been redeemed for shares on the redemption date; or (ii) at the initiative of the bond holders in limited circumstances such as a payment default by the company or its liquidation.

From 2009 to 2011, the bonds bear interest of between 7.75% and 8.06% per annum in accordance with the terms of the agreement. From 2012, this rate is indexed to the retail rental index (*Indice des Loyers Commerciaux – ICL*) published by the French National Institute for Statistics and Economic Studies (*Institut National de la Statistique et des Études Économiques – INSEE*).

However, the amount of the coupon will be such that:

- the maximum coupon will be the lesser of the two following rates:
  - 6% of the bonds' nominal value per half-year coupon period;
  - 55% of the amount of the earnings per share before taking into account the coupon;
- and the minimum coupon will be at least 0.75% of the bonds' nominal value per half-year coupon period.

The liability component of the bonds was determined by reference to the coupons to be paid by the issuer until such time as the issuer has the possibility to redeem the bonds into shares at its sole discretion, i.e. up to 30 June 2014. Coupons recognised as current borrowings and non-current borrowings were calculated at the rate set out in the agreement assuming the retail rental index would vary by 2% and applying a discount rate

of 4.46% (published monthly bond yield in the second half of 2008). The difference between the bonds' notional amount and the liability component is recognised in equity under minority interests.

Coupon payments are apportioned between finance charges and a reduction in the borrowing recognised as a liability in the balance sheet. For this purpose, it was considered that this was a loan bearing interest at a fixed rate of 4.46% over a period of five-and-a-half years, for which interest payments coincide with coupon payment dates during this period.

On 13 February 2009, CFI-Image entered into a loan agreement with a pool of banks, arranged by Calyon. This is a five-year loan agreement for an amount of €98 million.

The loan bears interest at a rate equal to three-month Euribor increased by a variable spread, bearing in mind the interest rate risk has been hedged totally by swapping the variable rate for a fixed rate. The fixed rate substituted in this way is fixed at 2.95% over the term of the loan.

Interest on the loan is paid quarterly in arrears.

This loan is guaranteed by a lender's lien (*Privilège de Prêteur de Deniers – PPD*) and by pledges to register mortgages on first demand (*Promesses d'Affectations Hypothécaires*). Furthermore, under a subordination agreement signed by CFI-Image, UGC Ciné Cité and the lenders, the banks have been designated as preferential creditors.

Under the terms of the loan agreement, CFI-Image has undertaken to comply with the following covenants:
- Loan-to-value (LTV) ratio of less than 60% (bank loans and overdrafts expressed as a percentage of the market value of the property assets);
- Debt-service coverage ratio (DSCR) of more than 120% (net rental income reduced by distributions required on public property company and increased by the cash position expressed as a percentage of loan repayments) (calculated quarterly on a prospective basis) and
- Interest coverage ratio (ICR) of more than 200% (net rental income expressed as a percentage of loan interest).

The company complied with all three ratios at 30 June 2009.

Finally, the effective interest rate used for the subsequent measurement of other financial liabilities using the amortised cost method amounts to 5.38%.

16.2. Analysis of borrowings by maturity

(€000)	**30 June 2009**	**Under 1 year**	**Over 1 year and under 5 years**	**Over 5 years**	**11 February 2009**
Bonds redeemable in shares	9, 491	1, 873	7, 617		
Loans	96, 434	4, 116	92, 318		
Subtotal	**105, 925**	**5 ,711**	**99, 935**		
Loan issue costs (a)	-1, 139				
Bank overdrafts					5, 800
Accrued interest	212	212			
Borrowings	**104 ,998**	**6, 202**	**99 ,935**		**5 ,800**

(a) Loan issue costs deducted from non-current borrowings were paid in 2009 and therefore are not analysed in the table above.

16.3. Analysis of borrowings between fixed rate and variable rate

(€000)	At 30 June 2009		At 11 February 2009	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Bonds redeemable in shares	9, 491			
Loans		96, 434		
Swap variable rate for fixed rate	96, 434	-96 ,434		
Due to credit institutions	**96, 434**			
Total due to credit institutions	**96, 434**			
Total borrowings	**105, 925**			

The only variable interest rate element of the borrowings arises from the fact the fixed rate for determining coupon payments on the bonds redeemable in shares is indexed to the retail rental index from 2012.

16.4. Net borrowings

Net borrowings consist of gross borrowings less cash and cash equivalents.

(€000)	At 30 June 2009	At 11 February 2009
Gross borrowings	104, 998	5, 800
Cash and cash equivalents	-848	-426
Net borrowings	**104, 150**	**5, 374**

Borrowings at 11 February 2009 consisted of a very short-term credit line that has been reported as if it were a bank overdraft.

17. Deferred tax

No deferred tax asset or deferred tax liability was recognised at 11 February 2009 as the Company was carrying forward a tax loss and relief for this tax loss become unavailable as a result of opting for the SIIC tax regime applicable to public property companies.
No deferred tax asset or deferred tax liability was identified at 30 June 2009 in connection with the said SIIC tax regime.

18. Other current liabilities

(€000)	At 30 June 2009	At 11 February 2009
Trade payables	606	525
Taxes payable	709	2
Social security liabilities	35	15
Sundry other current liabilities	28	62
Deferred income	3, 235	
Other current liabilities	**4, 613**	**604**

Deferred income corresponds mainly to rents for the third quarter invoiced in advance.

19. Net rental income

(€000)	To 30 June 2009	To 30 June 2008
Gross rental income	4, 883	
Service charges invoiced on a flat rate basis		
Other property operating income	247	
Total property income	**5, 130**	
Service charges (re-invoiced on a flat rate basis)		
Other property expenses	-206	
Total property expenses	**-206**	
Net rental income	**4, 924**	**0**

20. Net finance cost

(€000)	To 30 June 2009	To 30 June 2008
Income from cash and cash equivalents	28	685
Interest income	**28**	**685**
Interest expenses on loans and overdrafts	-2, 181	
Finance costs	**-2, 181**	
Net finance costs	**-2 ,153**	**685**

21. Income tax

21.1. Income tax expense

(€000)	To 30 June 2009	To 30 June 2008
Current tax	-44	-70
Deferred tax		-56
Income tax expense	**-44**	**-126**

21.2. Reconciliation of income tax charge

(€000)	To 30 June 2009	To 30 June 2008
Profit before tax	51, 056	368
Theoretical income tax charge at the statutory tax rate in France	-17, 019	-123
Public property company tax regime (SIIC) and impact of fair value adjustments not assessed to tax	16, 978	
Permanent differences		
Tax losses not recognised as deferred tax assets		
Other temporary differences	-3	-3
Actual income tax expense	**-44**	**-126**

22. Earnings per share

Calculation of earnings per share	To 30 June 2009	To 30 June 2008
Profit for the period attributable to the equity holders of the parent (€000)	26, 677	242
Number of shares	854, 224	854, 224
Weighted average number of treasury shares	-556	-295
Weighted average number of shares for the purposes of basic earnings per share	853, 668	853, 929
Basic earnings per share (€)	**31.25**	**0.28**

In the absence of dilutive potential ordinary shares, diluted earnings per share are the same as basic earnings per share.

23. Note to the consolidated cash flow statement

The cash position, which corresponds to cash and cash equivalents less bank overdrafts, is analysed below:

(€000)	At 30 June 2009	At 11 February 2009	At 30 June 2008
Cash and cash equivalents	848	426	28 ,519
Bank overdrafts and accrued interest		-5, 800	
Cash position as reported in the consolidated cash flow statement	**848**	**-5, 374**	**28, 519**

Change in working capital requirements:

(€000)	At 30 June 2009	At 11 February 2009	At 30 June 2008
Trade receivables	-4, 120		
Other receivables from activity	33, 607	-33, 995	-1
Other current liabilities	4, 010	117	-285
Change in working capital requirements	**33, 497**	**-33, 878**	**-286**

24. Events after the balance sheet date

None

25. Off balance sheet commitments

Commitments received
- CFI-Image has received commitments on the part of tenants to rent the premises for a fixed term of 12 years.
- CFI-Image has received guarantees from lessees in the form of bank guarantees amounting to €3,208 thousand.

Commitments given
- As guarantee for the bank loan for a principal amount of €98,000,000, CFI-Image has granted a lender's lien in an amount of €83,280,300 and conventional mortgages totalling €24,519,700 including the guarantee of the interest rate swap, the latter increased to include all costs, interest and other charges estimated at a flat 10%. These sureties are accompanied by the usual guarantees: pledge of CFI-Image's bank accounts and assignment of its receivables under the DAILLY law mechanism; and pledge by CFI of the shares held in its subsidiary.

26. Minimum guaranteed rents receivable

(€000)	Under 1 year	Over 1 year and under 5 years	Over 5 years	Total
Minimum guaranteed rents receivable	12, 960	53, 271	88, 446	154, 677

27. Headcount

(Number)	Management grade	Non-management grade	Total
Total number of employees	1		1

28. Related party transactions

28.1. Terms and conditions for transactions with related parties

Related parties are:
- Yellow Grafton SC, a shareholder of CFI, and its parent company PWREF I Holding SARL, whose registered office is in Luxembourg. Fees amounting to €22 thousand payable to the latter were accrued at 30 June 2009,
- UGC Group in its capacity as tenant, shareholder and bondholder. Transactions with this group are reflected in the consolidated accounts and commented in the notes thereto.

28.2. Transactions with other related parties

Besides the aforementioned companies, the only other related parties are the Company's directors and officers.

Remuneration paid to the directors and officers

(€000)	To 30 June 2009	To 30 June 2008
Fixed remuneration	46	60
Variable remuneration	100	
Board fees	16	
Post-employment benefits		
Total remuneration	**162**	**60**

Insurance cover

Insurance has been taken out to cover the third party liability of the directors and officers.

29. Reconciliation of company accounts to IFRS accounts

(€000)	At 11 February 2009	At 15 December 2008	At 30 June 2008
Capital and reserves – Company accounts	**28, 203**	**28, 502**	**28, 582**
Marketable securities	2	4	84
Reversal of impairment loss recognised against treasury shares			1
Treasury shares	-22	-14	-16
Capital and reserves - IFRS	**28, 183**	**28, 491**	**28, 650**
(Loss) profit – Company accounts	**-299**	**252**	**332**
Change in fair value of marketable securities	-2	-116	-36
Reversal of impairment loss recognised against treasury shares			1
Change in deferred tax recognised in respect of tax losses carried forward		-56	-56
(Loss) profit – IFRS	**-301**	**81**	**242**

INTERIM MANAGEMENT REPORT
TO 30 JUNE 2009

I. Activity and significant events in the period to 30 June 2009

1. Continuing correction of the commercial property market

The correction that began in the fourth quarter of 2007 gathered momentum during the period under review. In the office property sector, notably, transaction volumes experienced a sudden slump (down 75% in the Paris-Ile de France region), rental values declined (down by between 15% and 20% in the Paris Central Business District in the last year), while yields increased (up between 150bp and 200bp over the same period).

The warehousing/logistics sector underwent a severe re-pricing. Commercial property, even large shopping centres and prime location properties, was not spared by this phenomenon.

However, in the absence of large transactions, there has not been a proper readjustment of property values. The investment market, stymied by persisting difficulties obtaining bank financing, is currently dominated by equity investors, with deals averaging between €15 million and €40 million per property.

It is against this backdrop that the Company considered a number of investment opportunities, deciding to take up positions in several.

2. Election for status as public property company under the SIIC tax regime after a shortened accounting period to 11 February 2009

The Board of Directors convened an Extraordinary General Meeting on 10 February 2009 whereby it was resolved to shorten the accounting period then under way to 11 February 2009.

As a result of this decision, together with the sale by the Company's majority shareholder of nearly 38% of its shares, the Company fulfilled all the conditions necessary to elect, with effect from 12 February 2009, for the status of public property company under the SIIC tax regime as defined by Articles 208C et seq. of the General Tax Code (*Code Général des Impôts – CGI*). The Company's subsidiary CFI-Image also opted for this regime with effect from the same date.

This status will enhance the Company's ability to seize acquisition opportunities in the best possible conditions for all shareholders.

3. First acquisition: multiplex cinema property portfolio let to UGC Ciné Cité

On 23 December 2008, the Company signed an undertaking to sell with CNP-Assurances for the acquisition by the Company of an eleven cinema theatre property portfolio let to UGC

Ciné Cité. The properties are located in Paris and large regional capitals. This transaction was followed by the acquisition of the Lille city centre multiplex cinema from UGC Ciné Cité.

The undertaking to sell contained several conditions precedent, which were subsequently satisfied, enabling CFI-Image, which was substituted for its parent company named in the undertaking to sell, to proceed with the acquisition on 13 February 2009.

The assets of this transaction generate annual rentals of around €12.8 million under 12-year firm investment-type leases signed with UGC Ciné Cité.

The investment, with a total transaction cost of €153 million, was financed by a €98 million mortgage loan provided by a consortium of banks, with the balance satisfied out of the Company's own resources - CFI contributing €28.1 million of cash- and the proceeds raised from issuing marketable shares that could, under limited circumstances, provide access to the capital of CFI-Image.

The capital of CFI-Image is held by CFI (95%) and UGC Ciné Cité (5%). The two shareholders of CFI-Image have signed an agreement pertaining to the liquidity of their investment, which includes standard clauses providing for pre-emptive rights, tag and drag along rights and including purchase options (see Note 2 to the interim consolidated financial statements). In the second quarter, the Company redeemed before its maturity the €5.8 million bridge loan taken out to settle the value added tax due by CFI-Image on the investment.

On 26 June 2009, CFI-Image elected for the early exercise of the purchase option embedded in the finance lease for the UGC Ciné Cité cinema complex in the Lille city centre. As a result the Company owns the twelve properties outright.

4. Delegation of powers to the Board of Directors in the matter of financial authorisations

The Ordinary and Extraordinary General Meeting of 28 May 2009 renewed the authorisations already given to the Board of Directors by the Extraordinary General Meeting of 18 December 2007. These authorisations relate to the issue of ordinary shares and/or securities giving access to the capital or to the allocation of debt securities, with or without the application of preferential subscription rights, in accordance with the various circumstances provided for by law, including as remuneration for contributions in kind in the form of securities and for public share exchanges at the Company's initiative.

The authorisations were granted for a period of 26 months and, barring exception, within the limit of a ceiling of €300 million when involving the issue of ordinary shares and/or securities giving access to the capital and a ceiling of €500 million when involving the issue of debt securities.

In a property market which is in perpetual motion and remains competitive, these authorisations are intended to provide the Company with the flexibility and responsiveness needed to successfully complete future acquisitions.

5. Strengthening of governance – Liquidity agreement

The adherence in December 2008 to the recommendations issued by the French Association of Private Companies (*Association Française des Entreprises Privées – AFEP*) and by the French Confederation of Business Enterprises (*Mouvement des Entreprises de France – MEDEF*) relating to the remuneration of the directors and officers of listed companies and then the deliberations of the Board of Directors on 23 January 2009 and of the Ordinary and Extraordinary General Meeting on 16 March 2009, marked another important step in strengthening corporate governance. The Company is now in a position to fully implement the recommendations of the new code of governance issued by AFEP and MEDEF, save for two recommendations relating to the proportion of independent board members, which will be implemented gradually.

Moreover, in light of the results achieved in 2008 when the Company entered into a liquidity agreement with CA-Cheuvreux to act as market-maker for its shares in the secondary market, the General Meeting of 16 March 2009 resolved to renew this agreement.

II. <u>Risks and contingencies</u>

With regard to the information disclosed in the Company's consolidated financial statements for the period ended 11 February 2009, the following developments have taken place.

Following its first investment, the Company now has exposure to a property risk, more specifically to property operated by UGC as multiplex cinemas, a risk which is mitigated by the fact that the latter is one of the most efficient operators in France.

In this respect, changes in market conditions may therefore have a favourable or unfavourable impact on the parameters used by the independent appraiser CB Richard Ellis (CBRE) to value these properties and, by way of consequence, on the Group's consolidated results and shareholders' equity.

As regards to the second half of 2009, the main uncertainty lies in the evolution of the financial crisis and its consequences on the property market. Property values are still undergoing a re-pricing, transactions still do not display the fluidity, and access to debt financing is much more restricted, especially for large operations. In relative terms, however, the Company is well positioned and has the strengths to transform these threats into opportunities.

CFI is no longer exposed to an interest rate risk on its surplus cash since it has been invested entirely in the aforementioned acquisition. Furthermore, the €98 million variable loan taken out by CFI-Image to finance this acquisition has been hedged by entering into a swap under which a fixed rate has been substituted over the loan's entire five-year term.

As regards the liquidity risk, this will be covered by the dividends to be upstreamed by CFI-Image, this subsidiary being under the obligation to distribute dividends by virtue of its status as a public property company under the SIIC tax regime. Furthermore, a €1 million bank overdraft facility was arranged in May 2009 for a period of 12 months.

III. Transactions with related parties

On 13 February 2009, CFI entered into a management agreement with its subsidiary CFI-Image for the rendering of various administrative, legal and accounting services. The main characteristics of this agreement are disclosed in the Financial Report for the period ended 11 February 2009.

Furthermore, a services agreement between CFI and PWREF I Holding Sarl - an entity owned by PWREF I LP which, indirectly, is the controlling shareholder of CFI - is being finalised under which assistance in such areas as internal control, investment project analysis and financing will be provided and invoiced on an arm's length basis.

IV. Interim financial statements to 30 June 2009

1. Financial statements for period ended 11 February 2009 (reminder)

It will be recalled that the Company published company financial statements to 11 February 2009 following the decision to shorten the financial reporting period. In these statements the Company reported a loss of €287,000, due mainly to lower financial income as a result of the fall in short-term interest rates and to the costs and fees incurred in connection with the aforementioned property portfolio acquisition.

At that date, the Company had capital and reserves totalling €28.2 million. Net asset value was €33.0 per share, which corresponded to net book value.

The Ordinary and Extraordinary General Meeting of 28 May 2009 resolved that the loss for period ended 11 February, less retained earnings brought forward of €264,480.22, giving a negative balance of €22,749.44, be transferred in its entirety to retained earnings carried forward.

2. Interim financial statements to 30 June 2009

These are the first consolidated financial statements prepared in accordance with International Financial Reporting Standards published by the Company since electing to change status to a public property company under the SIIC tax regime and completing on 13 February 2009 its first investment in a portfolio of 12 investment properties used as multiplex cinemas leased to UGC Ciné Cité.

At 30 June 2009, the property assets were appraised by CBRE at €200.8 million net of costs and taxes. For this valuation, the independent appraiser used the discounted cash flow method, taking into account the portfolio's new profile resulting from the agreements entered into with the lessee, in particular the signing of new twelve-year investor-type leases simultaneously with the acquisition.

As a result, in its consolidated financial statements, the Group reported a profit of €51.0 million, of which €26.7 million was attributed to the equity holders of the parent, most of which was generated by a change in the fair value of the assets owned by CFI-Image.

Net rental income came to €4.9 million during the period (equivalent to €12.8 million on a full-year basis), while expenses consisted of administrative expenses (including, costs to exercise the option embedded in the UGC Lille finance lease) amounting to €0.95 million and finance costs amounting to €2.15 million.

Financial highlights from the consolidated financial statements
Expressed in thousands of euro unless otherwise indicated

Period ended 30 June	2009 (1) (4.5 months)	2008 (2) (6 months)
Net rental income	4 925	-
Change in fair value	49 236	-
Operating profit	53 209	- 317
Net profit	51 012	242
Of which:		
. Minority interests (3)	24 335	-
. Attributable to the equity holders of the parent	26 677	242
Equivalent to earnings per share (€)	31,25	0,28
Of which :recurrent net profit attributable to the equity holders of the parent	1 908	242
Equivalent to earnings per share (€)	2,24	0,28
Net asset value attributable to the equity holders of the parent company	53 447	28 183
Equivalent to NAV per share (€)	62,62	33,0 (4)

(1) From 13 February 2009 to 30 June 2009
(2) Company financial statements restated on an IFRS basis
(3) Arising from the structuring of the financing for the acquisition of the portfolio of multiplex cinemas, based notably on the issue by CFI-Image of bonds redeemable in shares amounting to €25.5 million.
(4) Equivalent to book value per share since the Company's only asset at that date was cash.

3. Financial situation -Net Asset Value

Net Asset Value is based on the fair market value of the properties excluding costs and taxes[1], determined by independent appraiser CBRE. Net asset value corresponds to the capital and reserves reported in the consolidated financial statements, which at 30 June 2009 came to €53.447 million for that part attributable to the equity holders of the parent.

Reasoning on a per share basis, net asset value net of costs and taxes, attributable to the equity holders of the parent, is calculated by dividing this amount by the number of ordinary shares outstanding, not taking into account treasury shares. Details of NAV per share attributable to the equity holders of the parent company are provided in the table below:

Expressed in thousands of euro unless otherwise indicated

	At 30 June 2009
Consolidated shareholders' equity (IFRS basis) attributable to the equity holders of the parent	53 447
Number of shares excluding treasury shares	853 454
NAV net of costs and taxes per share attributable to the equity holders of the parent (€)	62,62

V- Outlook

In an environment of ongoing real estate asset re-pricing, the Company is in a position to seize new opportunities that would meet its value creation objectives..

[1] Costs and taxes that would be due were the properties in question to be sold.

COMPAGNIE
FONCIÈRE
INTERNATIONALE

Certificate of person responsible for the Financial Report
(Article 222-4 of AMF General Regulations)

I hereby declare that, to the best of my knowledge, the Interim Consolidated Financial Statements to 30 June 2009 have been prepared in accordance with applicable accounting standards and present fairly the financial position and results of the Company and its subsidiary and that the above Interim Management Report gives a true and fair view of the major events in the period and their impact on the consolidated financial statements, of transactions with related parties, and of the mains risk and uncertainties for the six months to 31 December 2009.

Alain Benon
Chairman and C.E.O.

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CFI LISTED NYSE EURONEXT

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Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

CFI-Compagnie Foncière Internationale

Period from February 12 to June 30, 2009

Statutory Auditors' Review Report on the first half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings and in accordance with article L. 451-1-2 III of the French monetary and financial code (Code Monétaire et Financier), we hereby report to you on:

- our review of the accompanying half-yearly consolidated financial statements of CFI-Compagnie Foncière Internationale for the period from February 12 to June 30, 2009, and
- the verification of the information contained in the interim management report.

These half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these half-yearly consolidated financial statements do not give a true and fair view of the assets and liabilities and financial position of the group as at June 30, 2009 and of the results of its operations for the period then ended in accordance with IFRS as adopted by the European Union.

Without modifying the conclusion expressed above, we draw your attention to note 3 to the financial statements regarding comparability of presented comparative periods.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly consolidated financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the half-yearly consolidated financial statements.

Paris and Paris-La Défense, July 24, 2009

The Statutory Auditors
French original signed by

ACE
AUDITEURS ET CONSEILS D'ENTREPRISE

ERNST & YOUNG Audit

Emmanuel Charrier

Christian Mouillon