COMPAGNIE
FONCIÈRE
INTERNATIONALE

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2014

ADDITIONAL SPECIAL DISTRIBUTION

OUTLOOK

Paris, 22 September 2014. The Board of Directors met on 17 September 2014 to review business, approve the financial statements for the period ended early on 31 July 2014 and decide on the Company's future.

Highlights of the period under review

Against a backdrop of stable rental income due to an index-related slowdown - the ILC index being up only 0.79% at 1 January 2014 - and more than five years after its initial investment in the cinema property leased to UGC, on 30 June 2014 the Company sold its 95% stake in its main subsidiary CFI-Image, which owned 12 of the portfolio's 13 property assets. CFI's annual return on investment over the period concerned was 22.2%.

On 30 July 2014, the Company paid a special distribution comprising the majority of distributable income for the period ended 31 July 2014, at the same time as carrying out a capital reduction, leading to a total payment per share of €51.50. This did not include the balance of the dividend for the 2013 financial year of €2.11 per share, which was paid on the same date.

Post-balance sheet events

On 3 September 2014, CFI received a purchase offer from UGC Group for its 55% stake in its property holding subsidiary SCI Bordeaux-Image. This offer, which was based on a valuation of the underlying property assets of €11.2 million, net of costs and transfer taxes, was accepted by the Board of Directors at its meeting on 5 September 2014.

This sale, which is scheduled for completion in early November 2014 at the latest, is subject in particular to a condition precedent of the Bordeaux municipal authority not exercising its pre-emptive right within the maximum two-month period.

Taxation of the special distribution of 30 July 2014

Based on the approved final financial statements at 31 July 2014, the payment of €51.50 per share is taxable as follows:

- Of the interim dividend of €39.06 per share, €29.85 is taken from the tax-exempt profits under the SIIC regime and is therefore not eligible for the 40% reduction provided for under Article 158-3-2°

of the French general tax code (*Code Général des Impôts*). The balance of €9.21 is taken from income not eligible for SIIC tax exemption and therefore is eligible for the 40% reduction.

- Of the capital reduction of €12.44 per share, €11.4153 per share constitutes a repayment of capital within the meaning of Article 112-1 of the French General Tax Code (ie not taxable), and €1.0247 per share is taxable as distributed income. As this portion is not taken from tax-exempt profits, it is eligible for the 40% reduction.

Key business figures

Key business figures are presented in the table below in the usual format:

Pro forma key figures

In € thousands	**Period ended 31 July 2014 (7 months)**	**Period ended 31 December 2013 (12 months)**
Subsidiaries' key indicators		
. Net rental income*	**7,735**	15,187
. Market value of property portfolio **	**11,169**	220,990
. Change in fair value of properties	**-3,091**	- 18,720
Consolidated data		
Total comprehensive income, Group share	**-7,889**	-2,902
Per share (€)	***-9.24***	*-3.40*
Net asset value, Group share, at closing date	**18,341**	71,643
Per share (€)	***21.52****	*83.91*

** including CFI-Image until 30 June 2014*

*** Underlying value of the UGC Bordeaux property portfolio reflecting the price at which the SCI Bordeaux Image property holding company shares were sold to UGC Group.*

**** Following the payment of €53.61 per share on 30 July 2014*

NAV at 31 July 2014: €21.52 per share

The Net Asset Value was calculated based on the transaction value of the sale after the close of the financial year, and subject to a condition precedent, of CFI's 55% stake in the SCI Bordeaux Image property company. As this was the Company's last remaining asset and given that there is no prospect of the Company resuming business in the short/medium term (see below), this Net Asset Value was calculated on a liquidative basis, in other words deducting the costs incurred to put the Company under a dormant status.

Additional distribution payment of €20.47 per share planned for 4 December 2014

The Board of Directors has convened a Combined Ordinary and Extraordinary General Meeting on 7 November 2014 in order to approve the following, subject to due completion of the sale of the SCI Bordeaux Image property holding company to UGC Group:

- An additional capital reduction in the amount of €14,487,639, or €16.96 per share, which would reduce the capital to €512,534.40,

- The distribution of the majority of the legal reserve, that is €2,511,419, or €2.94 per share, and

- The distribution of the full balance sheet share premium of €25,627, or €0.03 per share.

The balance of the dividend for the period ended 31 July 2014, that is €0.54 per share out of a total distribution of €39.60 per share, would also be paid, subject to approval at the next general meeting. €39.06 of this has already been paid as an interim distribution.

In total the Company proposes paying its shareholders €17,485,974, or €20.47 per share. This payment would be made on Thursday 4 December 2014. The specific tax treatment of each distribution or repayment will be detailed in the resolutions submitted to the general meeting of 7 November 2014(See BALO on 1st October 2014).

Mandatory Tender Offer plan

On account of these new developments, the mandatory tender offer plan that was initially due to be submitted in September, will be submitted by the majority shareholder, Yellow Grafton SC, once the abovementioned transactions are complete.

Outlook

The Board of Directors and, through its representatives, the majority shareholder, have noted that once the Company's last remaining asset has been sold, the Company will discontinue its leasing business insofar as it has no investment plans in the near to medium term. An incidental effect of this will be the retroactive termination of the SIIC regime as from 1 August 2014.

Given this, it is intended to put the Company into dormant status as it will have no operational business once all these transactions have been completed.

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