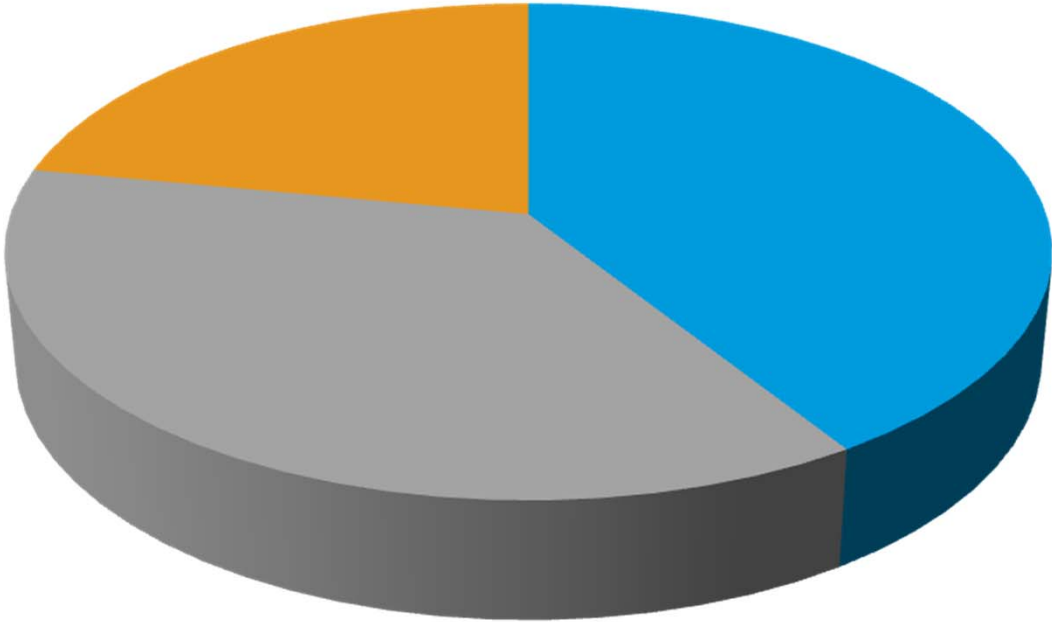


Year End Results 2012/2013

# €2.8 BILLION OF PRIME RETAIL PROPERTY IN FRANCE, NORTHERN ITALY AND SWEDEN

France	41%
Italy	37%
Sweden	22%



# YEAR END RESULTS 2012 / 2013

12 months to June 2013

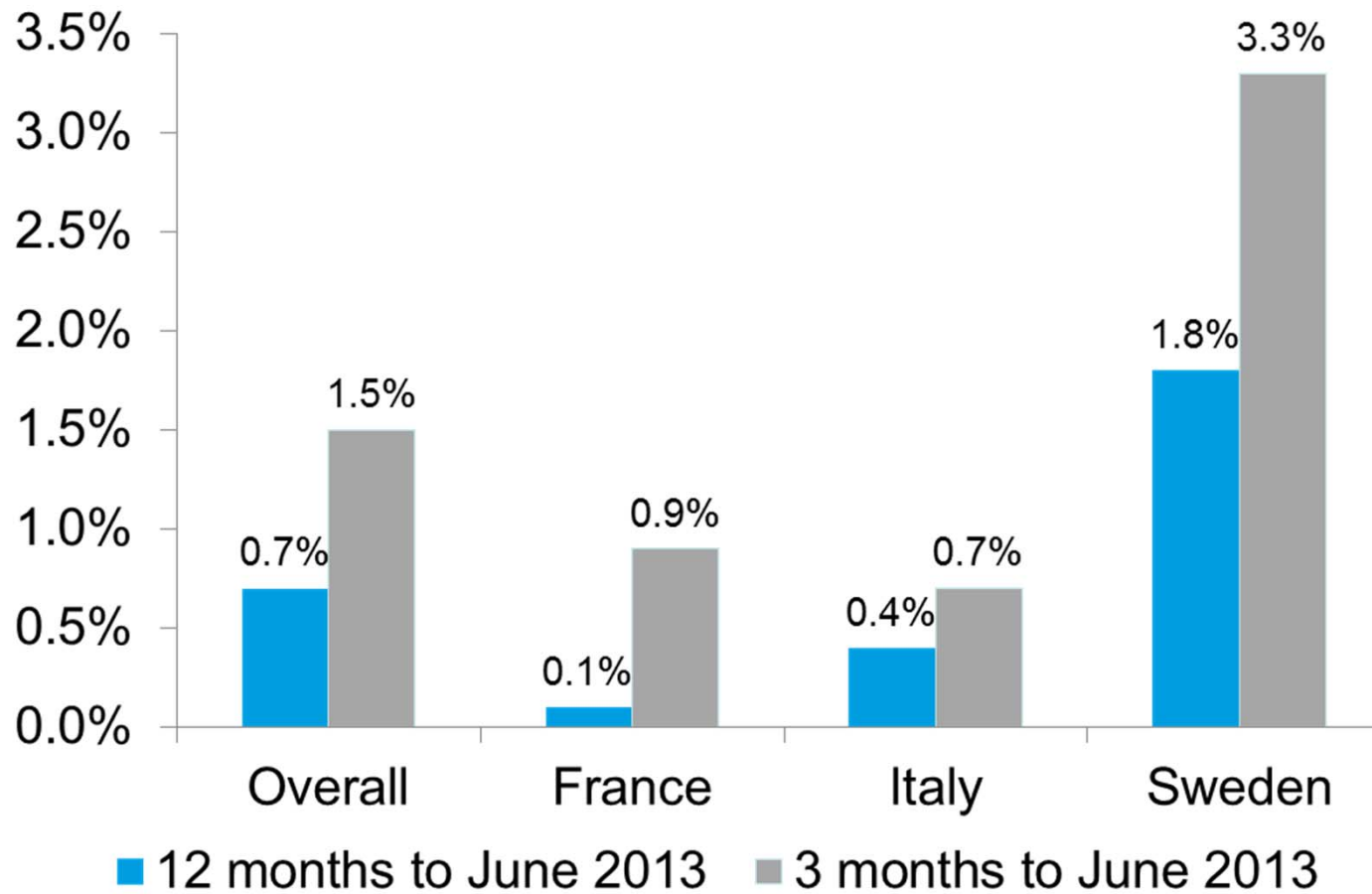
- Direct investment result: +2.5% to €81.5 million
- Net property income: +3.6% to €144.4 million
- Like for like rental growth: +2.8%
- Retail sales turnover: +0.7% (12 months)
- Property revaluations: -0.1% to €2.8 billion
- Adjusted net asset value: -1.2% to €36.47 per depositary receipt vs June 2012 but +3.4% vs December 2012

# RENTAL GROWTH

12 months to June 2013

	<b>Like for like rental growth</b>	<b>Relettings and renewals</b>	<b>Average rental uplift on relettings and renewals</b>
<b>Overall</b>	<b>+2.8%</b>	<b>175</b>	<b>+11%</b>
France	+4.1%	32	+22%
Italy	+2.6%	115	+9%
Sweden	+1.2%	28	+8%

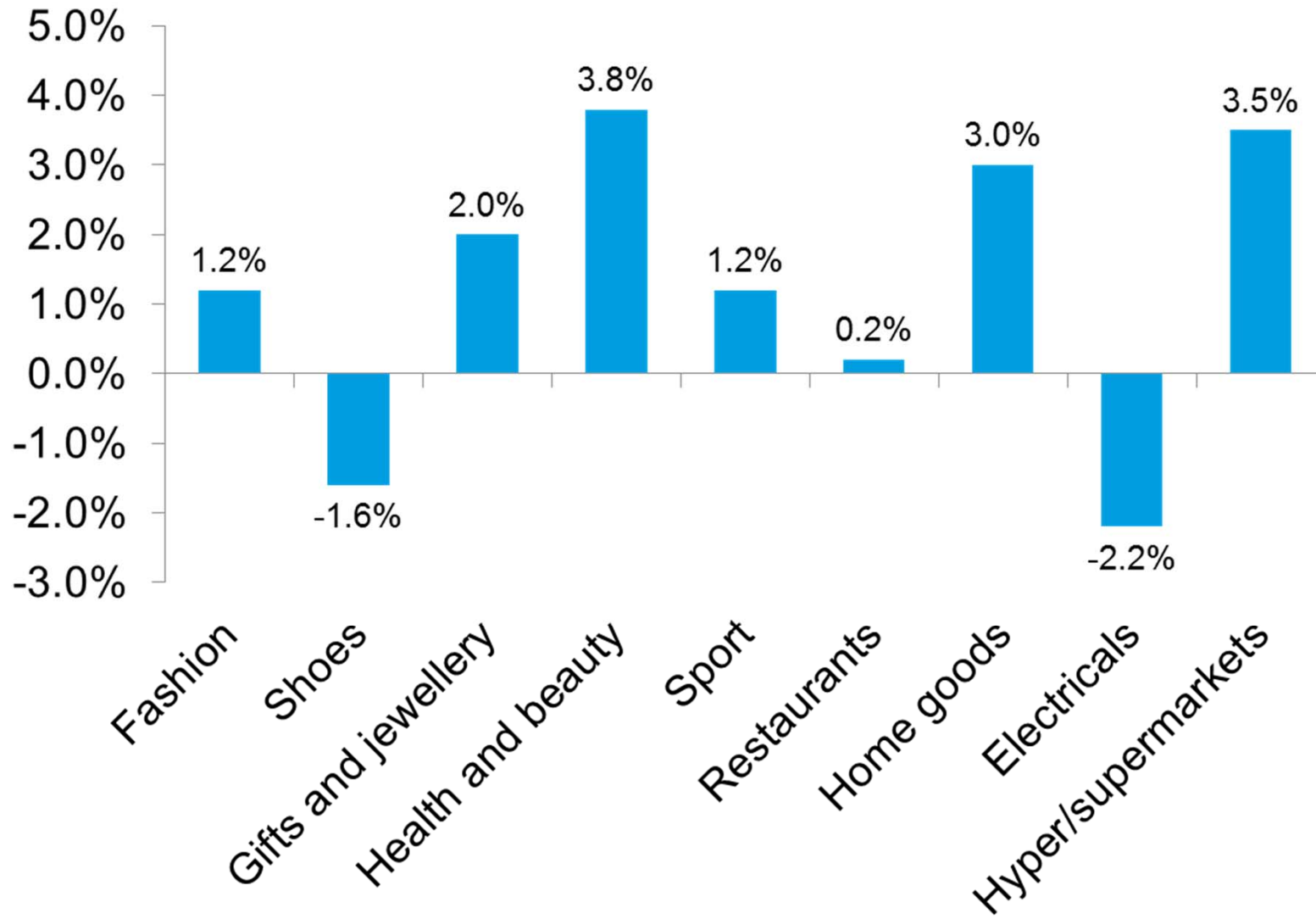
# RETAIL SALES TURNOVER\*



\* Excluding extensions.

# SALES TURNOVER BY SECTOR\*

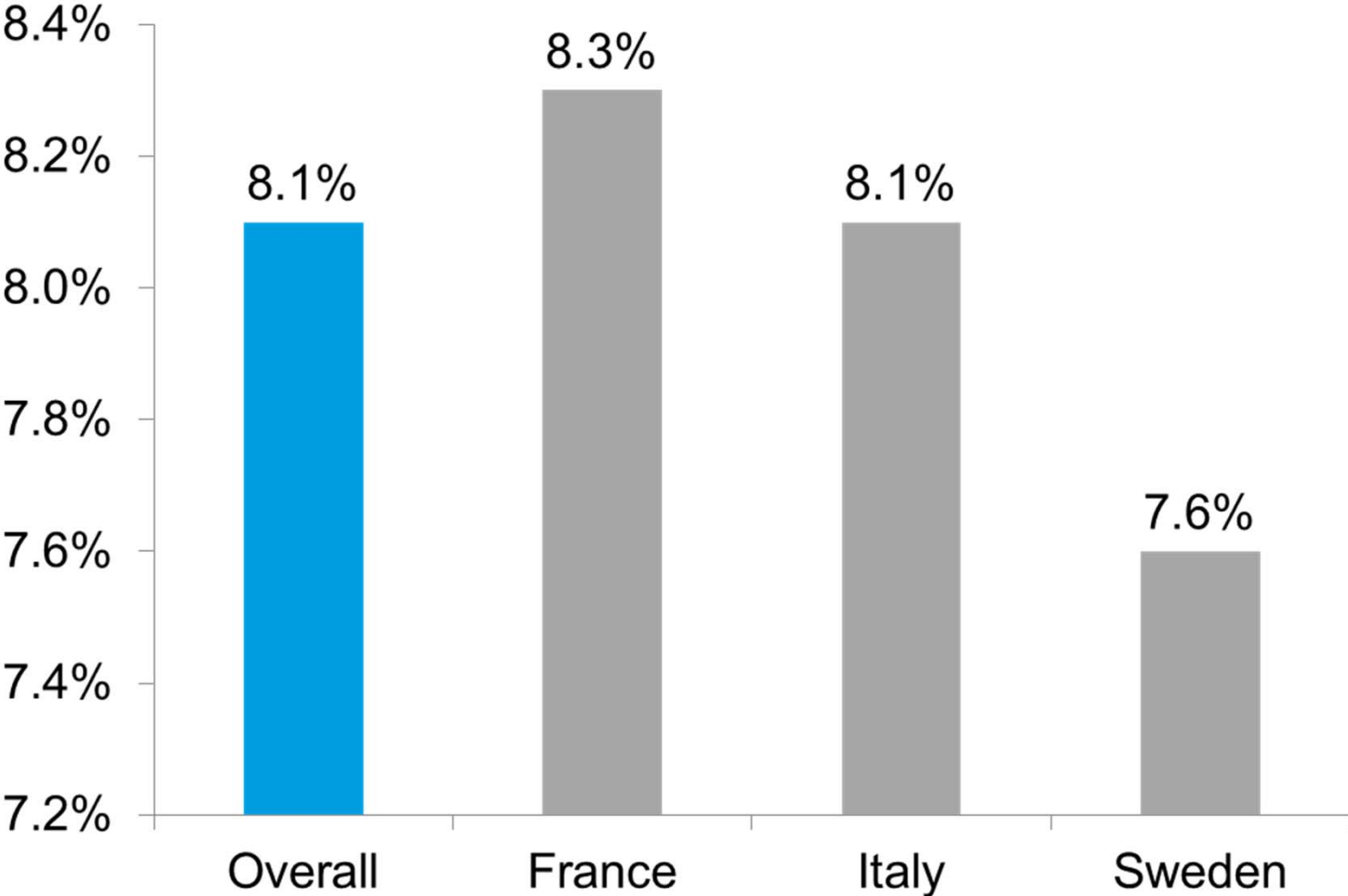
12 months to June 2013



\* Excluding extensions.

# OCCUPANCY COST RATIOS\*

June 2013



\* Rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT. Excluding hypermarkets.

# VALUATIONS

June 2013

	Valuation changes		Net yield including purchase costs*
	Twelve months to 30 June 2013	Six months to 30 June 2013	At 30 June 2013
<b>Overall</b>	<b>-0.1%</b>	<b>+0.4%</b>	<b>5.7%</b>
France	+2.7%	+1.5%	5.2%
Italy	-2.6%	-0.6%	6.3%
Sweden	-1.0%	0.0%	5.8%

\* Net yield figures are derived by dividing expected net income for the coming year by the valuation figure, to which has been added the relevant standardised market allowance for deemed purchaser's costs (usually notional transfer taxes) in the particular country.



# EXTENSIONS AND REFURBISHMENTS

<b>Property</b>	<b>Project</b>	<b>Expected completion date</b>	<b>Approximate cost</b>
<b>Val Thoiry, Thoiry</b>	Refurbishment	2014	€5 million
<b>I Portali, Modena</b>	Refurbishment	2014	€4 million
<b>I Gigli, Firenze</b>	Refurbishment	2014	€10 million
<b>Eurostop, Halmstad</b>	21,000m <sup>2</sup> extension and refurbishment	2016	€75 million

## FUNDING SUMMARY AT 30 JUNE 2013


Shareholders' adjusted net equity	€1.52 billion
Total net borrowings*	€1.24 billion
Average loan term	c. 5 years
Average loan margin	91 bps
Average overall interest rate	3.95%
Net debt to adjusted net equity ratio*	81%
Net loan to property value ratio*	44%

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\* Higher than reported for 31 March 2013 due to the short term funding of the Val Thoiry acquisition. Ratios expected to return to previous levels once the proceeds from the sale of Passy Plaza, Paris have been used to repay the short term debt in September/October 2013.



# FRANCE OVERVIEW

- Valuations up 2.7% since June 2012 and +1.5% since December 2012
  - Net initial yield: 5.2% (June 2012: 5.2% and December 2012: 5.1%)
  - LFL Rental growth: +4.1%
  - LFL Turnover growth: +0.1%
    - Boutiques: 0.9% and Medium Surfaces: -1.1%
  - LFL Turnover growth excluding Fnac\*: +1.2%
- 
- Construction of 18,000m<sup>2</sup> retail park at Chasse Sud completed. Centre now open and trading. Retailers include Décathlon, Bricomarché, Boulanger and C&A. Total investment of € 24 million at a yield of 7%
  - Refurbishments of both Centr'Azur, Hyères and Les Atlantes, Tours completed. Turnover growth has subsequently increased in both centres.

\* Fnac accounts for 21% of French turnover but less than 5% of rent



# PASSY PLAZA SHOPPING CENTRE, PARIS

Contract signed in June 2013

- Passy Plaza in Paris has been sold for €141 million; 4.7% above its December 2012 valuation
- Property was acquired in 1999 for €70 million and has achieved an internal rate of return of 15% per annum over the period of ownership
- Sale expected to complete in early October 2013
- Some of the proceeds will be reinvested in the acquisition of Val Thoiry shopping centre.





# VAL THOIRY SHOPPING CENTRE

Purchase completed in June 2013

- Total GLA of 33,416m<sup>2</sup> including Migros hypermarket:
  - 23,400m<sup>2</sup> shopping centre purchased for gross cost of €111.5 million
  - 14,800m<sup>2</sup> gallery of 62 shops, including H&M, Go Sport and Sephora plus an 8,600m<sup>2</sup> Leroy Merlin store
- Located in the Grand Genève area, 1km from the Swiss border with catchment of 150,000
- Wealth: 130% French average
- Purchase completed in June 2013 at a net initial yield of 5.6%
- Refurbishment to commence in 2014 and designs underway for significant expansion.





## ITALY OVERVIEW

- Valuations down 2.6% since June 2012 and -0.6% since December 2012
- Net initial yield: 6.3% (June 2012: 6.1% and December 2012: 6.2%)
- LFL Rental growth: +2.6%
- LFL Turnover growth: +0.4%
- 115 new leases signed in the year of which 39 were with new tenants. Overall uplift of 9% over previous passing rent. Sign of quality of the portfolio.
- 35,000m<sup>2</sup> land acquired adjacent to Carosello, Milan – to be used for car parking, to extend the gallery or in the form of a retail park
- Refurbishments at I Portali, Modena and I Gigli, Firenze expected to begin in 2014.



## SWEDEN OVERVIEW

- Valuations down 1.0% since June 2012 and 0.0% since December 2012
- Net initial yield: 5.8% (June 2012: 5.6% and December 2012: 5.7%)
- Six largest assets, representing approx 80% of the portfolio, increased in value by c.2% over both 6 and 12 months. Smaller assets fell due to an increase in yield
- LFL Rental growth: +1.2%
- LFL Turnover growth: +1.8%
  - Hypermarkets: +3.6% and Galleries: +0.8%
- November 2012: Sale of Burlöv Center, Malmö completed for SEK 1,158 million (€ 134 million) at a net yield of 5.5%. After refurbishment costs, provided an internal rate of return of 20% per annum over period of ownership.
- Part of proceeds (SEK 560M) invested in Eurostop, Halmstad at a yield of 6%. Planning application submitted for additional 21,000m<sup>2</sup> of gross buildable retail space; a decision is expected in 2014.

# OUTLOOK

- Despite generally weak economies in Europe, property prices have remained firm
- Rental growth expected to be slightly above inflation through indexation and rent reviews
- Overall outlook for total returns from good retail properties is in the order of 6–8% per annum

Eurocommercial's strategy continues to be to acquire centres that have rental growth and expansion potential