



95% SHAREHOLDING IN CFI-IMAGE SOLD TO UGC GROUP
EXCEPTIONAL DISTRIBUTION OF c. €51 PER SHARE IN JULY 2014

Paris, 19 May 2014. Having been advised by UGC of its intention to exercise the call option for CFI's 95% shareholding in CFI-Image, the Board of Directors of CFI met on 12 May 2014 to define its position. It is recalled that CFI-Image owns twelve of the thirteen UGC multiplex cinema properties acquired in 2009 and 2010.

Sale to UGC of 95% shareholding in CFI-Image

UGC having challenged the share valuation notified by CFI's management, which was determined from the latest appraisal of CFI-Image's property portfolio on 31 December 2013 performed by CBRE, discussions were held between the parties in accordance with the agreements of February 2009. On the basis of these discussions, the Board of Directors was presented with a draft memorandum of understanding in which the shares of CFI-Image held by CFI are valued at €61.5 million (the "**Valuation of the Shares**").

The Valuation of the Shares reflects an internal rate of return on the capital invested by CFI in February 2009 of 22.2% a year, which puts the valuation of the underlying assets at around €196 million, equivalent to a 5.3% discount in relation to the last appraisal by CBRE on 31 December 2013.

In light of the advantages procured by:

- (i) the rapid execution, hence the possibility to close the transaction in a timely manner and ahead of the repayment by CFI-Image of its bank loans on 13 February 2015, and
- (ii) the absence of guarantees to be given to the buyer regarding the assets and/or liabilities,

the Board of Directors of CFI approved the terms of the memorandum of understanding, which remains subject to the condition precedent that the external financings negotiated by UGC are put into place. Subject to satisfaction of the condition precedent, the transaction is expected to be closed at the end of June 2014.

The memorandum of understanding was signed on Friday 16 May 2014.

For information only, applying the parameters of this transaction to value the remaining property asset (UGC Bordeaux), the Net Asset Value of CFI on completion of the sale and before any distribution is expected to reach more than €72 per share.

Exceptional distribution of c. €51 per share expected in July 2014

Subject to completion of the aforementioned transaction, the Board of Directors proposes distributing part of the profit on disposal in the form of an interim dividend amounting to €33 million. In addition, subject to this being approved by the Extraordinary General Meeting convened on 4 July 2014, the Board of Directors proposes returning to shareholders part of their initial investment in the amount of €10.6 million by reducing the capital of CFI.

Payment of these amounts, estimated in total at c. €51 per share, would take place around the middle of July 2014 in the case of the interim dividend, and at the end of July 2014 for the amount arising from the capital reduction.

These payments will be in addition to the payment of the final dividend for 2013, amounting to €2.11 per share, as approved by the Ordinary General Meeting of 28 March 2014, which will take place on 30 July 2014.

Public Repurchase Offer to be filed in September 2014

On completion of the aforementioned transaction, CFI- Compagnie Foncière Internationale will have sold the main part of its assets.

Yellow Grafton SC, as the majority shareholder of CFI and pursuant to stock market regulations, intends to file a Public Repurchase Offer in September 2014, thereby enabling minority shareholders to tender their shares on the basis of the estimated Net Asset Value on the closing date of the Public Repurchase Offer. To this end, it will inform the market of its intentions concerning the prospects of CFI- Compagnie Foncière Internationale.

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