

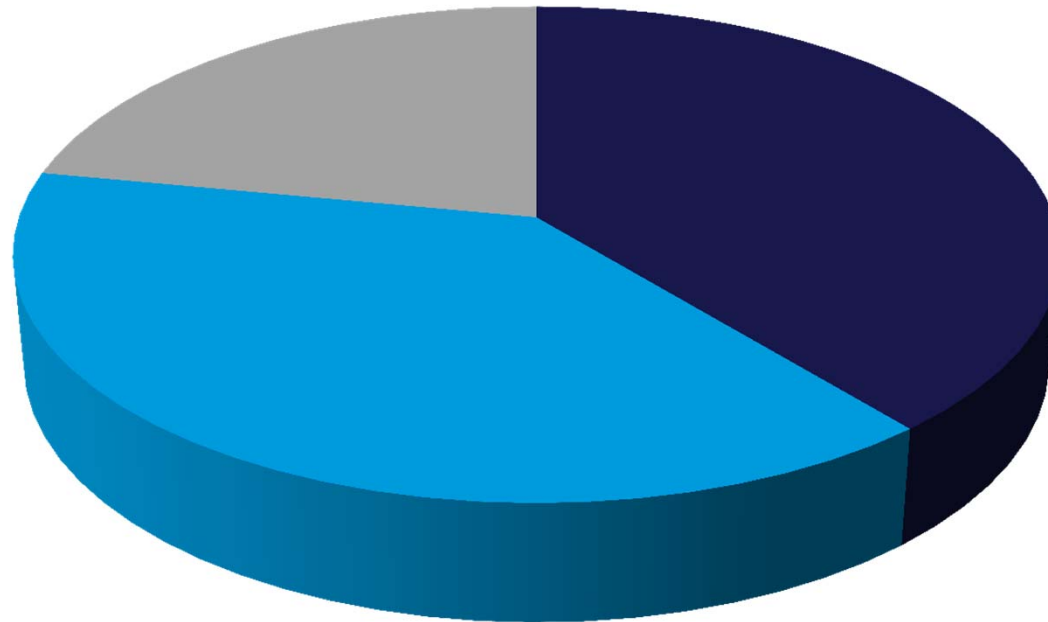
# EUROCOMMERCIAL



Year End 2013/2014 Results

# €2.7 BILLION OF PRIME RETAIL PROPERTY IN FRANCE, ITALY AND SWEDEN

France	39%
Italy	39%
Sweden	22%



# YEAR END RESULTS 2013 / 2014

12 months to 30 June 2014

- Direct investment result: +1.7% to €82.9 million
- Like for like rental growth: +1.5%
- Retail sales turnover: +1.3% (6 months to June 2014: 1.5%)
- Property valuations: +1.3% to €2.7 billion
- Adjusted net asset value: +0.7% to €36.74 per depositary receipt
- Dividend: €1.94 per depositary receipt (2012/2013: €1.92)

# RENTAL GROWTH

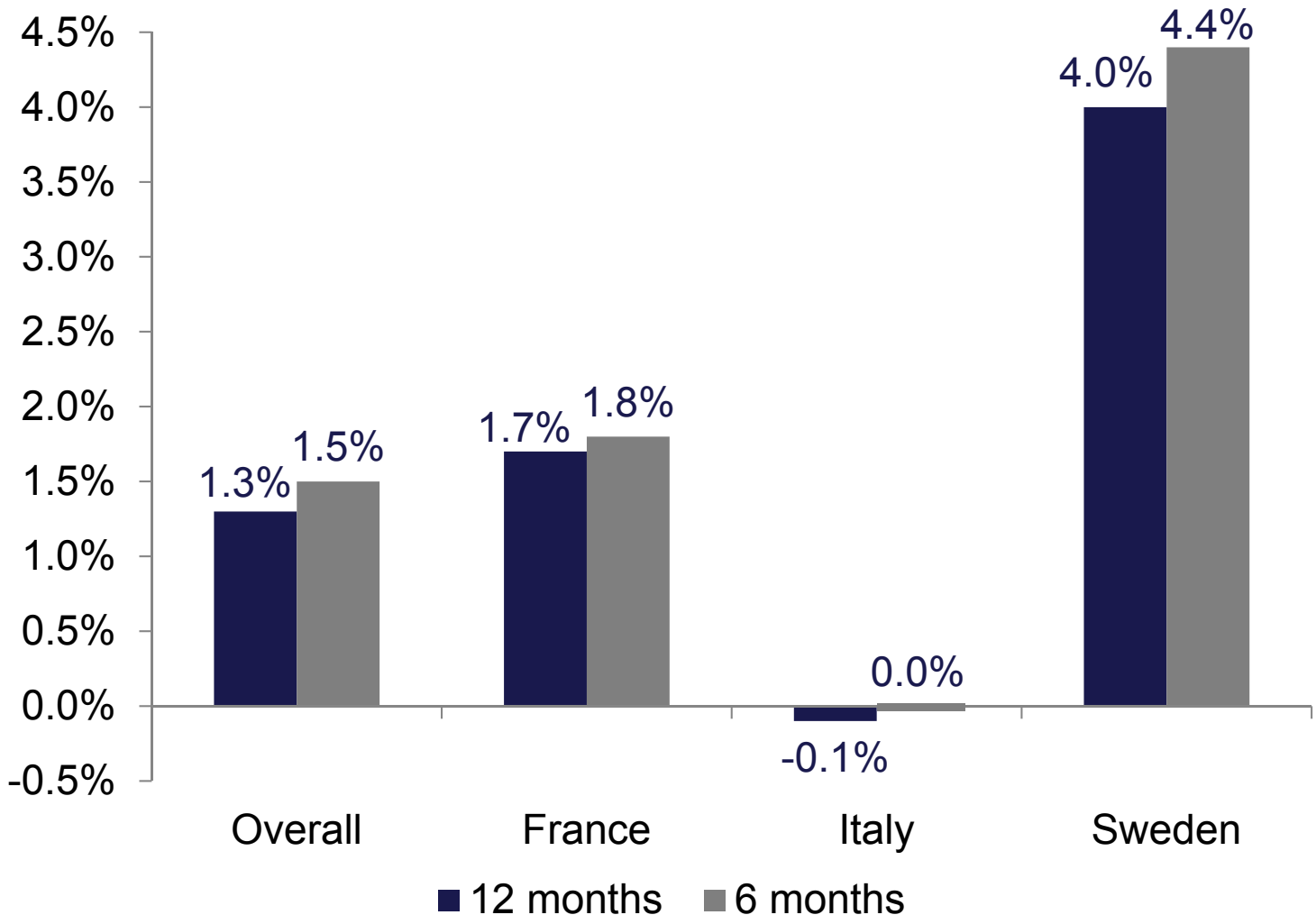
12 months to June 2014

	Like for like rental growth	Number of relettings and renewals	% of total leases relet and renewed	Average rental uplift on relettings and renewals
<b>Overall</b>	<b>+1.5%</b>	<b>202</b>	<b>14%</b>	<b>+8%</b>
France	+1.6%	27	6%	+30%
Italy	+0.8%	113	16%	+6%
Sweden	+2.8%	62	22%	+6%

Vacancies and arrears minimal

# RETAIL SALES TURNOVER\*

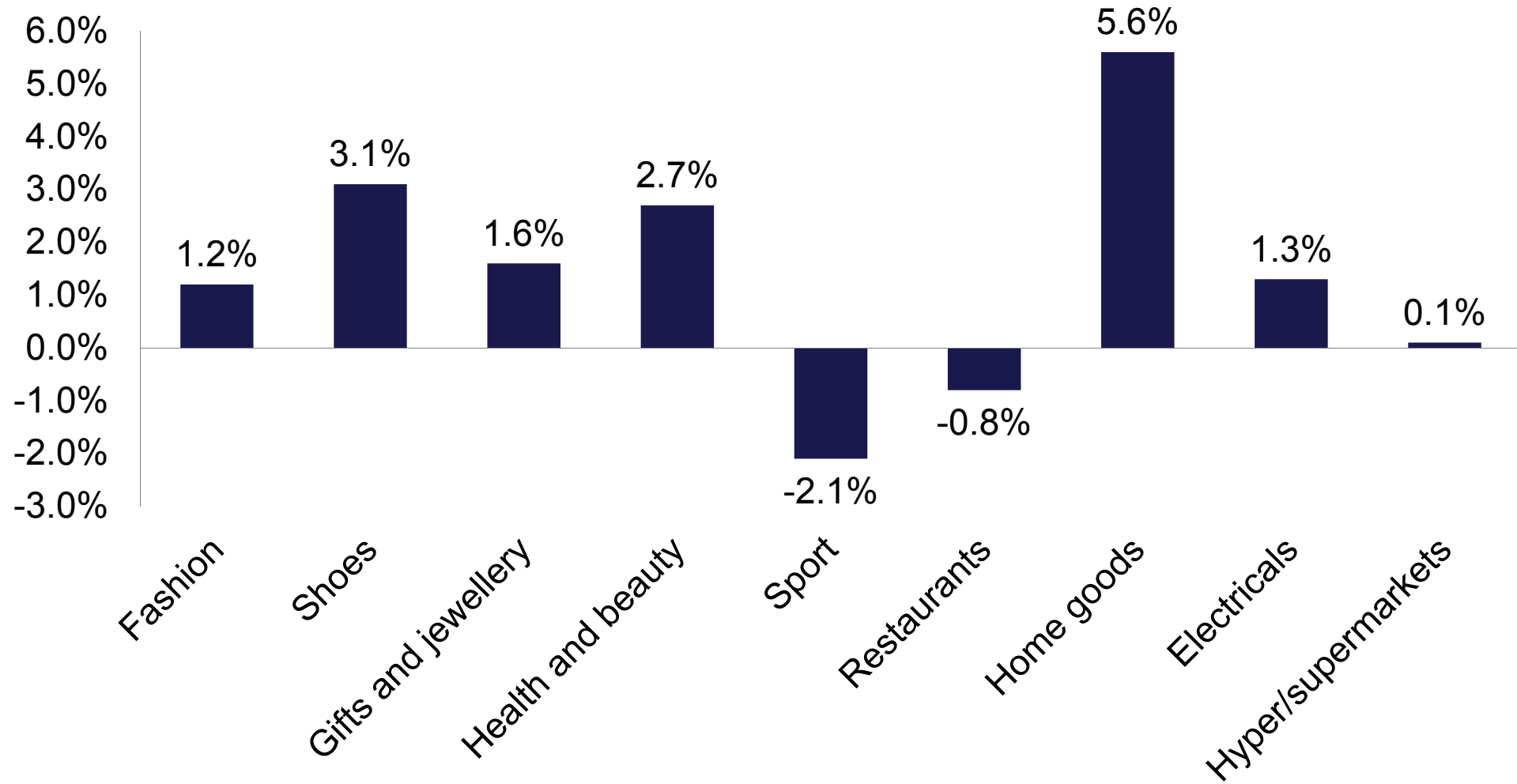
To June 2014



\* Excluding hypermarkets and extensions.

# RETAIL SALES TURNOVER BY SECTOR\*

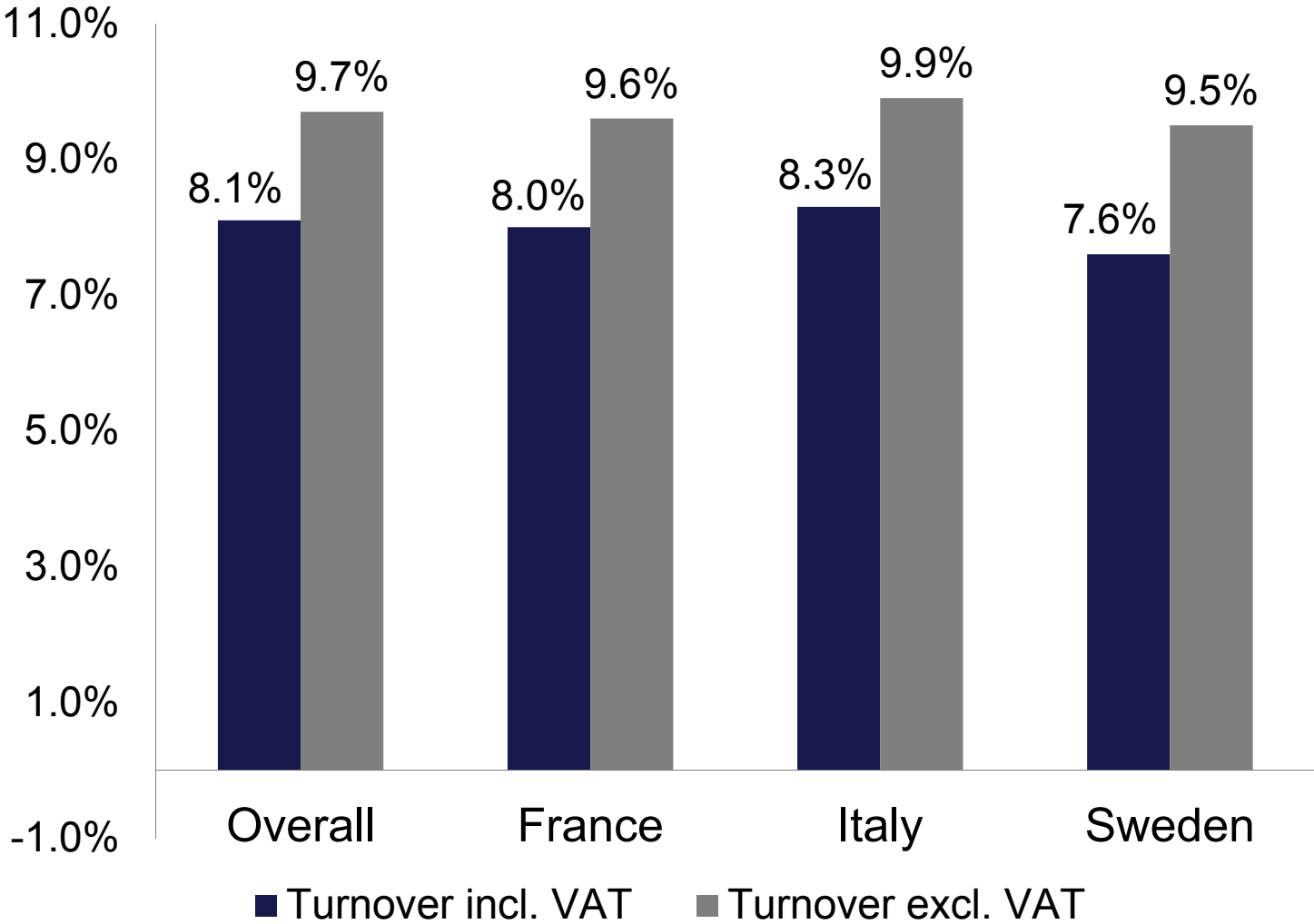
12 months to June 2014



\* Excluding extensions.

# OCCUPANCY COST RATIOS\*

June 2014



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

# VALUATIONS

June 2014

	Valuation changes		Net initial yield *
	Twelve months to 30 June 2014	Six months to 30 June 2014	At 30 June 2014
<b>Overall</b>	<b>1.3%</b>	<b>1.2%</b>	<b>5.7%</b>
France	1.7%	1.7%	5.1%
Italy	0.8%	0.6%	6.3%
Sweden	1.4%	1.3%	5.6%

\* Net initial 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.



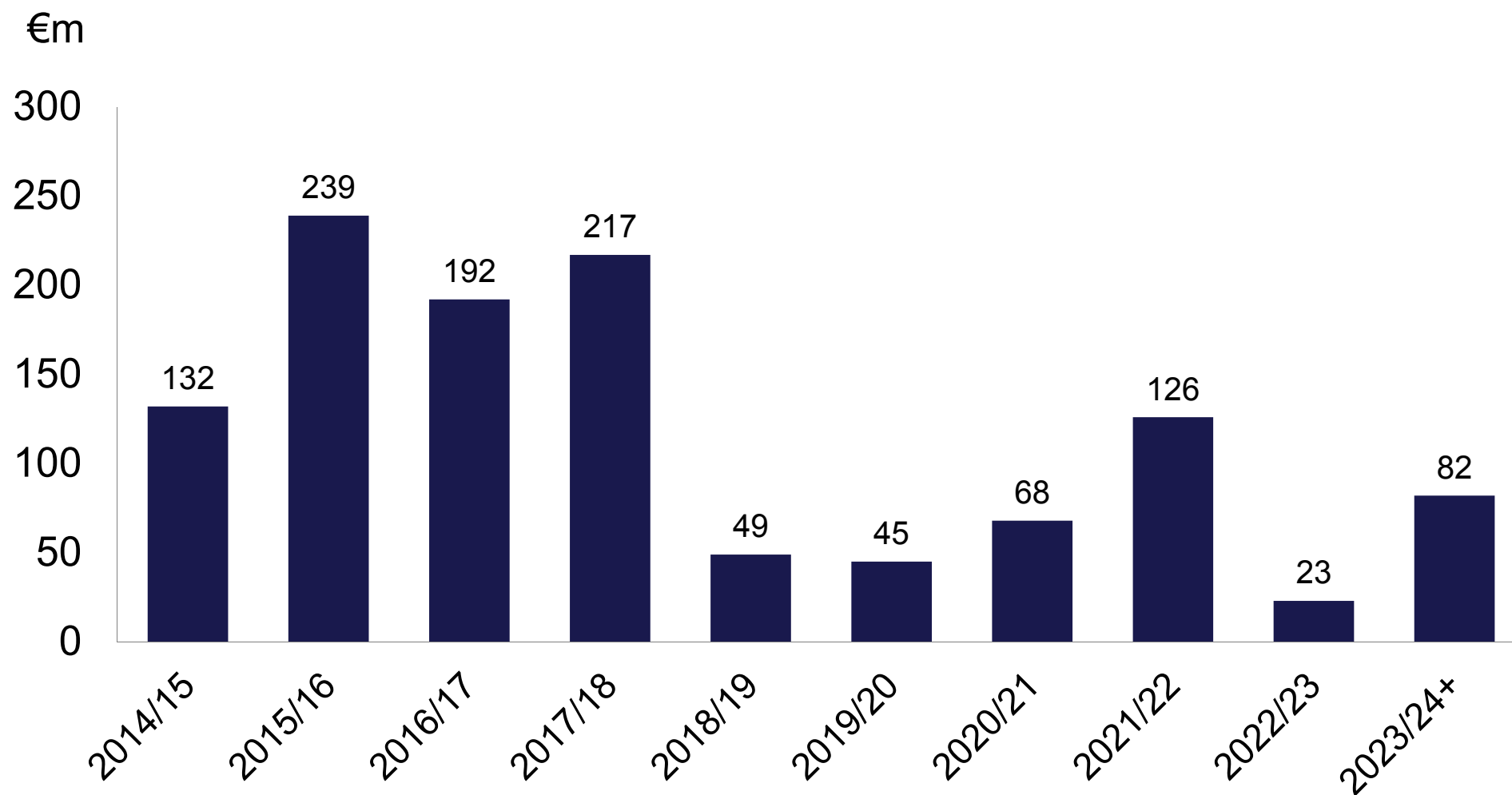
# EXTENSIONS AND REFURBISHMENTS

Property	Project	Timing	Estimated cost	Expected net yield on cost
<b>FRANCE</b>				
Val Thoiry, Thoiry	Refurbishment	Underway	€5 million	
Les Portes de Taverny, Taverny	Refurbishment	Underway	€1 million	
Plaine de France, Moisselles	Refurbishment	2015	€2.5 million	
Chasse Sud, Chasse-sur-Rhône	5,000m <sup>2</sup> extension	Planning in progress	€10 million	7%
Amiens Glisy, Amiens	5,000m <sup>2</sup> extension and refurbishment	Planning in progress	€15 million	7%
Les Atlantes, Tours	Extension	Land acquired		
Val Thoiry, Thoiry	Extension	Land acquired		
<b>ITALY</b>				
I Portali, Modena	Refurbishment	Underway	€4.5 million	
Cremona Po, Cremona	External works	2014/2015	€2 million	
I Gigli, Firenze	Refurbishment	2015	€10 million	
Carosello, Milano	Extension	Planning in progress		
<b>SWEDEN</b>				
Eurostop, Halmstad	16,000m <sup>2</sup> extension and refurbishment	Completion 2017	€75 million	7%
Bergvik, Karlstad	Refurbishment			

# FUNDING SUMMARY AT 30 JUNE 2014

Shareholders' adjusted net equity	€1.56 billion
Total net borrowings	€1.09 billion
Average loan term	c. 5 years
Loan book hedged for interest exposure	82%
Average term of hedges	7 years
Average loan margin	91 bps
Average overall interest rate	3.95%
Net debt to adjusted net equity ratio	70%
Net loan to property value ratio	40%

# BORROWINGS MATURITY SCHEDULE





# FRANCE PERFORMANCE OVERVIEW

- Valuation of portfolio up 1.7% since December and June 2013
- Net initial yield: 5.1% (June and December 2013: 5.2%)
  - Central Paris property yields averaged 4.5% while suburban centres were 5.4% and retail parks 6.0%
- Like for like rental growth: 1.6%
- Like for like turnover growth: 1.7%
  - Trend improving: 1.8% for 6 months to 30 June 2014
- Occupancy cost ratio: 8.0%
- Retailers prudent in expansion plans



# FRANCE OPERATIONAL OVERVIEW

- Refurbishment of Val Thoiry, Thoiry underway
- Blocks of land have been purchased for a total cost of €16 million alongside Les Atlantes, Tours and Val Thoiry, Thoiry to facilitate future possible extensions
- Extensions are planned for Chasse Sud, Chasse-sur-Rhône and Amiens Glisy, Amiens, subject to planning and tenant demand
- Refurbishments are planned at Les Portes de Taverny, Taverny and Plaine de France, Moisselles to refresh the centres and maintain their appeal



Refurbishment of Val Thoiry



Acquired land at Les Atlantes



Acquired land at Val Thoiry



# ITALY PERFORMANCE OVERVIEW

- Valuation of portfolio up 0.8% since June 2013 and 0.6% since December 2013
- Net initial yield: 6.3% (unchanged since June and December 2013)
- Like for like rental growth: 0.8% due to low indexation
- Like for like turnover growth: -0.1% but flat for 6 months to June 2014
- Occupancy cost ratio: 8.3%
- Total footfall at Italian centres up over the year



# ITALY OPERATIONAL OVERVIEW

- External works due to start shortly at Cremona Po, Cremona to improve road access, increase surface car parking and build an open air children's play area
- Refurbishment of I Portali, Modena underway
- Intention to submit planning application for major extension of Carosello, Milano in autumn 2014



**Refurbishment of I Portali**



**Potential extension of Carosello**





# SWEDEN PERFORMANCE OVERVIEW

- Valuation of portfolio up 1.4% since June 2013 and 1.3% since December 2013
- Net initial yield: 5.6% (June 2013: 5.8% and December 2013: 5.7%)
- Like for like rental growth: 2.8%
  - 62 lease renewals completed at average uplift of over 6%
- Like for like turnover growth: 4%
- Occupancy cost ratio: 7.6%





# SWEDEN OPERATIONAL OVERVIEW

- Eurostop is Halmstad's only external shopping centre with a catchment of 200,000 people
- Includes a 10,800m<sup>2</sup> Coop hypermarket and 13,600m<sup>2</sup> gallery with 34 retail tenants
- Planning application for 16,000m<sup>2</sup> GLA extension has received support of municipality and region; new zoning plan expected imminently
- Development expected to start in 2015 with completion in 2017
- Ongoing discussions with existing and new tenants very encouraging



# OUTLOOK

- Rental growth expected to remain modest due to minimal indexation
- Vacancies and arrears should remain low
- Maintain focus on upgrading and improving existing portfolio
- Consider possible acquisitions of quality shopping centres in France, Italy and Sweden