



## Results for the 2012 financial year

- Sharp rise in rental income (+31%) and in recurring net income (+18%)
- Successful merger with Foncière Sepric
- Patrimoine & Commerce has become the standard-setting property company in the retail park sector

At its meeting of 23 April 2013, the Board of Directors of Patrimoine & Commerce signed off on the financial statements for the 2012 financial year, as drawn up by the Management.

| Key data – IFRS                              | 31/12/2012<br>PF P&C + FS | 31/12/2012<br>P&C | 31/12/2011<br>PF P&C |
|--|---------------------------|-------------------|----------------------|
| Net rental income                            | €28.8 m                   | €17.7 m           | €13.7 m              |
| Recurring net income                         | €19.1 m                   | €10.6 m           | €9.0 m               |
| Net income, Group share                      | €14.3 m                   | €8.0 m            | €16.4 m              |
| Appraisal value of the assets (excluding TT) | €489 m                    |                   | €300 m               |
| Capitalisation rate                          | 7.5%                      |                   | 7.4%                 |
| LTV ratio                                    | 45.3%                     |                   | 44.0%                |
| NAV (excluding TT in € per share)            | €22.20                    |                   | €22.50               |

### Successful merger with Foncière Sepric

Following the contribution of a 61.7% of Foncière Sepric's capital on 27/12/2012, Patrimoine & Commerce launched a public tender offer in March 2013, which has enabled the Company to hold a 99.7% interest in Foncière Sepric. This merger, which creates significant value, is characterised by the consistency of the consolidated assets (retail parks), a high degree of geographical complementarity, a comparable financial structure (repayable debt backed by each asset) and by the acquisition of an in-house commercial property development business, which will enable the development pipeline to be strengthened.

### Sharp rise in rental income (+31%)

Patrimoine & Commerce's rental income for the 2012 financial year amounted to €18.5 million compared with €14.1 million for the previous financial year, i.e. an increase of 31%.

This increase was primarily attributable to:

- The full-year impact of the 2011 acquisitions (Château-Thierry, Saint-Gaudens and La Ville-du-Bois), which amounted to €3.7 million, and the impact of the 2012 acquisitions (Istres 3, Sarreguemines and Vandœuvre), which amounted to €0.5 million.
- The positive impact of rent indexation and of lease renegotiations (+€0.5 million);
- The loss of the rental income relating to the sold assets (-€0.3 million).

Despite a tough economic environment, the portfolio only experienced minor changes in tenants over the financial year (tenant turnover rate of 2.6%), while the financial occupancy rate across the entire portfolio (including Foncière Sepric) at 31 December 2012 remained at an extremely high level of 97.4%, testifying to the quality and resilience of the Company's portfolio.

## 18% increase in net recurring income

In keeping with the increase in its rental income, and as a result of controlled operating costs and financial expenses, the Group's recurring net income amounted to €10.6 million, an 18% increase compared with the 2011 financial year.

After taking other operating income and expenses into account (including goodwill of €4.3 million relating to the Sepric transaction), the change in the fair value of assets and financial instruments (-€1.9 million and -€2.0 million respectively), deferred or exceptional taxes (-€1.1 million) and minority interests (-€1.4 million), the 2012 net income, Group share, amounted to €8.0 million.

## A dynamic property business

In addition to the merger with Foncière Sepric, the Group saw sustained activity in the property sector over the financial year:

- Acquisition of two commercial assets, one with a surface area of 2,175 m<sup>2</sup> in Sarreguemines, which is let to three national retail brands (Casa, Maxitoys and Aubert) for a rent of €231,000, while the other asset, which has a surface area of 913 m<sup>2</sup> and is in the suburbs of Nancy, is let to the Mobilier de France retail brand, for a rent of €120,000 per year. Both these transactions were finalised in July 2012, for a global amount of €4.2 million.
- Sale of an office building in Metz for €1.9 million in February 2012, and signing of a promise of sale covering an office building in Bordeaux (€6.2 million) in July 2012. These disposals were carried out for amounts that were slightly higher than their appraisal values. This strategy, aimed at selling office assets, will be pursued in the short and medium-term.
- Continuation of the ongoing development of the pipeline:
  - The "Les vergers d'Aquitaine" retail park in Sainte-Eulalie near Bordeaux (8,180 m<sup>2</sup>) opened its doors on 31 December 2012. The retail park is fully let, mostly to major national retail brands (Intersport, La Grande Récré, Foïrfouille, etc.).
  - The "Istres 3" retail park (4,884 m<sup>2</sup>), which was delivered on 1 July 2012, is now 87% let to major national retail brands (Jennyfer, Générale d'Optique, Feu Vert, etc.). A final unit is currently being marketed.
  - The Puymaret retail park (20,000 m<sup>2</sup>), near Brive-la-Gaillarde (Department of Corrèze) is under construction. 80% of the leases have been signed or are at the advanced negotiation stage (Leroy Merlin, Go Sport, 4Murs, Centrakor, Mobilier de France, Grand Litier, etc.). Leroy Merlin, the anchor tenant on the site, opened its doors in October 2012.
  - The Antibes Palais des Congrès shopping gallery (7,162 m<sup>2</sup>) which is expected to open in July 2013: 94% of the leases have been signed, or are at the advanced negotiation stage.
  - The "Les Eleis" shopping centre in Cherbourg (30,000 m<sup>2</sup>) which is undergoing an extension and renovation programme. The opening is scheduled in June 2013; 95% of the leases have been signed or are at the advanced negotiation stage.

## Significant expansion of the portfolio to €489 million (+63%)

At 31 December 2012, the appraisal value of the portfolio (excluding transfer taxes) amounted to €489.3 million, an increase of 63% compared with 31/12/2011. This strong rise is explained by:

- The consolidation of Foncière Sepric's assets for €151.3 million;
- Asset developments and acquisitions for €41.9 million;
- The disposal of the Metz asset for -€1.9 million;
- A change in fair value of -€1.9 million across the whole portfolio.

The capitalisation rate on operating assets amounts to 7.5% compared with 7.4% at 31 December 2011.

NAV excluding rights (and taking the fair value of financial instruments into account) amounted to €183.5 million, i.e. a NAV of €22.20 per share at 31 December 2012.

## Sound financial profile

The Group's consolidated net debt amounted to €210 million at 31 December 2012 and consisted of dedicated financing on an individual asset basis, except for a €30 million bond issued at the Group level. This repayment-based financial structure enables the Group to have an average debt maturity of 7.1 years, with no significant annual maturities.

In addition, the Loan-To-Value ratio remained highly satisfactory and amounted to 45% (restated for the assets held for sale) compared with 44% at 31/12/2011.

Despite a cautious interest-rate risk hedging policy (fixed and hedged variable-debt account for 67% of gross debt), the Group benefited from the fall in interest rates over the 2012 financial year, which enabled it to report an average interest rate on its debt of around 4.0%.

## Outlook

Buoyed by its national operations, Patrimoine & Commerce will actively pursue its development strategy aimed at commercial assets that offer a very high marketability/operating costs ratio. *"Patrimoine & Commerce has become a key player in the retail parks sector in France, with a national coverage and an increased development capacity"* said Eric Duval, Patrimoine & Commerce's Managing Director. *"Retail parks, which are energy-saving, offer retail brands a very low cost level that corresponds closely to current economic constraints. We are planning to pursue our active development in this area, by focusing on medium-sized towns. Obviously, this development will take place while respecting our financial equilibrium, primarily thanks to a targeted disposal policy for our non-strategic or mature assets"*.

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## About Patrimoine & Commerce

*Patrimoine & Commerce owns and operates a property asset portfolio that primarily consists of commercial assets and totals 305,000 m<sup>2</sup>. The assets have an occupancy rate of over 97% and are mainly located in retail parks near medium-sized towns throughout France.*

*Patrimoine & Commerce benefits from a significant identified deal flow that will enable it to feed its growth, in terms of both assets under development and operating assets.*

*Patrimoine & Commerce is listed on NYSE Euronext Paris.*

*ISIN Code: FR0011027135 – Ticker Symbol: PAT*

*For further information, go to: [www.patrimoine-commerce.com](http://www.patrimoine-commerce.com)*

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