SUPPLEMENT DATED 19 FEBRUARY 2019 TO THE BASE PROSPECTUS DATED 20 APRIL 2018 AS PREVIOUSLY SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 8 OCTOBER 2018 AND THE SECOND SUPPLEMENT DATED 23 NOVEMBER 2018

CPI PROPERTY GROUP

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B102254

EUR 3,000,000,000
Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Base Prospectus dated 20 April 2018 as previously supplemented by the First Supplement (the **First Supplement**) dated 8 October 2018 and the Second Supplement (the **Second Supplement**) dated 23 November 2018 (the **Base Prospectus**) constitutes a prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC as amended (the **Prospectus Directive**). This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and is prepared in connection with the EUR 3,000,000,000 Euro Medium Term Note Programme established by CPI Property Group (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is to update the sections of the Base Prospectus entitled (a) "*Important Information*" and (b) "*Description of the Issuer – Recent Developments*".

Important Information

With effect from the date of this Supplement, the information appearing on page (ii) of the Base Prospectus shall be amended in the manner described below.

The following shall be inserted as the fifth paragraph on page (ii):

"**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** – All Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital

Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)."

Description of the Issuer

In the section entitled "*Description of the Issuer—Recent Developments*" beginning on page 164 of the Base Prospectus, the following paragraphs shall be inserted at the end of such section:

On 28 November 2018, the Issuer announced that it had redeemed all outstanding bonds issued by the Group's subsidiaries in the Czech Republic and Slovakia, including CPI Byty, a.s., CPI Retail Porfolio I, a.s., Czech Property Investments, a.s., CPI Finance Slovakia, a.s. and CPI Finance Slovakia II.

On 10 December 2018, the Issuer announced that it had issued, under the Programme, JPY 8,000,0000,000 1.414 per cent. Notes due December 2021 and JPY 3,000,000,000 1.995 per cent. Notes due December 2028.

On 17 December 2018, the Issuer announced an update of its acquisitions and financing activities for 2018. In May 2018, the Issuer acquired Atrium Centrum & Atrium Plaza office buildings in Warsaw, which are in prime locations and where the Issuer sees strong potential for improved levels of rents and occupancy. In December 2018, the Issuer also completed the acquisition of 11 luxury apartments at Buxmead in North London. The acquisition was funded through a senior unsecured loan in sterling provided to the Issuer by Barclays and Deutsche Bank (the **Buxmead Acquisition Loan**). Disposals completed in 2018 included small retail assets in the Czech Republic, an office park in Hungary, and an office building in Prague. The Issuer continues to explore disposals of small retail assets in the Czech Republic, given the Issuer's focus on regionally dominant shopping centres.

The Issuer has used cash and proceeds from hybrid and senior unsecured bonds issued during 2018 (totalling approximately EUR 1.4 billion) to repay bonds issued by subsidiaries and secured bank loans. In total during 2018, the Issuer repaid more than EUR 1.12 billion of bonds issued by subsidiaries and secured bank loans. In December 2018, the Issuer also signed a EUR 50 million 3-year senior unsecured term loan with HSBC. Proceeds from the term loan, along with cash, were used to repay more than EUR 340 million of additional secured bank loans.

On 12 February 2019, the Issuer issued, under the Programme, HKD 450,000,000 4.51 per cent. Notes due February 2024. The proceeds of the Notes are intended to be used to repay the Buxmead Acquisition Loan.

On 15 February 2019, the Issuer published a press release entitled "*CPI Property Group – Publication of Profit and Credit Estimates*" which included the extracts set out below relating to (i) the following preliminary result estimates as at and for the financial year ended 31 December 2018 (**Extract 1)** and (ii) the following information on the Issuer's Environmental and Social Governance Initiatives (**ESG Initiatives**) (**Extract 2**).

Extract 1

<u>Preliminary result estimates as at and for the financial year ended 31 December 2018</u>

"The Company estimates the following preliminary results as at and for the financial year ended 31 December 2018:

- Total assets exceeded EUR 8 billion (up nearly 10% versus 2017) driven by acquisitions and higher valuations, reflecting our strong markets, disciplined approach to growth and active asset management.

- CPIPG's property portfolio was valued at more than EUR 7.5 billion at year-end 2018, versus EUR 6.7 billion at year-end 2017. 78% of CPIPG's property portfolio was located in the Czech Republic (51%) and Berlin (27%). Land bank and development accounted for 9% of the total portfolio, similar to 2017.

- Like-for-like rental income growth for the portfolio was around 5%. In Berlin, like-for-like growth was 10% while the Czech Republic, Hungary, and Poland ranged between 2% and 4%.

- Occupancy for the total portfolio rose to about 94.5%, relative to 93% at the end of 2017.

- Funds from operations (FFO) increased to EUR 160 million, up over 25% relative to 2017.

- Net business income was more than EUR 315 million, an increase of more than 15% relative to 2017. Operating result was more than 775 million for 2018.

- Gross debt of approximately EUR 2.9 billion, and net debt of approximately EUR 2.8 billion. Net LTV was below 37%, relative to 45% at the end of 2017.

- Total secured debt was EUR 1.1 billion at the end of 2018, a decrease of 45% relative to 2017.

- In 2018, CPIPG issued more than EUR 1.4 billion of senior and hybrid bonds under its EMTN programme in Euros, Swiss Francs and Yen. Proceeds were used to repay all of CPIPG's subsidiary bonds and a significant portion of secured loans.

- As a result, CPIPG's ratio of unencumbered assets to total assets increased to nearly 65%, relative to 43% at the end of 2017.

- Net interest coverage ratio (ICR) significantly improved to 4.2x, relative to 2.6x at the end of 2017.

- CPIPG's average cost of funding declined to 1.6% p.a. versus 2.6% p.a. in 2017.

- EPRA NAV was nearly EUR 4.5 billion versus EUR 3.9 billion in 2017.

Basis of preparation of estimates:

The Group has been preparing its consolidated financial statements in accordance with IFRS as adopted by the EU. The same accounting policies, except with respect to newly adopted IFRS measures, and methods of computation have been followed in the proper preparation of the estimates contained in this press release.

The Group's objectives and policies for managing capital, credit risk and liquidity risk were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017. These estimates have been prepared on a basis comparable with the basis upon which the historical financial information of the Group has been prepared. These estimates have not been audited.

Factors and assumptions - within the control of management:

The preparation of the consolidated financial statements as well as these estimates requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, internal calculations and various other factors that management believes to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

The actual results may differ from these estimates. In preparing these estimates, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

Factors and assumptions – outside the influence of management:

Aside from the above factors, the Group cannot exclude certain omissions or errors occurring during the collection, consolidation and accounting of data that were the source of the present estimates. If such omissions or errors occur, it can have an impact on the final consolidated audited financial statements for the year ended 31 December 2018.

As these estimates relate to financial information not yet audited, and have been prepared on the basis of assumptions about accounting policies and financial figures, it naturally entails substantial uncertainties. Due to these uncertainties, it is possible that the Group's actual results for the financial year ended 31 December 2018 may differ materially from these estimates."

Extract 2

The Issuer's ESG Initiatives

"CPIPG regularly reviews environmental and social governance (ESG) and compliance policies across our organisation. In mid-2018, a sustainability section of our website (sustainability.cpipg.com) was created to provide greater transparency about our activities. In late 2018, CPIPG began working with the University Centre for Energy Efficient Buildings (UCEEB) of the Czech Technical University (CTU) to collect and analyze data on our real estate portfolio. As a result, CPIPG expects to begin disclosing environmental impact measures and targets beginning with our 2018 management report. In early 2019, CPIPG's board of directors created a CSR committee focusing on the supervision of sustainability, environmental, corporate social responsibility, green financing, and compliance matters for the Group."

General

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Second Supplement.