



Listing Prospectus

(a prospectus within the meaning of part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended)

CAPELLI S.A.

SOCIÉTÉ ANONYME

2 BIS CHEMIN DU COULOUVRIER 69410 CHAMPAGNE-AU-MONT-D'OR
INCORPORATED IN FRANCE

REGISTER OF COMMERCE AND COMPANIES OF FRANCE N° 306 140 039

**Admission to trading on the Euro MTF market, operated
by the Luxembourg Stock Exchange, of EUR 6,822,000.-
(six million eight hundred twenty two thousand euro)
of 7 % fixed rate Bonds due September 30, 2019
Issue Price : 100 per cent**

(the Bonds are hereinafter referred to as the “Bonds”)

This document constitutes a prospectus for the purpose of Luxembourg
law dated July 10, 2005 on Prospectuses for Securities, as amended

Investing in the Bonds involves risks. See “Risk Factors” Section on page 9 of this prospectus

Paying Agent : BNP PARIBAS SECURITIES SERVICES PARIS

The date of this document is October 3, 2014

Capelli (**Capelli**) (*société anonyme*), a public law limited liability company, organised under the laws of France, having its registered office at 2 bis Chemin du Coulouvrier 69410 CHAMPAGNE-AU-MONT-D'OR, France, registered with French Register of Commerce and Companies under the number 306 140 039 (the **Issuer**) will issue the Bonds of an aggregate principal amount of EUR 6,822,000.- (six million eight hundred twenty two thousand euro). The Bonds will bear the interest at the interest rate of 7 per cent per annum. Interest on the Bonds is payable semi-annually in arrears on the Interest Payment Dates. The first payment on the Bonds will occur on March 31, 2015 and the last payment on September 30, 2019.

The Bonds will mature on September 30, 2019. The denomination of the Bonds shall be EUR 100.- (one hundred euro) each.

This listing prospectus dated October 3, 2014 constitutes a prospectus for the purposes of Part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Act**). It does not constitute a prospectus pursuant to Part II of the Prospectus Act which implemented Directive 2003/71/EC (as amended by Directive 2010/73/EU of 24 November 2010) (the **Prospectus Directive**) into Luxembourg law and does not constitute a prospectus for purposes of Article 20 of the Law of 16 June 2006 regarding the public offer of investment instruments and the admission to trading of investment instruments on regulated markets (*Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés*) (as may be amended from time to time) (the **Law of 16 June 2006**).

Accordingly, this prospectus does not purport to meet the format and the disclosure requirements of the Prospectus Directive and Commission Regulation (EC) No.809/2004, implementing the Prospectus Directive (as amended by Commission Regulation (EC) No 1787/2006 of 4 December 2006, Commission Regulation (EC) No 211/2007 of 27 February 2007, Commission Regulation (EC) No 1289/2008 of 12 December 2008, Commission Delegated Regulation (EU) No 311/2012 of 21 December 2011, Commission Delegated Regulation (EU) No 486/2012 and Commission Delegated Regulation (EU) No 862/2012), and it has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Directive (which for Luxembourg is the *Commission de Surveillance du Secteur Financier*). The bonds will therefore not qualify for the benefit of the single European passport to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this prospectus.

Application has been made with the Luxembourg Stock Exchange for the admission to trading of the Bonds on the Euro MTF Market of the Luxembourg Stock Exchange. Upon admission, the Bonds will be listed on the official list of the Luxembourg Stock Exchange. References in this prospectus to the Bonds being listed (and all related references) shall mean that the Bonds have been listed on and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the **Euro MTF Market**). The Euro MTF Market is a multilateral trading facility for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended. This prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Bonds will be issued exclusively in bearer form. The Bonds may be offered on the basis of a private placement, not as a public offering.

Unless otherwise stated, capitalised terms used in this prospectus have the meanings set forth in this prospectus.

Each investor contemplating purchasing Bonds should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness of the Issuer.

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NOTICE TO THE INVESTORS

The Issuer, having made all reasonable inquiries, confirms to the best of its knowledge, information and belief that the information contained in this prospectus taken as a whole and the Bonds offered hereby is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this document are honestly held and that there are no other facts, the omission of which would make this prospectus as a whole misleading in any material respect. Subject to the following paragraphs, the Issuer accepts responsibility for the information contained in this prospectus.

We are providing this prospectus only to prospective purchasers of the Bonds. You should read this document before making a decision whether to purchase any Bonds.

The investors should ensure that they understand fully the nature of the Bonds, as well as the extent of their exposure to risks associated with an investment in Bonds and should consider the suitability of an investment in the securities on the light of their own particular financial, fiscal and other circumstances (reference is made to the section "Risk Factors" at section I.

The Issuer shall not be liable for or otherwise obliged to pay, and the relevant investor shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever in connection with the Bonds. All payments made by the Issuer shall be subject to any tax, duty, charge, withholding or other payment which may be required to be made, paid withheld or deducted.

While preparing the present prospectus we are relying on partial exemptions provided in the annex II part 1 point 2) of the Rules and regulations of the Luxembourg Stock Exchange (edition 2012/07). The Issue is a private and restricted Issue, reserved for subscription to a limited number of subscribers, particularly knowledgeable in investment matters, individually accepted by the Issuer and who are "qualified investors" as defined in the Prospectus Directive. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with the prospectus or any other document entered in relation to the Bonds or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither this prospectus nor any other information supplied in connection with the offering of the Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, that any recipient of this prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Bonds.

This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. The Issuer do not represent that this prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit a public offering of any Bonds or the distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this prospectus nor any advertisements or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this prospectus and the offer or sale of Bonds in the United States of America.

For the further description of certain restrictions on offering and sale of the Bonds and on distribution of this Prospectus, see below under section “Terms and Conditions of Bonds”.

In this prospectus, all references to “euro” and “€” refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

This prospectus may be used only for the purposes for which it has been published. Neither the delivery of this prospectus at any time after the date of publication nor any subsequent commitment to purchase the Bonds shall, under any circumstances, create an implication that there has been no change in the information set forth in this prospectus or in our business since the date of this prospectus.

The information in this document may only be accurate on the date of this document.

SUMMARY OF THE OFFERING

1) The Issuer	CAPELLI S.A.
2) Securities Offered	EUR 6,822.000.- (six million eight hundred twenty two thousand euro) aggregate principal amount ordinary Bonds with an interest rate of 7 % due September 30, 2019
3) Issue price	100 % (plus accrued Interest, if any)
4) Subscription period	From July 1, 2014 till September 30, 2014
5) Subscription procedure	Dematerialised Bonds will be inscribed in the books of Euroclear France, including Euroclear Bank S.A./N.V. and the Clearstream Luxembourg, which shall credit the accounts of Bondholders, equal to the nominal amount thereof for which it has subscribed and paid
6) Issue date	October 3, 2014
7) Maturity date	September 30, 2019
8) Interest rate	7 % per annum (paid semi-annually)
9) Interest payment dates	(i) the semi-annual Interest payments in arrears on April 15 and October 15, beginning on April 15, 2015, (ii) in case of the Early Redemption the Interest will be paid 15 (fifteen) Business Days after a redemption payment notice is given by the Issuer to the Bondholder
10) Specified Currency or Currencies	Euro
11) Form of Bonds	Bonds are issued exclusively in bearer form
12) Ranking of the Bonds	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves and equally with all other existing and future unconditional, unsubordinated and unsecured obligations of the Issuer
13) Guarantees	The Bonds are not guaranteed by the third party, but solely assured by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations

14) Use of proceeds	The Issuer wishes to accelerate its development, particularly in the sphere of property development
15) Early Redemption at the option of the Issuer	<p>On or after December 31, 2017 and till the Maturity Date the Issuer may, at its own discretion, proceed to the Early Redemption of all or some of Bonds remaining outstanding, at a price equal to the Issue Price of the Bonds redeemed, plus the Interest accrued since the last Interest Payment Date the date of Early Redemption.</p> <p>The Early Redemption at the option of the Issuer shall be made by the way of pro rata</p>
16) Rating	The Issuer is rated by a credit rating agency Scope Ratings GmbH, accredited by ESMA. Scope Ratings has a central office in Berlin (Lennéstraße 5 D-10785 Berlin, Germany) and is authorised to operate in the European Union
17) Listing	The Bonds are a new issue of securities for which there currently is no market. The application has been made for the Bonds to be listed on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF market
18) Governing law	Law of France
19) Paying, Registrar and Calculation Agent	BNP PARIBAS SECURITIES SERVICES PARIS
20) Category of investors to whom the Bonds are offered	Applications may only be made by the European investors who are “qualified investors” and must be for a minimum consideration of EUR 125,000.- (one hundred twenty five thousand euro)

I. RISK FACTORS

Any investment in securities involves risks. These risks may include, among others, bond market, interest rate, commodities, market volatility and economic, political and regulatory risks and any combination of these and other risks. The Bonds may not be suitable for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In case of doubt, potential investor should consult their financial and legal advisers about the risks of investing in the Bonds and the suitability of this investment in light of their particular situation.

The Issuer operates in a changing environment with many risks, some of which may have a compounding effect which may not be predictable. Potential investors should consider carefully the financial report for the last 2 years, included herein under the section "Selected financial information".

The risks indicated under this section are those that the Issuer considers that they may have an unfavourable significant impact on its activity, opportunities, financial situation, financial results and/or development and therefore it's important to be acquainted with them before taking an investment decision.

The potential investors should turn their attention to the fact that the enumeration of risks presented herein is not exhaustive and other risks, which are considered as unknown or the realisation of which is not considered to provoke a negative effect on the Issuer, its activity, opportunities, financial situation, financial results and/or development may exist or arise in the future.

1. Risk factors relating to the Bonds issued

The risks relating to the Bonds issued are the following :

- the Bonds are securities that are not necessarily suitable for any type of investors : Bonds are inappropriate for investors who are not familiar with financial markets or those who are not familiar with the Issuer's business;
- the Terms and Conditions of the Bonds may be modified (in accordance with article 20 of the section II "Terms and Conditions of Bonds" : legislative or regulatory amendments or the decision of the General Meeting of Bondholders may result in Bond Terms' changes, and may have an impact on Bond's value;
- there is a risk of lack of liquidity of the Bonds : no guarantee can be provided that the active market for the Bonds would exist or that the Bondholders would be able to sale their securities on this market under suitable price and liquidity conditions;
- there is a risk of Early Redemption at the option of the Issuer : the Early Redemption could significantly limit a possible return expected by the investors;
- the Issuer should not be required to increase its payments under the Bonds in order to refund the withholding tax, which may be introduced or in case of any other change in taxation that may occur;
- the Issuer may reserve the right to issue new securities : the option reserved to the Issuer to issue new securities may increase the Issuer's indebtedness and to reduce its credit worthiness;
- the Bonds are subject to limited financial restrictions : the Terms and Conditions of Bonds do not require the Issuer to maintain its financial ratios, therefore, in case of negative changes in Issuer's financial situation, Bondholders may be exposed to significant risks;

- the Issuer may be unable to pay interests or to redeem the Bonds;
- there's a risk related to the exchange rate for some Bondholders.

2. Risk Factors relating to the company's organisation

2.1. Risk Factors relating to the possible dismissal of key employees

The Issuer's future success depends on its ability to retain and motivate its key employees. If the Issuer loses the services of one or more key employee (s), he estimates that a big part of tasks performed by the employee (s), leaving the Issuer, could be done by other key employee (s).

However, given that the Issuers success is particularly related to the present and previous collaboration of its director and key employees, the Issuer cannot guarantee that the dismissal or unavailability of one or more of such employees will not cause any significant negative impact.

2.2. Social specific risks

The Issuer employs 65 employees at March 31, 2014 and considers not to be significantly exposed to social risks.

3. Risk Factors relating to the company's activity

3.1. Credit and return risks

- **Commercial risks.** As the Issuers customers are mainly comprised of individual purchasers, it estimates not to be in commercial dependence towards the clients. Nevertheless, some part of the turnover is made with professionals and/or social lessors, what does not increase significantly the risk of company's dependence towards such professional clients.
- **Non-payment risks.** Since year 2004, the Issuer has not recorded any default of payment. The property sale to individual clients is made before a notary versus payment. The risk nevertheless may exist in a case of lot sales to professionals, but in this case the seller shall have a preferential right over the property sold.
- **Risks relating to suppliers.** There are two main types of the Issuer's suppliers :
 - land sellers who are mostly individuals;
 - enterprises of public works and construction, network dealers (water, electricity, telephone) and different construction service providers (design offices, architects).

The risks related to the land's purchase are limited as it is general management who signs all preliminary purchase agreements ensuring the compliance with the level of the margin to be earned during the sale of a plot of land or real estate promotion.

Regarding to the works contracts relating to promotional activity, the Issuer may sign :

- general contractor's agreements;
- separate specialized contractor's agreements.

The failure of the intervener may have consequences on the delivery time and on the value of contacts. Thus, for each operation (concerning a plot of land or a real estate promotion), the general management favours local service providers (general and technical contractors). Each new operation in a new region

gives rise to the selection of new suppliers, thereby reducing the risk of dependency towards a particular supplier.

Periods of inactivity of certain categories of providers, such as mortgage servicing (for registration of deeds), notaries (for signing of deeds), and surveyors may have a direct effect on the business, financial situation, results or assets of Issuer.

- **Competitive risks.** The Issuer faces a strong competition from other developers and real estate operators. The emergence of new operators and new forms of competition might have an impact on its business and results.

To deal with a high level of competition on the land market, the Issuer capitalises on its brand image and on its know-how based on :

- quality of the plots location, following a good mastery of land survey;
- quality of performance of finishing works and preparatory for building works, due to a careful selection of partners;
- relevance in terms of recommendations of residential builders.

The Issuer capitalises on its distinctive positioning by offering the townhouses and apartments in Villa Duplex that meets the credit and housing needs of diverse clients, looking for a primary residence.

- **Risks related to economic environment.** The Issuer operates in a cyclical economic environment. Although he implemented a strategy to minimize this cycle, sales of real estate may be affected by the decline of the consumer's confidence, increase of the interest rates, economic downturn, which could have a negative impact on the business and financial results of the Issuer.
- **Risks related to the construction costs.** A rise of construction costs was recognized since several years, mainly due to the increase in cost of materials and more and more heavy regulatory standards. The Issuer may be unable to pass on the increase of the sell prices of its real estate programs. In the current crisis, the market is now facing a lowering of construction costs.
- **Risks relating to the taxation.** The evolution of taxation (taxation of capital gains, inheritance tax) may have an impact on the volume of purchase of land which is the raw material of the Issuer. All changes in a current tax legislation, which are not in favour of potential buyers, may have a negative economic effect on the Issuer's business and results.
- **Risks related to the land market.** The future activity of the Issuer depends on the availability of land of sufficient quality in order to develop its real estate or land programs.
- **Risks related to the discovery of archaeological remains.** Before any acquisition of land, the Issuer ensures that it is not affected by a preventive archaeology plane. However, the archaeological artefacts or remains may be discovered during construction. This discovery may lead to the suspension of works for the time, necessary to effectuate the diagnostics. This may have a negative effect on the profitability of the programme.
- **Risks relating to the force majeure.** As well as other economic agents, the Issuer is subject to the force majeure (wars, epidemics, climate and seismic events, etc.).
- **Litigation risks.** The Issuer may be exposed to inherent to its business lawsuits, due to the construction defects, which may be discovered during the construction works or after their termination. These

risks, if they do not concern other interveners, are covered by the Issuer's insurance (compulsory insurance Damage of Work and Constructor Non Performer). The Issuer pays a particular attention to the conformity of its main contractors and subcontractors to insurance.

- **Regulation risks.** The legal framework of the activity of developer of lots is determined in the Urban Planning Code. The legal framework for real estate development is determined in the Construction Code. The Issuer complies with all provisions of these codes while carrying its activities. Moreover, the Issuer is not a subject to any risk specifically related to the current regulations as the purchase of land is carried out only after (i) obtaining building and planning permissions, purged from the use of third parties, and (ii) after obtaining the financing of the transaction.
- **Industrial risks relating to the environment.** The activities of the Issuer do not have the character of polluting activity. The Issuer operates with its best efforts in order to avoid the environmental pollution by itself, as well via its suppliers, service providers, contractors and subcontractors.
- **Risks relating to potential acquisitions.** As a part of its development, the Issuer may need to proceed in the future to acquisitions of companies, specialised in the same sector of activity or those holding complementary skills to those, developed by the Issuer internally. These acquisitions may affect the business of the Issuer, its financial situation or assets.

4. Risk Factors relating to the intellectual property

No patent has been submitted by the Issuer. The Issuer pays royalties to the third parties for the use of the patent.

The following marks were submitted by the Issuer with the National Institute of Intellectual Property of France: LOW COST LAND; GROUND DISCOUNT; MEETING HABITAT; CAPELLI; CAPELLI SUISSE; VILLADUPLEX; VIVMEDIO; VILLACESARIO.

5. Interest rate risks

Cash investments of the Issuer are mainly the term deposit accounts or monetary SICAV funds with limited interest rate risks. An exposure to the interest rate risk therefore relates mainly to the debts with floating rates, not hedged by financial instruments.

II. DOCUMENTS INCORPORATED BY REFERENCE

This prospectus should be read and construed in conjunction with the documents incorporated by reference into this prospectus. The following documents which have previously been published or are published simultaneously with this prospectus and have been filed with the Luxembourg Stock Exchange shall be incorporated in, and form part of, this prospectus :

- the articles of incorporation of the Issuer; and
- the audited Annual financial reports of the Issuer for the three preceding financial year, including the Annual financial report for the year ending on March 31, 2012, the Annual financial report for the year ending on March 31, 2013, as well as the Annual financial report for the year ending on March 31, 2014.

For so long as Bonds issued under the present offering remain outstanding, the copies of following documents incorporated by reference will be available and may be obtained during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), free of charge, at the registered office of the Issuer, as well as at the Paying Agent's office.

III. TERMS AND CONDITIONS OF BONDS

The following is the text of the terms and conditions of the Bonds (the "Terms and Conditions").

By subscribing to or otherwise acquiring the Bonds, the Holders of the Bonds are deemed to have knowledge of and be familiar with the Terms and Conditions of the Bonds hereafter described and to have accepted these Terms and Conditions.

The Board of Directors has drawn up the present document providing for the nature, forms, conditions and detailed arrangements for the Issue, the characteristics of the Bonds, in particular entitlement and settlement dates, method of redemption, conditions for paying up, periodicity of interest payments and the date and mode of repayment of the capital and in general all terms and conditions applicable to the Bonds.

1. Definitions and Interpretations

1.1. Definitions

For the purpose of these Terms and Conditions :

"Board of Directors" means the regular board of directors of the Issuer;

"Bondholder" or **"Holder of Bonds"** means a person, who is in possession of a Bond, as it is provided under the present Terms and Conditions;

"Bond" means the financial debt instruments being the object of the Issue;

"Business Day" shall be deemed to mean days normally worked on the target 2 platform;

"CAPELLI Family" means Christophe CAPELLI and/or Jean-Charles CAPELLI and/or Jean-Claude CAPELLI and/or Claudine CAPELLI and/or any of their respective heirs or descendants or any entities controlled by such persons within the meaning of Article L. 2333-3 of the French Commercial Code;

"Change of Control" in respect of the Issuer shall be deemed to have occurred at each time (whether or not approved by the Issuer) that any Relevant Person (s), other than the CAPELLI Family, at any time following the Issue Date, come (s) to hold Control of the Issuer;

"Control" has the meaning given in Article L. 233-3 of the French Commercial Code;

"Early Redemption" means the redemption of Bonds prior to their stated maturity at the option of the Issuer (either in whole or in part), which is authorised from the December 31, 2017 and till the Maturity Date;

"Event of Default" means an event, as a result of which the Bonds may become subject to repayment, as it is stated in the article 8.3. of the present prospectus;

"Euro" means the currency adopted for the Bonds;

"Euro MTF" means an exchange-regulated market and a Multilateral Trading Facility in accordance with the MiFID Directive, operated by the Luxembourg Stock Exchange;

"Final Redemption" means the redemption of the Bonds on the Maturity Date;

"General Meeting of the Bondholders" means a meeting open to all Bondholders, held every calendar year and which is empowered to act with respect to any common matter that relates to the common rights, actions

and benefits which now or in the future may accrue with respect of Bonds and also to deliberate on the dismissal and replacement of the Representative and the alternative Representative;

“Interest” means the amount of interest yielded by the Bonds;

“Interest Payment Date” means (i) the semi-annual Interest payments in arrears on April 15 and October 15, beginning on April 15, 2015, (ii) in case of the Early Redemption the Interest will be paid 15 (fifteen) Business Days after a redemption payment notice is given by the Issuer to the Bondholder;

“Interest Period” means a period of six calendar months. The first Interest Period will start on the Issue Date and end on March, 31 2015. In case of an Early Redemption, the Interest Period will end at the Redemption Date for redeemed Bonds;

“Interest Rate” means an interest rate of 7 % (seven percent) per annum;

“Issue” means the issue in one tranche by the Issuer of 6,822,000.- (six million eight hundred twenty two thousand euro) Bonds in denominations of EUR 100.- (one hundred euro) each, and representing an aggregate amount of EUR 6,822,000.- (six million eight hundred twenty two thousand euro);

“Issue Date” means the October 3, 2014;

“Issue Price” means 100 % (plus accrued Interest if any);

“Issuer” means Capelli, a public law limited liability company (*société anonyme*), organised under the laws of France, having its registered office at 2 bis Chemin du Coulouvrier 69410 CHAMPAGNE-AU-MONT-D’OR, France, registered with Register of Commerce and Companies under the number 306 140 039;

“Loan Debt” means any debt incurring of the obligation to repay the amounts, borrowed under contractual commitment, or any financial instrument;

“Mass” means a separate legal entity, acting in part through a Representative, and in part through a General Meeting of the Bondholders for the defence of their common interests;

“Material subsidiary” means a fully owned subsidiary, in the capital of which the Issuer holds, whether directly or indirectly, at least 40% of voting rights (provided that no shareholder holds directly or indirectly, alone or under an agreement, the percentage of voting rights exceeding the percentage, held by the Issuer), and which (i) accounted over 15% of Issuer’s turnover during the last financial year, or (ii) accounts over 15% of Issuer’s consolidated assets at the end of the current financial year, or (iii) accounted over 15% of Issuer’s consolidated income before tax during the last financial year;

“Maturity Date” means September 30, 2019;

“Offer Period” means a period in which investors can commit to purchase the Bonds from July 1, 2014 till September 30, 2014;

“Optimal Redemption Date” means the date which is the fifth (5th) Business Day following the end of the Put Period;

“Paying Agent” means an agent appointed by the Issuer (i) to process the cash payments to be made by the Issuer related to the Bonds, (ii) to process and disseminate Interest Rate and to determine any amount payable under the Bonds, (iii) to maintain the register of Bondholders where the securities are in register form, which is BNP PARIBAS SECURITIES SERVICES PARIS;

“Put Event Notice” shall mean the notice to the Bondholders specifying the nature of the Change of Control, the circumstances giving rise to it and the procedure for exercising the Put Option;

“Put Option” means the option for each Bondholder to require the Issuer to redeem its Bond(s) at 100 % of their principal amount, plus accrued and unpaid Interests if a Change of Control occurs;

“Put Option Notice” means the notice given by a Bondholder willing to exercise its Put Option;

“Put Period” means the period of 45 calendar days after the Put Event Notice is given;

“Redemption Date” means the date on which the Bonds mature or are redeemed/reimbursed;

“Redemption Price” means (i) in the event of Final Redemption 100 % of an aggregate principal amount of the Bonds, plus accrued and unpaid interest (if any) thereon on the Redemption Date and (ii) in the event of Early Redemption by pro rata, the reimbursed part of the nominal amount of the Bonds, plus accrued and unpaid interest (if any) thereon on the Redemption Date;

“Relevant Person” means any person or persons acting in concert, or any person or persons acting on behalf of such person(s);

“Representative” means a representative of the Bondholders, appointed by the Issuer according to article L. 228-47 of French Commercial Code (*code de commerce*) in order to defend the common interests of the Bondholders and to act on behalf of them;

“Subscription Price” means the price at which the Bonds shall be issued at the discretion of the Board of Directors of the Issuer.

1.2. Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise :

- the singular includes the plural and conversely, a gender includes all genders;
- if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- a reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- a reference to a Section, Article, Clause or Schedule is a reference to a section, article of, clause of, or a schedule to, these Terms and Conditions, except to the extent indicated otherwise herein;
- (a reference to an agreement or document (including, without limitation, a reference to these Terms and Conditions) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by these Terms and Conditions or that other agreement or document;
- a reference to legislation or to a provision of legislation includes a modification of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- a reference to a statutory definition includes the definition as amended or replaced from time to time.

2. Purpose of the Issue

The Issuer wishes to accelerate its development, particularly in the sphere of property development. The number of lots under the preliminary purchase agreements, registered buy the Issuer during the last 3 years shows a significant increase in property development operations with a margin of around 25 %. This milestone requires the increase of financing by 6 million eight hundred twenty two thousand euro to support the growth of the Issuer's business.

The object of the Issue is also the development of the Issuer's activities in Luxembourg, France and Germany.

The net proceeds to be received from the Bond offering are expected to be approximately EUR 6,547,000.- (six million five hundred forty seven thousand euro) and will be used for the purposes described here above.

3. Stock exchange or market where the admission to official listing or trading has been requested or will be requested

The Bonds are a new issue of securities for which there currently is no market. We have applied, through our Luxembourg legal counsel, to list the Bonds on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF market.

4. Nature, form and issue of Bonds

Under the present Terms and Conditions, the Issuer issues debt securities (Bonds) in the frame of its general business and in accordance with the French law (articles L.228-38 to L.228-90 of the French Commercial Code). The Bonds are non-complex debt securities.

The Issuer issues in one tranche 6,822,000 (six million eight hundred twenty two thousand euro) of 7 % fixed rate ordinary Bonds, due September 30, 2019, in denominations of EUR 100.- (one hundred euro) each and representing an aggregate principal amount of EUR 6,822,000 (six million eight hundred twenty two thousand euro).

Bonds are issued exclusively in bearer form.

Bonds in dematerialised form ("**Dematerialised Bonds**") will at all times be in book entry in compliance with articles L.211-3 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*). No physical documents of title will be issued in respect of Dematerialised Bonds. Dematerialised Bonds may, at the option of the Issuer, be (i) in bearer dematerialised form (*au porteur*) inscribed in the books of Euroclear France, which shall credit the accounts of account holders, including Euroclear Bank S.A./N.V. and the Clearstream Luxembourg, or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Bondholder, in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with registration agent for the Issuer, or an administered registration form (*au nominatif administré*) in which case they will be inscribed in the accounts of the account holders designated by the relevant Bondholder.

5. The functional currency

The single functional currency of the Issuer adopted for the Bonds is euro (currency of participating member states of the European Economic and Monetary Union as contemplated by the Treaty Establishing the European Union). All payments of principal and interests should be made in euro.

6. The expected Issue Date and the subscription procedure

The Bonds will be issued on the October 3, 2014.

The Offer Period during which the Bonds will be offered for subscription is from July 1, 2014 till September 30, 2014. Dematerialised Bonds will be inscribed in the books of Euroclear France, including Euroclear Bank S.A./N.V. and the Clearstream Luxembourg, which shall credit the accounts of Bondholders, equal to the nominal amount thereof for which it has subscribed and paid.

At the end of the Offer Period the account shall be taken only of the subscriptions, which meet the following conditions :

- the signed subscription agreement has reached the Issuer during the Offer Period;
- the Subscription Price has been transferred to the bank account of the Issuer in accordance with the arrangements of the present Terms and Conditions.

The Board of Directors may, at its sole discretion, accept subscriptions that do not comply with the present article.

The Bonds shall be delivered to the subscriber's account within a period of one month following the relevant Issue Date.

7. Nominal Interest Rate, periodicity of interest payments and calculation of the Interest amount

The Bonds bear an interest at the rate of 7 (seven) per cent annum, calculated at as at the last day of each Interest Period, payable throughout the lifetime of the Bonds on each Interest Payment Date.

Interest on the Bonds will accrue from the most recent date to which interest has been paid or, if no Interest has been paid, from the Issue Date.

The amount of Interest due to each Bondholder shall be calculated by the Issuer by applying the Interest Rate to the nominal amount of each Bond and by multiplying that sum by the exact number of days of the Interest Period concerned divided by 360, the result being rounded to the nearest second decimal (halves being rounded to the decimal above); in case of Early Redemption, the Interest will cease to accrue on the amount of principal repaid.

In the event that the Interest Payment Date falls on a non-business day, the Interest Payment Date shall be deferred to the next following business day without such delay in payment being capable of giving rise to any adjustment to the amount of the interest paid.

Each Bond will cease to bear Interest on the Maturity Date, or, as the case may be, on the relevant Early Redemption Date, unless (i) payment of principal thereof is improperly withheld or refused or (ii) unless default is otherwise made in respect of such payment. In such events Interest will continue to accrue at such rate (both before and after judgment in respect of any legal action or proceedings for the recovery thereof) until whichever is the earlier of (i) the day on which all sums due in respect of the relevant Bond up to that day are received by or on behalf of the Investor, and (ii) the seventh day after notice is duly given to the Investor that sufficient funds for such payment are available at the Issuer's registered office.

8. Maturity, redemption and repurchase

8.1. Final Redemption

The Maturity Date is fixed as at the September 30, 2019.

Unless the Bonds have been previously repaid or repurchased and cancelled, they shall be redeemed in their entirety on the Maturity Date by repayment of the Redemption Price.

For the avoidance of any doubt, the redemption of Bonds during an Interest Period shall not authorize the Issuer to extend the previous Interest Period.

8.2. Early Redemption at the option of the Issuer

The Bonds may be totally or partially redeemed at the option of the Issuer on any Interest Payment Date falling on or after the date of Early Redemption (December 31, 2017).

Such early Redemption should be subject to notice period as described in article 8.5. "Information to the Bondholders concerning Final Redemption and Early Redemption".

In case of partial redemption, such redemption should be made on a pro rata basis (pro rata reduction of the nominal amount of each Bond, rounded to the nearest whole minimum denomination) or based on a method that most nearly approximates a pro rata basis as practicable (subject to the applicable procedures of Euroclear and Clearstream).

- **Partial repayment of the nominal amount of each Bond**

Whether the Issuer proceeds to partial Early Redemption, the nominal amount of each Bond will be reduced by the amount of the principal which is reimbursed.

The amount due on Early Redemption of Bonds shall be the part of the principal amount of the Bonds to be reimbursed, plus Interest on such Bonds, accrued since the last Interest Payment Date till the Early Redemption Date.

The decision to partly reimburse the Bonds must be irrevocably notified by the Issuer upon not less than 15 (fifteen) and nor more than 60 (sixty) days' notice prior to the relevant Redemption Date in accordance with article 8.5. below.

If the Issuer has given notice of redemption of the Bonds, he shall by 12:00 (Paris time) on the relevant Redemption Date :

- irrevocably deposit with the Paying Agent funds sufficient to pay the Redemption Price, including the amount of accrued interest and unpaid interest for the current Interest Period to the Bondholders; and
- give the Paying Agent irrevocable instructions and authority to pay the Redemption Price to the Holders of Bonds.

If the Issuer has given notice of redemption of Bonds and the funds have been deposited as required here above, then on the date of such deposit :

- such Bonds will be considered outstanding only for the amount of the principal, remaining after the Early Redemption;
- the Interest will cease to accrue on the amount of principal repaid; and
- the Holders of such Bonds will be entitled to receive the repayment of the principal of the Bonds over the remaining term to maturity (reduced by the amount of principal, which had been previously repaid), plus the Interest, accrued on such remaining amount of principal.

8.3. Early Redemption in the Event of Default

An Event of Default is an event or circumstance referred below.

The Representative of the Bondholders may, according to the decision of the General Meeting of the Shareholders of the Issuer, deliberating pursuant to the quorum and majority requirements applicable to ordinary general meetings, merely by simple written request addressed to the Issuer (the institution which is in charge of the service of the securities should be notified in copy), require all the Bonds to be redeemed (in whole or in part) at par plus the Interest, accrued since the last Interest Payment Date till the Final Maturity Date, in the following cases :

- if the Issuer fails to pay the principal or any Interest on the Bonds when due and such failure continues for a period of 30 (thirty) calendar days, starting from the receipt by the Issuer of written notification of default from the Representative of the Bondholders; or
- default is made in performance of, or compliance with, any obligation of the Issuer in respect of the Bonds (other than non-payment as described under (a) above) and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default shall not been remedied within 30 (thirty) calendar days after receipt by the Issuer of written notification from the Representative of the Bondholders; or
- in the event of non-payment by the Issuer or its Material Subsidiary of any current or future Loan Debt, which exceeds the amount of EUR 2,000,000.- (two million euro), or its equivalent in another currency, when due (taking into account grace periods); or
- in the case of Early Redemption on a current or future Loan Debt of the Issuer or one of its Material Subsidiaries, provided that in each case the aggregate amount of financial indebtedness in respect of which the event mentioned in this paragraph have occurred, equals or exceeds EUR 2,000,000.- (two million euro) or its equivalent in another currency;
- in the case of the Issuers dissolution, voluntary or compulsory liquidation or in case of judgement ordering the sale of the entire business of the Issuer, or in case of an equivalent procedure, unless (i) the liquidation or dissolution was previously approved by the Bondholders or (ii) the new entity assumes the debts and the obligations of the Issuer, or (iii) to the full extent permitted by law, if the Issuer is a subject to the conciliation procedure in accordance to the articles L.611-4 and following of the Commercial Code of France (*Code de Commerce*), or (iv) if the Issuer is a subject to the safeguard or equivalent procedure in accordance to the articles L.620-1 and following of the Commercial Code of France, or (v) if the Issuer is in the situation of suspension of payments or failed to settle a payment, or in an equivalent situation, or (vi) the Issuer is in the event of insolvency or winding-up.

8.4. Early Redemption at the option of the Bondholders upon a Change of Control.

Upon the occurrence of a Change of Control affecting the Issuer, each Bondholder will have the option to require the Issuer to redeem its Bond (s) at 100 % of their principal amount, plus accrued and unpaid Interest (the “**Put Option**”).

Promptly upon becoming aware that a Change of Control has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders specifying the nature of the Change of Control, the circumstances giving rise to it and the procedure for exercising the Put Option.

To exercise the Put Option, to require redemption or, as the case may be, purchase of the Bond(s), a Bondholder must transfer (or cause to be transferred by its account holder) its Bond(s) to be so redeemed or purchased to the account of the Paying Agent (details of which are specified in the Put Event Notice) for the

account of the Issuer within the period of 45 calendar days after the Put Event Notice is given (the “**Put Period**”), together with a duly signed and completed notice of exercise in the then current form obtainable from the specific office of any Paying Agent (a “Put Option Notice”) and in which the holder may specify an account denominated in euro to which payment is to be made. A Put Option Notice once given will be irrevocable.

If no Put Option Notice is delivered during the Put Period, the Bondholders will be deemed to have accepted the Change of Control and will forfeit any right to reimbursement of their Bonds upon a Change of Control.

The Issuer shall redeem or, at its option, procure the purchase of the Bond(s) in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bond(s) to the account of the Paying Agent for the account of the Issuer as described above, on the date which is the fifth (5th) Business Day following the end of the Put Period (“the Optimal Redemption Date”). Payment in respect of any Bond so transferred will be made in euro on the Optional Redemption Date to the account denominated in euro (or any other account to which euro may be credited or transferred) specified in the relevant Put Option Notice.

The ability of the Issuer to repurchase the Bonds upon such a change of control event would be limited by its access to funds at the time of the repurchase. Upon a change of control event, the Issuer may be required immediately to repay the outstanding principal, any accrued Interest on and any other amounts owed by him in such matters. The source of funds for these repayments would be the available cash of the Issuer or cash generated from other sources. However, the Issuer cannot assure that he will have sufficient funds available upon a change of control to make these repayments and any required repurchases of tendered Bonds.

8.5. Information to the Bondholders

Notice of a decision of the Issuer to proceed to the Final Redemption shall be, no later than 60 (sixty) days before the payment date, published in the Official Journal, in a national financial newspaper in France (to the extent required by applicable French law or regulations at that time), and on the official web-site of Luxembourg Stock Exchange (www.bourse.lu).

The notice of the abovementioned decision shall be disseminated by Euroclear France, Euroclear Bank SA/ NV and Clearstream banking, a public law limited liability company (*société anonyme*), Luxembourg.

This notice shall provide the Bondholders with all necessary information and will indicate :

- the Redemption Date, Redemption Price and any Interest to be paid upon such redemption;
- the name and address of the Paying Agent;
- the total number of Bonds to be redeemed;
- the total principal amount of Bonds to be repaid and the euro amount of Interest which will be paid on the redeemed securities upon redemption.

In a case of Early Redemption the notice period may be reduced to 15 (fifteen) days.

The Issuer shall publish on the in the Official Journal, in a national financial newspaper in France (to the extent required by applicable French law or regulations at that time) and on the official web-site of Luxembourg Stock Exchange (www.bourse.lu) the following information :

- relating to major new events in its sphere of activity which are not public knowledge and which may significantly affect its ability to meet its commitments;
- relating to any change in the rights of Bondholders, resulting from a change in loan terms or in interest rates; and

- relating to new loan issues on a market, other than that, which is operated by the Luxembourg Stock Exchange and in particular of any guarantee or security in respect thereof, except (i) international government bodies of which at least one Member State is a member, (ii) Member States and (iii) their regional or local authorities.

The Issuer shall provide the Luxembourg Stock Exchange with any additional information considered necessary for the protection of the Bondholders and the smooth functioning of the market.

Should the protection of the Bondholders or the smooth functioning of the market so require, the Issuer undertakes to publish at the request of the Luxembourg Stock Exchange certain information in such a form and within such time limits as the Luxembourg Stock Exchange considers appropriate. In a more general way, the Issuer undertakes to notify the Luxembourg Stock Exchange of any information that could potentially affect the valuation of Bonds.

9. Paying Agent

The Paying Agent is :

BNP PARIBAS SECURITIES SERVICES PARIS

Les Grands Moulins de Pantin - 9 rue du Débarcadère - 93500 Pantin

The Issuer and the Paying Agent shall in no circumstances be liable vis-à-vis the Bondholders or any other person for any costs, commissions, losses or other expenses connected with or deriving from any transfer in euros or conversions of currencies or roundings relating thereto.

10. Guarantee and status of the Bonds

The Bonds are not guaranteed by the third party, but solely assured by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and equally with all other existing and future unconditional, unsubordinated and unsecured obligations of the Issuer.

The Issuer commits, not to provide guarantee neither by mortgaging its property or property rights it possesses or will possess, nor by pledging of all or part of its present or future assets and/or revenues, until an effective reimbursement date of all Bonds for the benefit of another holders of notes or securities, which are debt securities, issued by the Issuer and admitted to trading on a regulated or unregulated market, without giving the same guarantees and of the same rank to the holders of notes. The present commitment relates exclusively to the securities, granted in favour of holders of other bonds or other negotiable securities, representing debt securities, issued by the Issuer and admitted for trading on a regulated or unregulated market, and does not affect the freedom of the Issuer to dispose its assets or to grant any security in respect of such assets in any other circumstances.

Each person shown in the books of Euroclear or Clearstream Luxembourg as the owner of those securities in respect of a specified amount shall be considered by the Issuer as an owner of that amount.

The ISIN code for the Bonds shall be FR0012127322 and the common code shall be 110403178.

11. Payments to the Bondholders

Payments of the principal and Interest due in respect of the Bonds shall be made euro in immediately available funds by the Paying Agent through the international clearing systems, which in turn shall transfer the funds to their direct participant in favour of the final beneficiaries or the Holder of Bonds.

In any event, the delivery of the payment shall be carried out in accordance with the payment rules and procedures followed by Euroclear or Clearstream, Luxembourg. The Bonds have been accepted for clearance and settlement through Euroclear and Clearstream, Luxembourg.

Every payment thus validly made in favour of the following link in the payment chain shall discharge the initiator of the payment from its responsibility.

If the payment of the Interest due in respect of any of the Bonds is subject, by virtue of Council Directive 2003/48/EC of 3 June 2003 (the “**Directive**”) or any other agreement concluded between the European Union and third states providing for measures equivalent to that Directive, to a retention at source, Holders of Bonds shall be obliged to pay the said retention.

12. Cancellation of Bonds

The Bonds redeemed at Maturity Date or those, which are redeemed totally by the way of Early Redemption, shall be immediately cancelled.

The Bonds, which are partially reimbursed by the way of Early Redemption, are not cancelled. In the following case the nominal amount of each Bond will be reduced by the amount of principal, which is reimbursed.

13. Prescription period

Claims against the Issuer for payment of Interest in respect of the Bonds shall be prescribed and become void unless made within 5 (five) years from the appropriate relevant date in respect of them.

Any recourse to the Issuer as for the repayment of principal of the Bonds shall be prescribed and become void, made within 10 (ten) years from the appropriate relevant date in respect of them.

14. Representation of Bondholders

Under the current French legislation, holders of debt securities are automatically grouped in a Mass in order to defend their common interests.

The Mass will be a separate legal entity and will act in part through a Representative of the Mass and in part through a General Meeting of the Bondholders.

Under the current French legislation, each Bond shall carry the right to one vote. The General Meeting may validly act only if the Bondholders present or represented hold at least one fourth of the Bonds with voting rights at the first convocation and one fifth at the second convocation. Decisions of the General Meeting will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the Bondholders attending such General Meeting or represented thereat). No quorum is required to convoke the General Meeting of the Bondholders.

The Mass alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Bonds.

Under the French insolvency law, if a preservation (*procédure de sauvegarde*) including an accelerated final preservation (*procédure de sauvegarde financière accélérée*), or a juridical procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer, the Mass may authorize the

Representative of the Mass to require all the Bonds to be redeemed pursuant to article 8.3 above of the present Terms and Conditions.

The Mass comprises the holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme and regardless of their governing law.

The Mass is represented by one or more Representatives elected by the General Meeting of the Bondholders. In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternative Representative, an alternative will be elected by the General Meeting of the Bondholders.

The Representative shall (in absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternative Representative at the head office of the Issuer.

Any legal proceedings against the Bondholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

According to the article L.228-47 of the Commercial Code (*Code de commerce*), is designated as a Representative of the Mass the following person :

Philippe Laurent

46, chemin des Bruyères

Parc Innovalia, 69170 Dardilly, France

The following person is designated as an alternative Representative:

Frederic Vetrano

having its professional address at 2 bis chemin du Coulouvrier

69410 Champagne-au-Mont-d'Or

The General Meeting shall be held at the registered office of the Issuer or in a place, set out in the notice convening such General Meeting. Each Bondholder or Representative thereof will have the right, during the 15 day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Bondholder at the registered office of the Issuer during usual business hours and at any other place specified in the notice of the General Meeting.

15. Indication of the resolutions, authorisations and approvals by virtue of which the Bonds have been or will be created and/or issued.

The Board of Directors of the Issuer has approved at its meeting on June 24, 2014 the issuance of Bonds and fixed the present Terms and Conditions of this Issue, and sub-delegated all powers to the Chief Executive Officer in order to implement the issuance of Bonds and to decide the final terms and conditions of the Bonds Issue.

In accordance with the delegation of powers conferred to him by the Board of Directors, the Chief Executive Officer decided to proceed on October 3, 2014 to an issuance of the Bonds under the conditions specified in this prospectus.

16. Restrictions on the free transferability of Bonds

There are no provisions in the law or imposed by the Terms and Conditions of the Bonds Issue on the free negotiability of the Bonds, except those indicated below.

16.1. Private placement

The Bonds are offered in a private placement designed for qualified investors, accepted by the Issuer. No offer will be made to the public in respect of the Bonds. No action will be taken in any jurisdiction by the Paying Agent or by the Issuer that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of the prospectus or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Issuer and the Paying Agent has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute the prospectus, or any part thereof, any advertisement, or other document or information in any country or jurisdiction except under circumstances that the Issuer or Paying Agent believes in good faith, on reasonable grounds after making all reasonable investigations, result in compliance with any applicable laws and regulations.

Applications may only be made by the European investors who are “qualified investors” and must be for a minimum consideration of EUR 125,000.- (one hundred twenty five thousand euro).

16.2. United States

The Bonds have not been and will not be registered under the United States Securities Act of 1933, (the Securities Act) as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The terms **United States** and **U.S.** persons used in this paragraph have the meanings given to them by Regulation under the Securities Act.

17. Assimilation clauses and subsequent issues

In the event that the Issuer subsequently issues the new bonds enjoying in every respect rights identical to those of the Bonds (or identical in all respects except for the Issue Price), it may, subject to the applicable legal provisions and provided that the contract for the issue of the new bonds so provides, proceed to assimilate the totality of the securities of the successive issues, thereby unifying the totality of the operations relating to their management, negotiation or repayment.

In the event of such assimilation, the Bondholders and the holders of such further bonds will be grouped together in a single Mass for the defence of their common interests. References in these Terms and Conditions to the Bonds include any other bonds, issued pursuant to these Terms and Conditions and assimilated with the Bonds.

18. Governing law and jurisdiction

The indenture, the Bonds and all other transaction documents relating to the Bonds will be governed by and constructed in accordance with French law.

The courts of France are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this prospectus and the Bonds, and any non-contractual obligations arising out of or in

connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the prospectus or the Bonds, may be brought in such courts.

19. Rating

The Issuer is rated by a credit rating agency Scope Ratings GmbH, accredited by ESMA. Scope Ratings has a central office in Berlin (Lennéstraße 5 D-10785 Berlin, Germany) and is authorised to operate in the European Union.

The Issuer's corporate rating is publicly available and may be consulted on the web site of Scope Ratings GmbH: www.scooperatings.com

The Board of Directors is authorised to change the rating agency at its sole discretion.

20. Miscellaneous

Any provision of these Terms and Conditions may be amended but no amendment shall be binding unless and until it shall have been recorded in writing signed by both the Issuer and the Bondholder.

If any provision or any portion of these Terms and Conditions shall be held invalid or unenforceable :

- the remaining portion of such provision and the remaining provisions of these Terms and Conditions shall not be affected thereby;
- the application of such provision or portion of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby.

IV. TAXATION

1. EU TAXATION

The following is a summary limited to certain tax considerations applicable under the laws of the European Union relating to the Bonds that may be issued under the prospectus. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the tax consequences of any investment in or ownership and disposition of the Bonds.

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or certain limited types of entities established in that other Member State (the **Disclosure of Information Method**).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain entities.

However, throughout a transitional period, certain Member States (the Grand Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax is 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

2. FRANCE – TAXATION

The following is a summary limited to certain withholding tax considerations applicable under laws of France relating to the Bonds that may be issued under the prospectus and that are not held by a Bondholder who is concurrently holding shares of the Issuer. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the tax consequences of any investment in or ownership and disposition of the Bonds.

Withholding Tax

Bonds which are not consolidated (*assimilables*) for the purpose of French law and do not form a single series with Bonds issued before 1 March 2010.

Payments of interest and other revenues made by the Issuer with respect to Bonds issued from 1 March 2010 will not be subject to the withholding tax set out under article 125 A III of the French General Tax Code (*code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of article 238-0 A of the French General Tax Code (a **Non-Cooperative State**). If such payments under the Bonds are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of article 125 A III of the French General tax Code.

Furthermore, according to article 238 A of the French General Tax Code, interest and other revenues on such Bonds will no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be re-characterised as constructive dividends pursuant to article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under article 119 bis of the French General Tax Code, at a rate of 30 per cent or 75 per cent subject to the more favourable provisions of an applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under article 125 A III of the French General Tax Code nor the Deductibility Exclusion will apply in respect of an issue of Bonds if the Issuer can prove that the principal purpose and effect of such issue of Bonds was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the regulations BOI-INT-DG-20-50-20120912, no. 990, BOI-RPPM-RCM-30-10-20-50-20120912, no. 70, BOI-INT-DG-20-50-20120912 no. 550, BOI-ANNX-000366-20120912, no. 90, and BOI-ANNX-000364-20120912, no. 2, an issue of Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Bonds, if such Bonds are:

- offered by means of a public offer within the meaning of article L.411-1 of the French "*Code monétaire et financier*" or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an equivalent offer means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of article L.561-2 of the French "*Code monétaire et financier*", or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Bonds which are consolidated (*assimilables*) for the purpose of French law and form a single series with Bonds issued before 1 March 2010.

Payments of interest and other revenues made by the Issuer, with respect to Bonds which are consolidated (assimilables for the purpose of French law) and form a single series with Bonds issued before 1 March 2010 with the benefit of article 131 quater of the French General Tax Code will be exempt from the withholding tax set out under article 125 A III of the French General Tax Code.

Bonds issued before 1 March 2010 and constituting obligations under French law, or “*titres de créances négociables*” within the meaning of regulations BOI-RPPM-RCM-30-10-30-30-20120912, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of article 131 quater of the French General Tax Code, in accordance with the above mentioned regulations.

In addition, interest and other revenues paid by the Issuer on Bonds which are to be consolidated (assimilables for the purpose of French law) and form a single series with Bonds issued before 1 March 2010 will not be non-deductible in application of article 238 A of the French General Tax Code and will not be subject to the withholding tax set out in article 119 bis of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

V. DESCRIPTION OF THE ISSUER

1. General information about the Issuer

1.1. Corporate name and trade name of the Company

CAPELLI (the “Company” or the “Issuer”, and together with its subsidiaries and consolidated shareholdings, the “Group”). The trade name is not applicable.

1.2. Legal form, registered office and registration number

The Issuer is a public limited liability company with a board of directors (*société anonyme à conseil d'administration*). The registered office of the Company is at 2 bis, Chemin du Coulouvrier - 69410 Champagne-au-Mont-d'Or, France. CAPELLI is registered with the Trade and Companies Register of France (*Registre du Commerce et des Sociétés*) in Lyon under the number 306 140 039.

1.3. Legislation governing the activities of the Company

The Company is governed by the laws of France, and in particular by the general company law and the provisions of the Book II of French Commercial code.

1.4. Country of origin, date of incorporation, duration and accounting period of the Issuer

The Issuer's country of origin is France. CAPELLI was incorporated on 19 May 1976 with a limited duration until December 31, 2036. The financial year begins on April 1 of each year and ends on March 31 of the following year.

1.5. Corporate object

As set out in Article 2 of its articles of association the Issuer's corporate object is :

- *study, development and delivery, on their own behalf or on behalf of any third party, of any real estate projects, their commercialization or any part or all of these tasks;*
- *the sale, in whole or in part, of any real property or real property rights;*
- *to act as an estate agent, planner or estate developer;*
- *to acquire shareholding interests in companies of any type of corporate object;*
- *the financial and administrative management in any company;*
- *to create, acquire, operate, sell, lease, or rent out all industrial or commercial facilities relating to the above mentioned object; and*
- *any financial, real estate or movable property transactions relating directly or indirectly to its corporate object and to all similar or related objects of such nature as to promote its accomplishment or development for itself or on behalf of third parties or through all forms of participation.*

1.6. Articles of association

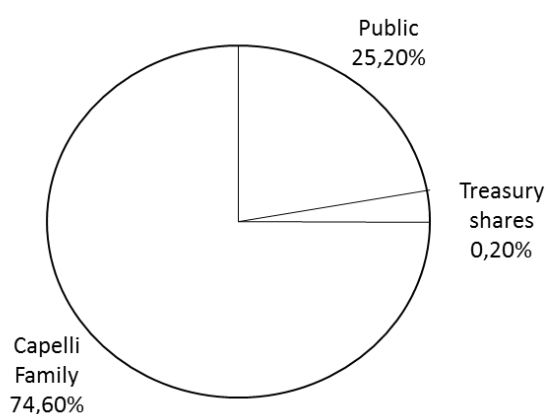
The Issuer's articles of association may be consulted by investors during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Issuer as stated above at any time after the date of this prospectus.

1.7. Share capital

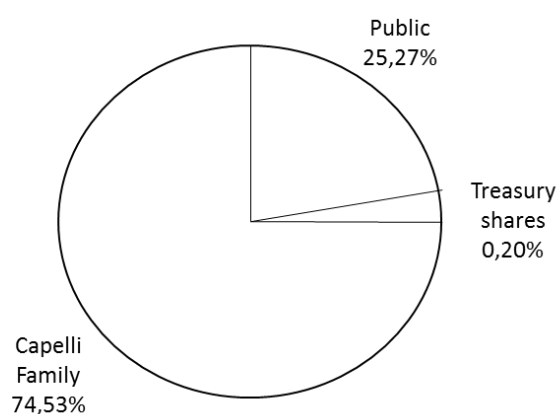
The share capital is set at EUR 15,139,200.- (fifteen million one hundred thirty nine thousand two hundred euro) composed of 13,280,000. shares of EUR 1,14.- (one euro fourteen cent) each. All shares are in a registered form and fully paid up.

Share capital breakdown at March 31, 2014 is described below :

Share capital breakdown



Distribution of voting rights



The percentage of voting rights is calculated in accordance with the provisions of the article 223-11 of the General Regulation of French Financial Markets Authority (*Aurorit  des marches financiers*) (shares to which voting rights are attached, including treasury shares without voting rights.)

The Issuer's shareholder's structure is described in details in paragraph 1.2. of the management report (available on demand of any person concerned, or on the website of the Issuer :

http://www.groupe-capelli.com/entreprise/docs_a_telecharger.php)

1.8. Stock market data¹

Date of introduction on the Free Market	October 28, 2004
Transfer to Eurolist C	October 27, 2005
Code ISIN	FR0010127530
Code Bloomberg	CAPLI FP
Code Reuters	CAPLI.PA
Market	Eurolist C
Listing	Continued
Sector	8730 real estate
Subsector	8733 participation and real estate development
Deferred settlement service	No
PEA (Equity Savings Plan)	Yes
Number of securities	13,280,000. shares

¹ Source : Euronext

Share capital at 31 March 2013	EUR 15,139,200.-
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Data at 1st April to March 31	2012/2013	2013/2014
Number of shares	13 280 000	13 280 000
The highest price (in euro)	1,60	1,99
The lowest price (in euro)	1,11	1,26
Average exchanged amount for the period	12 760	11 336
The last price of the year (in euro)	1,49	1,81
Market capitalization at 31.03 (in thousands of euro)	19 787	24 037

At March 31, 2014 Capelli's financial security completed the trading session at EUR 1,81. up 21 % compared to the closing date of the financial year 2013/2014.

CM-CIC (the company ensuring Group's financial support) is currently carrying out Group's financial analysis and performs the regular updates required.

In 2013 and 2014 Bil Finance, Louis Capital Markets and GreenSome Finance also conducted specific studies concerning the Group.

1.9. Documents available

For so long as Bonds issued under the present offering remain outstanding, the following documents will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, free of charge, at the registered office of the Issuer :

- articles of association of the Issuer;
- the published annual report, audited consolidated accounts of the Issuer for the two last financial years as well as the interim report;
- a copy of this prospectus together with any supplement to this prospectus or further prospectus;
- all reports, letters and other documents, historical financial statements, financial notices intended for Bondholders, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this prospectus;
- the names and addresses of the representative(s) and the alternative representative(s) of the mass of bondholders; and
- any future annual and interim financial statements and reports of the Issuer published twice a year.

All financial notices concerning the Issuer and addressed to investors will be published on the website of the Issuer at <http://www.groupe-capelli.com/> as well as on the website of the Luxembourg Stock Exchange at <https://www.bourse.lu/>. These notices will also be available at the registered office of the Issuer.

1.10. Group's overview and Issuer's position within the Group

The Issuer is a parent company of the CAPELLI Group specialized in urban planning, housing estate and real estate development. The urban planning is the main economic activity of the parent company CAPELLI S.A. In accordance with IFRS standards this activity represents at March 31, 2013 more than 70 % of the turnover of the same activity of the Group.

The Issuer is also delivering different kinds of services to its subsidiaries. CAPELLI S.A. is providing administrative, commercial and financial management of the Group via its own support functions. When appropriate, these services are charged at their cost price.

The Issuer may also be required to charge some technical fees to some of its subsidiaries and to act as a guarantor in order to guarantee the loans contracted by its subsidiaries.

The companies CAPELLI PROMOTION and 2C AMENAGEMENT are respectively specialized in real estate development and housing estate. They lead their activities generally through the subsidiaries created for the purpose of a single operation.

The company CAPELLI SUISSE with a registered office in Geneva County (Switzerland) have been created during the 2012/2013 financial year and will lead the Group's operations in that country.

The company CAPELLI LUX (Luxembourg), public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, has been created during 2013/2014 financial year and will lead the Group's operations in that country.

The company FINANCIERE CAPELLI holds a part of Group's immovable assets and provides its rental management. CAPELLI FINANCEMENT is a credit broker for individuals wishing to acquire a property whether or not through an operation of the Group.

Other Group's subsidiaries are mainly focused on the activity of real estate development and housing estate (SCI, SNC). Marginally, these special structures are created in association with a real estate professional. The participating interests are generally 50/50. It allows economic optimization and sharing skills and expertise. Sometimes, in order to strengthen cooperation, the Group also offers minority interests from 5 to 10 % to some of its banking partners.

1.10.1. Subsidiaries and affiliates at March 31, 2014

The list of subsidiaries and affiliates whose capital is directly held by the Issuer for more than 50 % at March 31, 2014 :

In K€ Subsidiaries and affiliates whose share capital is held up to 50 % by the Issuer	Share capital	Retained earnings and earnings carried forward	Ownership share in %	Book value of the securities held		Bails and guarantees	Turnover taxes excluded	Income for the last financial year	Dividends paid	Current accounts
				Brut	Net					
SAS 2C AMENAGEMENT	500,0	4 811	70,0%	3 210,2	3 210,2	-	508	(327)	-	(2 191)
SAS CAPELLI PROMOTION	370,0	2 507	99,0%	3 861,0	3 861,0	-	127	2 784	-	(444)
SAS FINANCIERE CAPELLI	150,0	891	99,8%	272,9	272,9	-	155	47	-	(480)
CAPELLI LUX SA	100,0	-	100,0%	100,0	100,0	-	-	(226)	-	150
SNC LES COTEAUX DE LOGRAS	1,0	-	70,0%	0,7	0,7	-	-	(47)	-	201
SNC CAPELLI B1	0,5	-	98,0%	0,5	0,5	-	-	0	-	5
SNC CAPELLI B2	0,5	-	98,0%	0,5	0,5	-	-	(11)	-	(14)
SNC CAPELLI B3	0,5	-	98,0%	0,5	0,5	-	70	9	-	67

SCI MOUSSEUX	1,0	-	70,0%	0,7	0,7		173	(13)	-	338
SNC CL INVEST	1,0		99,0%	1,0	1,0	-	-	(1)	-	(1)
SNC ORANGE	0,5	-	52,0%	0,3	0,3	-	1 189	202	-	1 503
SCI LES JARDINS DE LEANE	1,0	-	80,0%	0,8	0,8	-	197	(4)	-	17
SAS CAPELLI FINANCEMENT	1,0	7	100,0%	1,0	1,0	-	122	45	-	(1)
SNC LE HAMEAU DES RASSETTETS	1,0	-	99,0%	1,0	1,0	-	-	2	-	2
SNC FONCIERE DE L'EST LYONNAIS	0,5	-	98,0%	0,5	0,5	-	5	59	-	14
SCI LE CLOS DE LUCIE	0,5		52,0%	0,3	0,3		-	-	-	0
SA CAPELLI SUISSE	245,9	-	77,7%	190,4	190,3	-	-	(1 002)	-	1 576

The list of subsidiaries and affiliates whose capital is held by the Issuer from 10 to 50 % at March 31, 2014 :

In K€ Subsidiaries and affiliates whose capital is held by the Issuer from 10 % to 50 %	Share capital	Retained earnings and earnings carried forward	Ownership share in %	Book value of held securities		Bails ans guarantees	Turnover taxes excluded	Income for the last financial year	Dividends paid	Current accounts
				Brut	Net					
SNC DOMAINE DE L'ENTAY	1,0	-	50,0%	0,5	0,5	-	-	(4)	-	82
SCI L'AMBASSADEUR	1,0	-	25,0%	0,3	0,3	-	-	-	-	14
SNC LES VERCHERES	1,0	(5)	50,0%	0,5	0,5	-	nc	nc	-	10
SCI LA DEMEURE DE LUCIE	1,0	-	50,0%	0,5	0,5	-	-	-	-	157
SNC St MAURICE DE VERCHERES	1,0	-	50,0%	0,5	0,5	-	-	-	-	40
SAS JARDINS DU VAL DE PONS	1,6		37,5%	0,6	0,6		-	(13)	-	452
SAS L2C DEVELOPPEMENT	1,2	-	33,5%	0,4	0,4	-	-	(9)	-	1 125
SNC LES CHEMINS DU BACON	0,5		40,0%	0,2	0,2		-	(22)		696
SNC LES JARDINS DE CHAMPAGNE	1,0	-	50,0%	0,5	0,5	-	-	(52)	-	567

1.10.2. Balance sheet dates

All companies are closing the fiscal year at 31 of March of each year, except the following companies :

- SNC LES VERCHERES;
- SCI L'AMBASSADEUR;
- SNC LES RESIDENCES DU CENTRE;
- SCI LES RESIDENCES FLORENTIN;
- SCI LES ALLEES PASCALINE;
- SCI LES RESIDENCES DU CLEZET;
- SCI LA DEMEURE DE LUCIE;
- SA LES RESIDENCES DE PIERRE LONGUE;

- SA LE CLOS DE PIERRE LONGUE;
- SEP RIGAL.

Within the framework of the consolidation of Group's accounts all the subsidiaries whose fiscal year closing date is different from the one of the parent company, where subject to financial position at March 31, 2014 through a reconstitution of the period from April 1, 2013 to March 31, 2014.

1.10.3. Changes in percentage of equity rights

No changes in equity rights have been recorded during the accounting period for the companies whose capital held by the Issuer whether directly or indirectly.

1.10.4. Acquisitions of direct equity holdings during the year 2013/2014

- CAPELLI LUX SA : Public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, owned by the Issuer at 100 %;
- SCI MOUSSEUX : 70 % of shares subscribed by the Issuer;
- SNC CHEMIN DU BACON : 40 % of shares subscribed by the Issuer with double voting rights and 57.14 % of control;
- SAS LES JARDINS DU VAL DE PONS : 37.5 % of shares subscribed by the Issuer with double voting rights and 54.55 % of control;
- SNC LE CLOS DE LUCIE : 52 % of shares subscribed by the Issuer;
- SNC CL INVEST : 99 % of shares subscribed by the Issuer and 1 % des of shares subscribed by CAPELLI PROMOTION SAS;
- SAS L2C DEVELOPPEMENT : 33.3 % of shares with double voting rights owned by the Issuer with 50.19 % of control;
- SCCV LES RESIDENCES DU VERGER : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE CLOS ROMEO : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE DOMAINE DE LA BORNETTE : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE MONT D'ARBOIS : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LES ALLEES DU MARQUIS : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE CLOS SAINTE CATHERINE : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE CLOS DU MIDI : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LES PRES MARGUERITE : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE CLOS FLEURY : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LES JARDINS DE LA TOUR : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LES VILLAS DU MOULIN : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LE CHABLAIS DE BEAUMONT : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer;
- SCCV LES JARDINS DU CHATEAU : 99 % of shares subscribed by CAPELLI PROMOTION SAS and 1 % of shares subscribed by the Issuer.

1.10.5. Acquisitions of indirect equity holdings during the year 2013/2014

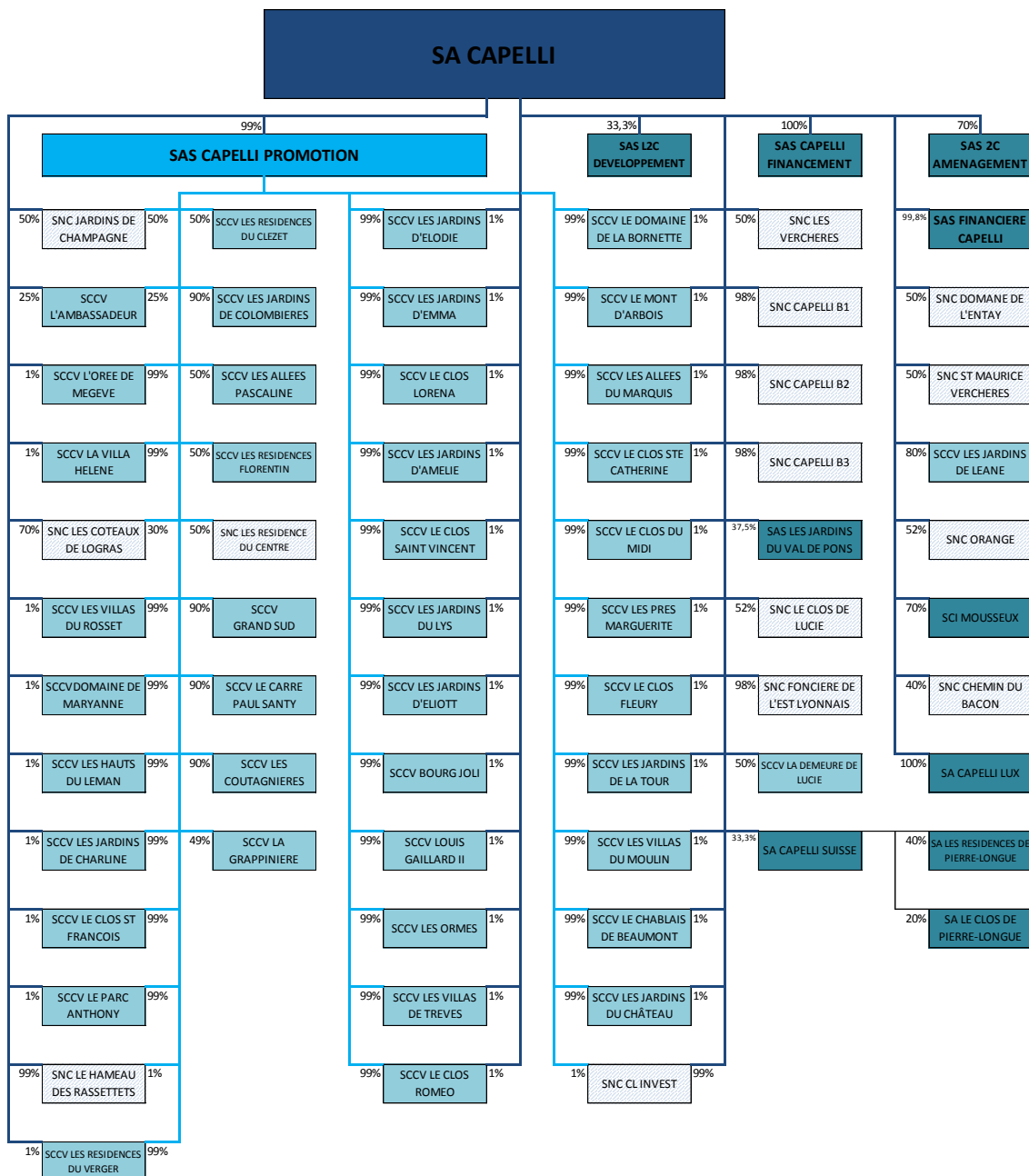
- SA LES RESIDENCES DE PIERRE LONGUE : 40 % of shares owned by CAPELLI SUISSE;
- SA LE CLOS DE PIERRE LONGUE : 20 % of shares held by CAPELLI SUISSE.

1.10.6. Liquidations or transfer of equity holdings in 2013/2014

The following companies have been dissolved or liquidated during this year with no significant impact on the consolidated financial statements of the Group :

- SCCV LES JARDINS D'ALICE;
- SCCV LES JARDINS DE FLORANGE;
- SCCV LE HAMEAU D'AMANDINE;
- SCCV LE MAZARIN;
- SNC CAPELLI B4;
- SARL CLOS SAVETIER.

1.10.7. Group's organizational structure at March 31, 2014



2. Business overview of the Issuer

In accordance with article 1.4. of the present section of this prospectus the Issuer is closing its statutory financial statements at March 31 of each year.

The information concerning the Issuer's activity produced below contains the financial statements for the financial year ending on March 31, 2013 and the financial year ending on March 31, 2014 set out as a comparative table.

2.1. Issuer's financial position and developments within the Group during the year 2013/2014

The Issuer holds directly or indirectly participations in the subsidiaries of the Group.

At Group level, the Issuer's main responsibilities are :

- definition and management of the Group's strategy;
- development and maintenance of information systems;
- definition of the policy of land purchases and management of the suppliers' relation;
- monitoring of collection of customer receivables;
- technical operations' monitoring through its status of project owner;
- financial and budgetary control, financing and off-balance sheet management, financial communication and investors relation management; and
- institutional communication.

The Issuer is delivering different kinds of services to its subsidiaries. It provides administrative, commercial and financial management to the Group via its own support functions. When appropriate, these services are charged at their cost price.

Annual accounts of the Issuer, closed at March 31, 2014, were stated in accordance with French legal rules and in accordance with the same accounting policies and methods as those used while preparing financial statements of the previous year.

2.1.2. Profit and loss statement of the Issuer

In €	2013/2014	2012/2013
Turnover	19 709 496	19 763 481
Operating income	3 180 181	1 668 540
Financial income	(911 081)	(589 043)
Joint operations	89 902	1 123 035
Current income	2 359 002	2 202 532
Exceptional income	673 581	(150 084)
Income for the period	1 484 835	1 225 724

The turnover of the Issuer is of EUR 19,709,496. at March 31, 2014 compared to EUR 19,763,481. for the previous financial year. More than 61 % of the revenue is due to the housing estate, and the rest corresponds to the services provided mainly to the Group's subsidiaries. The good control of purchases and external expenses allows to ensure a fairly stable added value of EUR 7,688,580. for the 2013-2014 financial year against EUR 5,971,608 at March 31, 2013.

Other expenses also remain stable over financial year and represent EUR 4,508,399. against 4,303,068. in the year 2012/2013. These expenses consist mainly of the following types of charges :

- taxes : EUR 468,453. against EUR 433,836. during the previous year;
- salaries and wages : EUR 2,645,521. against EUR 2,538,680. during the previous year;
- social contributions and benefits : EUR 1,013,285. against EUR 965,848. during the previous year.

Taken together, net operating expenses increased to EUR 16,529,315. at March 31, 2014 against EUR 18,094,941. at March 31, 2013. Thus, the operating income is of EUR 3,180,181. against EUR 1,668,540. during the last year.

The financial result is of EUR 911,081. compared to EUR 589,043. over the last year.

These changes are mainly due to the raising of EUR 11,7. M² as part of the initial bond offering (“IBO”) operated late 2012, as the accrued interests are of EUR 818,678. compared to EUR 263,796. in 2012/2013.

After taking into consideration (i) the income of joint operations of EUR 89,902. against EUR 1,123,035. (SCI and SNC held by the Issuer), (ii) the exceptional result of EUR 673,581. against EUR - 150,084., (iii) the employee participation of EUR - 46,085., (iiii) and the corporate tax of EUR - 1,501,663. the result of the financial year shows a net profit of EUR 1,484,835. compared to EUR 1,225,724. over the 2012-2013 year.

2.1.3. Balance sheet of the Issuer

In €	31.03.2014	31.03.2013
Equity holdings & receivables from equity holdings	7 651 789	7 549 267
Other fixed assets	2 507 983	1 121 534
Inventories	23 461 453	24 577 419
Other assets	11 512 810	14 508 374
Cash and current accounts	22 432 414	23 464 921
Assets	67 566 449	71 221 516
Equity capital	30 655 735	30 363 820
Financial indebtedness and current accounts	26 099 583	26 863 290
Other liabilities	10 811 131	13 994 406
Liabilities	67 566 449	71 221 516

Equity securities and receivables related are of EUR 7,651,789. at March 31, 2013 against EUR 7,549,267. at March 31, 2014. Thus an increase of 102,522. is recorded for the financial year.

The inventories of the Issuer are estimated at EUR 23,461,453., a decrease of EUR 1,115,966. is recorded at the end of this financial year. That decrease is mainly due to the new business model of the Group and the expansion of real estate activity.

The equity capital of the Issuer remains stable over the 2013-2014 financial year and represents EUR 30,655,735. at March 31, 2014. The dividend of EUR 1,2. M has been paid related to the year ended at March 31, 2013. The net debt is of EUR 3,667,169. against EUR 3,398,369. at March 31, 2013.

² Million

Except IBO, the Issuer shows a «cash positive» situation at the year end. The surplus net cash position is of EUR 6,470,414.

2.2. Description of Issuer's main activities

The Group is one of the leading partners of municipalities for urban planning, its primary objective is to provide the primary residence buyers with a global economic solution that is perfectly adapted to the first-time buyers.

Real estate planning, development and housing are very complementary activities. They :

- are mainly intended for the first-time buyers;
- are generally designed to acquire a primary residence;
- allow to change the apartment for a house;
- allow to change accommodation in case of employment relocation.

2.2.1. Land planning and development

This activity consists to find and acquire a parcel of land, to develop it and to resell it to an individual, wishing to build his own house. The most important in this activity is the sourcing ability of the Group and its effectiveness in marketing the serviced area.

Each planning operation consist of four big steps :

- **Land survey carried out by trade agents.** Visit to the municipality for consulting concerning local urbanism plan, putting in contact with owner, offers and negotiation of technical and financial conditions, signature of purchase agreement subject to a condition precedent (as the delivery of administrative authorization or obtaining of a loan). In case of non-fulfillment of conditions precedent, the Issuer is entirely released of its commitments towards the seller without any penalty.
- **Land acquisition.** The Group proceeds with land acquisition only after the delivery of a planning permission and the obtaining of financing, company advising for the implementation of roads and other facilities, and the contributions of funds. Also, the acquisition of a particular site is subject to a good number of housing orders.
- **Carrying out of V.R.D. works (implementation of roads and other facilities).** This stage consists of two different steps : primary planning, comprising construction of roads and networks. At the end of this stage a certificate of platform is issued. The second step implies the completion og works carried out once the houses are built.
- **Marketing.** The parcels pre-marketing is starting even before the acquisition of the property, or during the delay of handling of planner and developer permit. The Issuer proceeds with a sale of serviced area by a notarial deed, once the building permit has been delivered and the financing has been obtained by the reserving party for its project (the land + the house).

The Issuer has many competitive advantages that are the key to its success. Thanks to its position, the Group is able to manage its competitors.

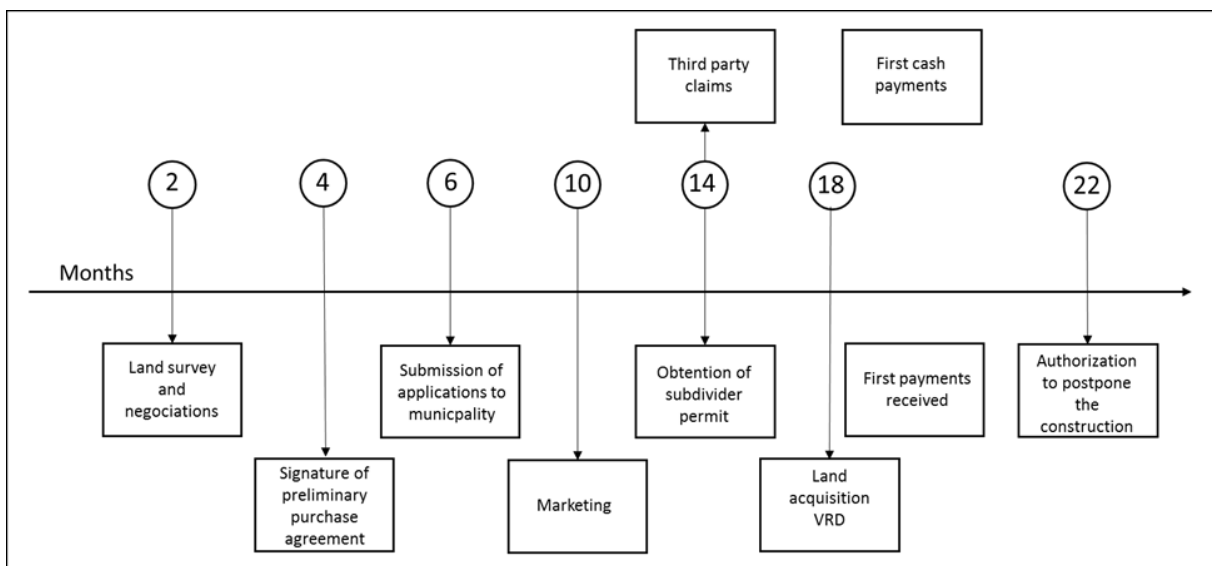
- **Optimization of the process.** The process optimized in 4 steps :
 - high-quality land localization due to a good understanding and control of land prospecting techniques;

- high-quality technical and urban planning operations in accordance with the environmental regulations and community culture;
- high-quality urban planning as well as the finishing works carried out in accordance with the standards;
- rapid marketing and sale thanks to the reactivity and flexibility of sales and the work of marketing teams.

- **Secure scheme for the Issuer**

- signature of a sale deed under conditions precedent (delivery of a developer and planning permission free of a third party claims, obtaining of a bank funding in order to finance the project);
- first payments related to the implementation of roads and other facilities are made only if the land is already acquired;
- income from output sales is received once the building permit is delivered (the clients' bank makes payments directly to the Issuer by a notarial deed);
- no outstanding balance.

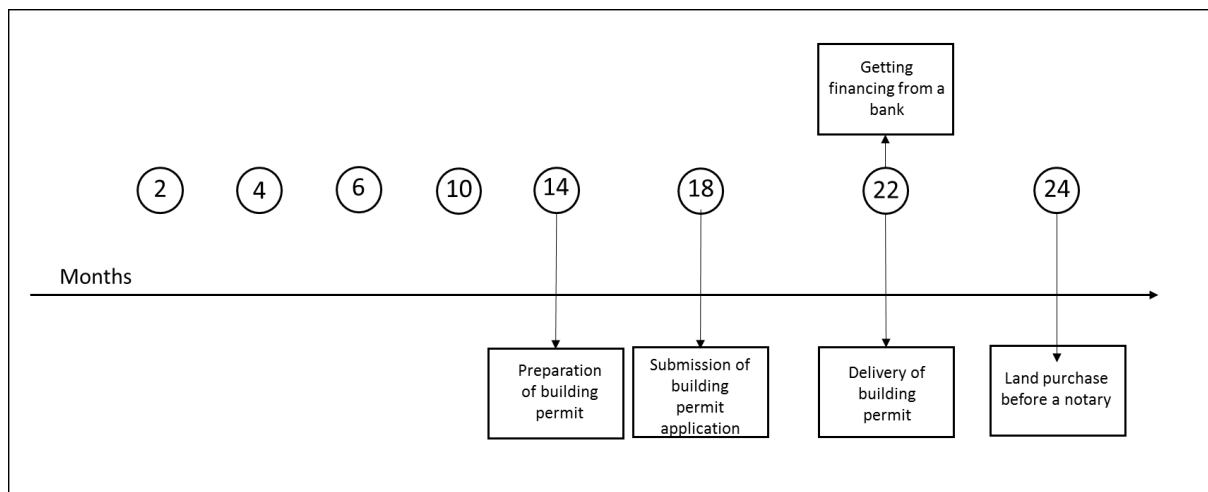
- **Time-chart for the development project for the Issuer**



- **Secure scheme for customers**

- the clients-natural persons have a bank guarantee of implementation of roads and other facilities. This guarantee allows to reduce the delay of land supply;
- the implementation of roads and other facilities in accordance with the standards and regulations ;
- the developer and planning permission provide the customer with a building permit and a right to build within 8 years, so that the construction stage can be postponed.

- **Time-chart for the development project for the client**



2.2.2. Real estate development

The Group is marketing its real estate development programs in sale before completion (*vente en état futur d'achèvement*). This program implies the transfer of ownership to the client as construction works have progressed and with a bank guarantee of completion of these works (bank performance bond).

This activity implies 5 major steps:

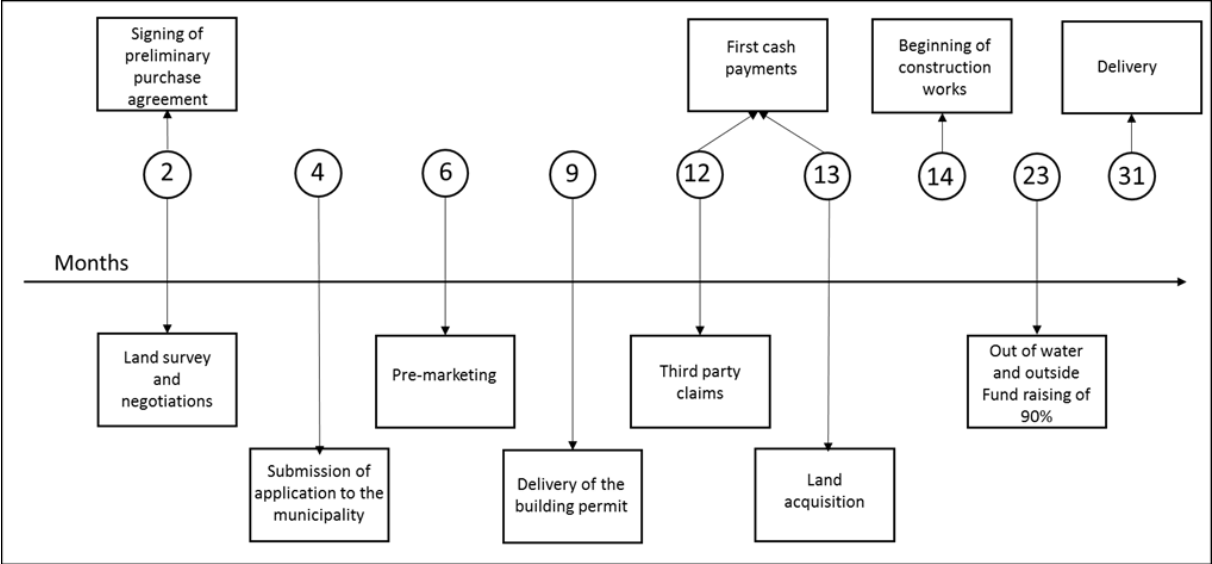
- **Land managing.** Following its land survey experience, the Issuer uses the same proceeds as for the building plot.
- **Delivery of administrative authorizations.** After signing the preliminary purchase agreement under conditions precedent (including the delivery of a building permit free of third party claims, obtaining of bank financing and choosing an architect) the Issuer submits the building permit application to municipality.
- **Land acquisition and the beginning of construction.** As for the building plot, the Issuer proceeds with the land acquisition only after the delivery of administrative authorizations and obtaining of the operation financing. Land acquisition is also subject to a good number of housing orders. The Group has hired a technical manager in charge of a supervision of the entire construction process and the feasibility study. He's accomplishing its mission till the end of the program.
- **Pre-marketing and sale.** The Issuer has started his marketing with its customers by a direct contact or by leading advertising campaigns. Reservation agreements that are to be signed by the clients, are elaborated at the same time with a descriptive notice enumerating the services to be provided (public and private areas). Signing of reservation agreement is followed by payment of a deposit check representing 5 % of the housing price (all taxes included).

Housing pre-marketing starts during the examination of building permit. The sale under completion before a notary is made only after the Issuer has obtained all necessary guarantees (bank performance bonds etc.) and all insurances required. Funds are raised as construction works have progressed and in accordance with the procedures established by the building code.

- **Completion of construction works.** Once the construction works are achieved the Issuer :
 - proceeds with the acceptance of the building work with its suppliers;
 - proceeds with the delivery of housing to its customers;
 - submits the confirmation of completion of works (*déclaration d'achèvement des travaux*) to the municipality.

The Issuer is discharged of its commitments (building permit, bank performance bond, insurances) within the year following the sending of the confirmation of completion of works by the declaration, issued by the municipality.

- **Time-chart for real estate development project**



2.2.3. Renovation

The Group purchases real estate (buildings), proceeds with renovation works and transforms them into new apartments with a view of future resale.

The Group is always aiming to discover a singularity of property or space, which will be proposed to prospective buyers, as well as elements, allowing them to integrate the architectural ensemble of the city.

Thus, the Group participates in enhancement of the heritage.

VI. SELECTED FINANCIAL INFORMATION

1. Group's business review 2013/2014

This prospectus should be read and construed together with the information contained in the Annual financial report of the Issuer for the year ending on March 31, 2013 and the Annual financial report for the year ending on March 31, 2014.

In accordance with article 1.4. of section IV of this prospectus the Group is closing its consolidated financial statements on March 31 of each year.

All financial notices concerning the Issuer and addressed to investors will be published on the website of the Issuer at <http://www.groupe-capelli.com/>, on the website of the Luxembourg Stock Exchange at <https://www.bourse.lu/>. They will also be available on simple demand at the registered office of the Issuer.

1.1. Group's significant events and key figures 2013/2014

The turnover of the Group for the full year 2013/2014 is of EUR 54,5 M, up 8,8 % compared to the last financial year.

In 2013/2014 the Group is confirming its positive dynamics in the real estate development area, which now represents more than 76 % of the Group's turnover showing a particular growth of EUR 41,2. M, up 28,1 % compared to the previous financial year.

This performing results show how the Group is leveraging growth opportunities and benefits despite the negative economic environment. The creation of subsidiaries in Luxembourg and Switzerland are perfect examples of this positive dynamic. These newly created subsidiaries will allow to expand the scope of the business activities of the Group and will make a considerable contribution to its turnover in the near future.

Renovating business consisting in transformation of old or recent buildings into apartments turns out to be very profitable. This activity generated a revenue of EUR 1,6. M in 2013/2014.

The Group's operating result for the financial year 2013/2014 is of EUR 4,3 M and represents 7,8 % of its total turnover. This result is confirming the good level of Group's profitability despite sustainable investments carried out in Northern Europe. The Group's operating result for the activities conducted in France is of EUR 5,5 M, which represents over 10 % of its total turnover.

The cash flow from operating activities is of EUR 1,9. M. and shows CAPELLI'S ability to generate cash. The changes in net debt level at year end are due mainly to the sequencing of purchases and the launching of new development operations during the last quarter of financial year.

1.2. Group's activity and income for full year 2013/2014

The main financial indicators for the full year 2013/2014 year are given below :

- turnover : EUR 54,5. M;
- gross profit : EUR 14,4. M, or 26,5 % of the turnover;
- operating income for the activities held in France: EUR 5,5. M, or 10,2 % of the turnover;
- consolidated operating income : EUR 4,3. M, or 7,8 % of the turnover
- net operating income Group's share : EUR 2,1. M, or 3,8 % of the turnover;
- backlog (booked and monitored parcels) at May 12, 2014 : EUR 55,7. M; EUR 40,7. M of which is due to the development activity.

in k€ - as of 1 st April to March, 31	2013/2014	2012/2013
Turnover	54 465	50 078
Purchases consumed	(40 055)	(36 129)
Gross profit	14 410	13 948
<i>Gross profit rate</i>	26,5%	27,9%
Operating expenses	(10 212)	(8 707)
Current operating income	4 198	5 242
Income of disposals on fixed assets	63	(5)
Operating income France	5 486	5 237
% of the Turnover	10,2%	10,5%
Consolidated operating income	4 261	5 237
% of the Turnover	7,8%	10,5%
Financial income	(1 036)	(441)
Income before tax	3 225	4 796
Income tax	(1 242)	(1 694)
Income tax rate	39%	35%
Net income of all consolidated accounts	1 981	3 102
% of the Turnover	3,6%	6,2%
Minority interest	78	(185)
Net income Group's share	2 059	2 917
% of the Turnover	3,8%	5,8%

Despite the difficult economic environment in France, CAPELLI Group is showing its ability to maintain its position on the most dynamic markets. This positive development is due to the wide range of Group's offers that allows it to satisfy all market segments.

- **Turnover.** Group's revenue for the financial year 2013/2014 is of EUR 54,5. M, up 8,8 %, following a quite sustained fourth quarter with an increase of 24,3 % compared to the year 2012/2013.

The estate development represents now 76 % of the Group's turnover and shows a significant growth of EUR 41,2 M., up 28,2 % over the financial year 2013/2014. Over the fourth quarter of the same year, the increase represents 42,7 % compared to the same period of time last year.

- **Gross profit and operating income.** The gross profit over the year 2013/2014 of EUR 14,4. M has reached its highest level over the last five financial years. This high level of gross profit allows the Issuer to partly cover its expenses and sustained investments in additional projects relating to the Group's setting up in Switzerland and Luxembourg.

The operating income of the Group's activities led in France is of EUR 5,5. M and represents over 10 % of the turnover. This positive result allows the Group to confirm its ambitions as a player of Northern European market. The Group's consolidated operating income is of EUR 4,3 M, up 7,8 %. This figure confirms the operating profitability that remained at a very good level.

- **Financial results.** Financial result is of EUR - 1,036. k compared to EUR 441. k one year ago. These changes are due mainly to the raising of EUR 11,7. M as part of the IBO in late 2012. The accrued interests for the year 2013/2014 are of EUR 0,8. M compared to EUR 0,3. Over the last financial year.

- **Group's share of the net income.** After taking into account additional expenses related to the Group's development and growth investments held in Northern Europe, the net Group's share is of EUR 2,1. M, representing the net profitability of around 4 % of the turnover.

1.3. Consolidated balance sheet and changes in financial structure

In k€	31/03/2014	31/03/2013
Goodwill	232	232
Net fixed assets	6 736	2 275
Net inventories	57 740	40 820
Net client receivables	30 593	24 297
Suppliers	(33 612)	(27 740)
Operation capital requirements, net operating	54 721	37 376
Other receivables/ liabilities	(258)	3 508
Total operation capital requirements	54 462	40 884
Share capital	35 328	34 771
Net debt	24 446	6 062
Capital employed	59 774	40 833
Provisions, deferred tax and other non-current	(1 657)	(2 558)
Gearing	69,2%	17,4%
Gearing except IBO	41,6%	7,9%

- **Goodwill and net fixed assets.** No evidence of impairment in goodwill has been identified at March 31, 2014. During the year 2013/2014, the Group repurchased its head office building. That represents an investment of EUR 2,8. M, mainly financed by the medium-dated loan. The acquired real estate has been evaluated by an independent expert.
- **Working capital requirements and inventories.** Working capital requirements up 33 % at March 31, 2014 as a result of changes in inventories, which level at balance sheet closing date reflects the dynamic growth of the Group's real estate development activity. Also, the Group managed to build up a portfolio of "liquid" stocks through the purchases made up during last four months and the starting up of new real estate development projects during the last quarter of 2013/2014. This purchases have an impact of EUR 16,5. M on the inventories at the balance sheet date.

Changes in inventories - in k€	Net value at 31/03/14	Net value at 31/03/13
Housing development	24 565	27 305
Estate development	33 175	13 515
Total	57 740	40 820

A detailed inventory analysis has been carried out in order to adjust the book value according to the net realizable value. At March 31, 2014 the Group recorded the net provision of EUR 70. K.

- **Shareholder's equity and indebtness**

In k€	2013/2014	2012/2013
Cash flow before corporate tax	3 477	4 756
Taxes paid	(1 563)	(124)
Changes in working capital requirements	(14 141)	(9 785)

Net investments	(4 743)	(162)
Dividends paid	(1 411)	(1 055)
Other	(2)	121
Changes in debt	(18 383)	(6 249)
Opening net debt	6 062	(187)
Closing net debt	24 446	6 062

The Group's own capital is of EUR 35,3. M against EUR 34,8. M at March 31, 2013. This figure includes the payment of the dividends of EUR 1,2. M to CAPELLI shareholders.

The financial structure reflects the growing development of the real estate activity and the accuracy of the IBO made in late 2012.

The Group's net debt is of EUR 24,4. M at March 31, 2014 for the equity of EUR 35,3. M, representing a gearing (net debt to shareholder's equity) of 0,69 % or 0,42 % hors IBO.

The cash-flow before tax is of EUR 3,5 M, which shows the Group's ability to generate cash.

2. Financial position and consolidated results as of March 31, 2014

2.1. Statement of financial position

in k€	31/03/2014			31/03/2013
	Gross	Amort. prov.	Net	Net
ASSETS				
Goodwill	232	-	232	232
Intangible assets	512	486	25	6
Tangible assets	8 665	2 172	6 493	2 108
Financial assets	218	-	218	161
Deferred tax assets	580	-	580	140
NON-CURRENT ASSETS	10 207	2 658	7 548	2 647
Inventories	58 261	522	57 740	40 820
Client receivables	30 623	31	30 593	24 297
Other current assets	4 487	4	4 483	7 010
Current accounts	2 219	-	2 219	538
Prepaid expenses	1 673	-	1 673	1 858
The cash and cash equivalents	13 091	-	13 091	26 107
Current assets	110 354	556	109 798	100 630
TOTAL ASSETS	120 561	3 214	117 346	103 277
LIABILITIES				
Share capital			15 139	15 139
Consolidated reserves			18 568	17 705
Shareholder's equity – Group's share			33 708	32 844
Minority interests			1 620	1 927
SHAREHOLDER'S EQUITY			35 328	34 771
Non-current provisions			49	35
Non-current financial liabilities			16 546	14 180
Deferred tax liabilities			2 189	2 629

NON-CURRENT LIABILITIES			18 783	16 844
Current provisions			-	34
Current financial liabilities			22 046	18 239
Current accounts			1 163	289
Trade payables			33 612	27 740
Tax and social liabilities			5 334	5 310
Other liabilities			1 046	50
Deferred income			34	-
CURRENT LIABILITIES			63 235	51 662
TOTAL LIABILITIES			117 346	103 277

2.2 Consolidated statement of income

in k€	2013/2014	2012/2013
Turnover	54 465	50 078
Purchases consumed	(40 055)	(36 129)
Gross margin	14 410	13 948
Gross margin rate	26,5 %	27,9 %
Personnel costs	(4 246)	(3 427)
External expenses	(5 172)	(4 680)
Taxes and charges	(530)	(733)
Net depreciation	(364)	(285)
Net provisions	(42)	393
Other operating revenues	143	25
Other operating expenses	-	-
Operating expenses	(10 212)	(8 707)
Current operating income	4 198	5 242
Gain on disposal of fixed assets	63	(5)
Operating income	4 261	5 237
% of Turnover	7,8%	10,5%
Financial products	189	151
Gross financial costs	(1 224)	(592)
Net cost of debt	(1 036)	(441)
Other products and financial expenses	-	-
Financial income	(1 036)	(441)
Income before tax	3 225	4 796
Income taxes	(2 127)	(881)
Deferred taxes	885	(813)
Income taxes	(1 242)	(1 694)
Tax rate	39 %	35 %
Share of net income	(2)	-
Net income of all consolidated accounts	1 981	3 102
% of Turnover	3,6%	6,2%
Minority interests	78	(185)
Net income – Group's share	2 059	2 917

% of Turnover	3,8 %	5,8 %
Changes in the fair value of financial instruments	-	-
Translation differences	-	-
Tax impacts on the other elements of comprehensive income	-	-
Comprehensive income – Group’s share	2 059	2 917
Minority interests	(78)	185
Total comprehensive income	1 981	3 102
Net income share of the Group per share (in euros)	0,16	0,22
Net income share of the Group diluted per share (in euros)	0,16	0,22

2.3 Changes in cash-flow

in k€	2013/2014	2012/2013
Cash	26 106	20 084
Bank overdrafts	(17 191)	(17 092)
Net cash at opening balance	8 915	2 992
Net income of all consolidated accounts	1 981	3 102
Net depreciation expense and provision	262	(40)
Gain and losses on disposals of assets	-	-
Current tax expense	2 127	881
Changes in deferred taxes	(885)	813
Other records with no impact on cash flow	(8)	-
Cash-flow before tax	3 477	4 756
Tax credits	(1 563)	(124)
Cash flow from operating activities	1 914	4 632
Inventory change	(16 919)	(8 533)
Change in operating receivables	(3 597)	(1 245)
Change in operating liabilities	6 375	(7)
Variation in operating working capital requirements	(14 141)	(9 785)
Cash flow generated by the business	(12 227)	(5 153)
Capital tangible and intangible expenditures	(4 983)	(238)
Disposals on tangible and intangible fixed assets	297	28
Acquisitions of financial fixed assets	(65)	(9)
Disposals on financial fixed assets	8	-
Disposals of companies net of cash	-	57
Cash flow from investment activities	(4 743)	(162)
Dividends paid to parent company’s shareholders	(1 193)	(1 061)
Dividends paid to minority shareholders	(218)	6
New loans	5 342	3 305
Bond loan	-	11 158
Loan repayments	(2 814)	(1 408)
Other changes in financing activities	(804)	(790)
Treasury shares	1	28
Cash flow from financing activities	314	11 239

The change in cash before other financial assets	(16 656)	5 924
Flows from other current financial assets	-	-
Changes in cash	(16 656)	5 924
Cash – closing balance	(7 741)	8 915
Available funds	13 091	26 106
Bank overdrafts	(20 832)	(17 191)

2.4 Changes in consolidated shareholder's equity

in k€	Share Capital	Primes	Treasury shares held in portfolio	Reserves	Shareholder s' equity Group share	Minority share	Shareholder's equity
As of 1st April 2012	15 139	638	(68)	15 251	30 960	1 679	32 639
Income for the period				2 917	2 917	185	3 102
Other comprehensive income					-	-	-
Total comprehensive income	-	-	-	2 917	2 917	185	3 102
Changes in scope of consolidation				1	1	55	56
Treasury shares transactions			29	(1)	28	-	28
Dividends paid				(1 061)	(1 061)	6	(1 055)
Other				(1)	(1)	2	1
As of March 31, 2013	15 139	638	(39)	17 106	32 844	1 927	34 771
As of 1 April 2013	15 139	638	(39)	17 106	32 844	1 927	34 771
Income for the period				2 059	2 059	(78)	1 981
Other comprehensive income					-	-	-
Total comprehensive income	-	-	-	2 059	2 059	(78)	1 981
Changes in scope of consolidation				(2)	(2)	-	(2)
Treasury shares transactions			(7)	7	-	(2)	(2)
Dividends paid				(1 193)	(1 193)	(216)	(1 409)
Other				-	-	(11)	(11)
As of March 31, 2014	15 139	638	46	17 977	33 708	1 620	35 328

2.5 Scope of consolidation

Consolidated companies	% of control 31/03/14	% of equity holdings 31/03/14	Consolidation method	% of control 31/03/13	% of equity holdings 31/03/13
CONSOLIDATING ENTITY (PARENT COMPANY) – CAPELLI S.A					
CONSOLIDATED COMPANIES					
SAS FINANCIERE CAPELLI Siret : 38440234300022	99,8 %	99,80 %	G.I. ³	99,8 %	99,80 %
SAS CAPELLI PROMOTION Siret : 43263147100021	99 %	99 %	G.I.	99 %	99 %
SAS 2C AMENAGEMENT	70 %	70 %	G.I.	70 %	70 %

³ Global integration

Siret : 43799976600011					
SNC LES VERCHERES Siret : 44122512500026	50 %	50 %	P.I. ⁴	50 %	50 %
SCCV L'AMBASSADEUR Siret : 45343979600013	50 %	49.75 %	P.I.	50 %	49.75 %
SCCV LES RESIDENCES DU CLEZET Siret : 50280057600014	50 %	49.50 %	P.I.	100 %	49.50 %
SCCV LES RESIDENCES DU CENTRE Siret : 51196121100014	50 %	49.50 %	P.I.	50 %	49.50 %
SNC LES COTEAUX DE LOGRAS Siret : 49329661000014	100 %	99,70 %	G.I.	100 %	99,70 %
SCCV LA DEMEURE DE LUCIE Siret : 48988038500013	50 %	50 %	P.I.	50 %	50 %
SNC ST MAURICE VERCHERES Siret : 4991144780000013	50 %	50 %	P.I.	50 %	50 %
SNC LES JARDINS DE CHAMPAGNE Siret : 49820785100011	100 %	99.50 %	G.I.	100 %	99.50 %
SNC LES DOMAINES DE L'ENTAY Siret : 49820956900019	50 %	50 %	P.I.	50 %	50 %
SCCV LES ALLEES PASCALINE Siret : 50023359800019	50 %	49,50 %	P.I.	50 %	49,50 %
SCCV LES RESIDENCES FLORENTIN Siret : 51743218300013	50 %	49.50 %	P.I.	50 %	49.50 %
SCCV LES VILLAS DU ROSSET Siret : 52988988300011	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LA VILLA HELENE Siret : 52891495500018	100 %	99.01 %	G.I.	100 %	99.01 %
SNC CAPELLI B1 Siret : 52079477700018	98 %	98 %	G.I.	98 %	98 %
SNC CAPELLI B2 Siret : 49205285700025	98 %	98 %	G.I.	98 %	98 %
SNC CAPELLI B3 Siret : 52200420900014	98 %	98 %	G.I.	98 %	98 %
SCCV LES JARDINS DE LEANE Siret : 52999040000010	80 %	80 %	G.I.	80 %	80 %
SCCV LES JARDINS D'ELIOTT Siret : 53235356200012	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES ORMES Siret : 53236120100017	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LOUIS GAILLARD II Siret : 53205834400013	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES VILLAS DU BOURG JOLI Siret : 53311884000016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES JARDINS DES COLOMBIERES Siret : 53295361900014	90 %	89.10 %	G.I.	90 %	89.10 %
SNC FONCIERE EST LYONNAIS Siret : 53426792700018	98 %	98 %	G.I.	98 %	98 %
SARL CAPELLI FINANCEMENT Siret : 53828692300015	100 %	100 %	G.I.	100 %	100 %
SCCV LES COUTAGNIERES	90 %	89.10 %	G.I.	90 %	89.10 %

⁴ Partial integration

Siret : 53538479600038					
SCCV LES JARDINS D'ÉLODIE Siret : 53851368000016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES JARDINS D'EMMA Siret : 53849064000017	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LE CLOS LORENA Siret : 53918946400016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES JARDINS D'AMELIE Siret : 53517649900015	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LE CLOS SAINT VINCENT Siret : 53526800700015	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES JARDINS DU LYS Siret : 53826566100016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES VILLAS DU TREVES Siret : 7505830700018	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LA GRAPPINIÈRE Siret : 78868534500019	49 %	48.51 %	G.I.	49 %	48.51 %
SCCV LE DOMAINE DE MARYANNE Siret : 79093558900016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES HAUTS DU LEMAN Siret : 79089583300016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LES JARDINS DE CHARLINE Siret : 78948569500017	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LE CLOS ST FRANCOIS Siret : 75218898700016	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV LE PARC ANTHONY Siret : 75218792200014	100 %	99.01 %	G.I.	100 %	99.01 %
SCCV L'OREE DE MEGEVE Siret : 79149870200012	100 %	99.01 %	G.I.	100 %	99.01 %
SNC LE HAMEAU DES RASSETTETS Siret 52521859000020	100 %	99.99 %	G.I.	100 %	99.99 %
SCCV GRAND SUD Siret : 53834786500015	90 %	89.10 %	G.I.	90 %	89.10 %
SCCV LE CARRE PAUL SANTY Siret : 53814061700019	90 %	89.10 %	G.I.	90 %	89.10 %
SNC ORANGE Siret : 79105252500015	52 %	52 %	G.I.	52 %	52 %
SA CAPELLI SUISSE Siret : n/a	33 %	77,67 %	G.I.	33 %	77,67 %
SCCV LES RESIDENCES DU VERGER Siret :	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE CLOS ROMEO Siret : 79395506300011	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE DOMAINE DE LA BORNETTE Siret : 79983356100019	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE MONT D'ARBOIS Siret : 79746011000019	100 %	99.01 %	G.I.	n.a	n.a
SCCV LES ALLEES DU MARQUIS Siret : 80002565200010	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE CLOS SAINTE CATHERINE Siret : 79983065800016	100 %	99.01 %	G.I.	n.a	n.a

SCCV LE CLOS DU MIDI Siret : 79817410800018	100 %	99.01 %	G.I.	n.a	n.a
SCCV LES PRES MARGUERITE Siret : 80006300000015	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE CLOS FLEURY Siret : 79395507100014	100 %	99.01 %	G.I.	n.a	n.a
SCCV LES JARDINS DE LA TOUR Siret : 79832726800016	100 %	99.01 %	G.I.	n.a	n.a
SCCV LES VILLAS DU MOULIN Siret : 79506358500017	100 %	99.01 %	G.I.	n.a	n.a
SCCV LE CHABLAIS DE BEAUMONT Siret : 79290536600011	100 %	99.01 %	G.I.	n.a	n.a
SCCV LES JARDINS DU CHATEAU Siret : 80177788900016	100 %	99.01 %	G.I.	n.a	n.a
SNC CL INVEST Siret : 80043014200011	100 %	99.99 %	G.I.	n.a	n.a
SAS L2C DEVELOPPEMENT Siret : 799134309	50.19 %	33.30 %	G.I.	n.a	n.a
SAS LES JARDINS DU VAL DE PONS Siret : 53372706100012	54.55 %	37.50 %	G.I.	n.a	n.a
SCCV LE CLOS DE LUCIE Siret : 80044596700014	52 %	52 %	G.I.	n.a	n.a
SCI MOUSSEUX Siret : 79350156000015	70 %	70 %	G.I.	n.a	n.a
SNC CHEMIN DU BACON Siret : 79818170700018	57.14 %	40 %	G.I.	n.a	n.a
SA CAPELLI LUX Siret : n/a	100 %	100 %	G.I.	n.a	n.a
SA LES RESIDENCES DE PIERRE LONGUE Siret : n/a	40 %	13.2 %	E.M. ⁵	n.a	n.a
SA LE CLOS DE PIERRE LONGUE Siret : n/a	20 %	6.6 %	E.M.	n.a	n.a

⁵ Equity method

VII. ISSUER'S DEVELOPMENT PROSPECTS

1. Issuer's recent changes and future prospects

This is summary information about recent changes and future perspectives of the Issuer. More detailed information is contained in Group's management report and is available on simple demand or on the website of the Issuer (http://www.groupe-capelli.com/entreprise/docs_a_telecharger.php?type=4).

The Issuer will continue to manage Group's strategy as well as its investments in its subsidiaries and to generate major part of the income from housing estate activity.

Issuer's good financial health enables it to pursue its ambitious development plan while keeping the same rigor in its management ratios (like for example the fact to start a project only if pre-sales has exceeded 50 % level).

Current growth recorded in 2013/2014 continues. The Issuer is maintaining its dynamic purchase policy, which is a guarantee of future Group's growth. The level of purchase agreements under conditions precedent has reached EUR 116,7. M at May 12, 2014, up 9 % compared to May 12, 2013. The Group is focusing its effort mainly on the high-potential regions such as Rhône-Alpes (cross border region with Switzerland), Ile de France region, and the South of France.

Considering a very good level of housing orders and a well-oriented backlog for the full year 2013/2014, the Issuer expects to generate an increase in revenue for the financial year 2014/2015 while keeping a very good profitability level.

2. Events subsequent to the balance sheet date

To the best of Issuer's knowledge, since the publication of the financial statements as of March 31, 2014 no significant deterioration has had an impact on the Group's prospects and no significant event in the Issuer's or the Group's financial and commercial position has occurred since the balance sheet date.

After the launching of the first real estate programme in Terville, Luxembourg with an expected turnover of EUR 16 M the Group is working on many projects planned to be started in the first half of 2014/2015. At June 6, 2014 the Group has finally proceeded with its first real estate acquisition in Luxembourg. This acquisition marks the beginning in the development of Group's operations in Northern Europe.

The backlog at May 12, 2014 is of EUR 55,7. M and confirms a correct guidance of real estate development, representing EUR 40,7. up EUR 2,1. M compared to last year.

Other promising ongoing projects should also become a source of growth in 2014/2015 :

- the renovation business is carried on and expanding;
- the creation of a subsidiary in Geneva (Switzerland) and Luxembourg enabled the Issuer to sign its first real estate programs that will make a significant contribution to the turnover in 2014/2015;
- many projects in Germany are in progress after the first phase of market research. These projects will be carried directly by the Issuer or in the form of a partnership.

This positive dynamic of the Group's development in European real estate market as well as in its domestic market make it confident about its future development and growth.

Issuer

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