

14:45-16:00 - Panel 1 - Marly

“Development & Competitiveness of SIIC – the French REITS Regime”



SIIC - French REITs **A view from abroad**

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Content

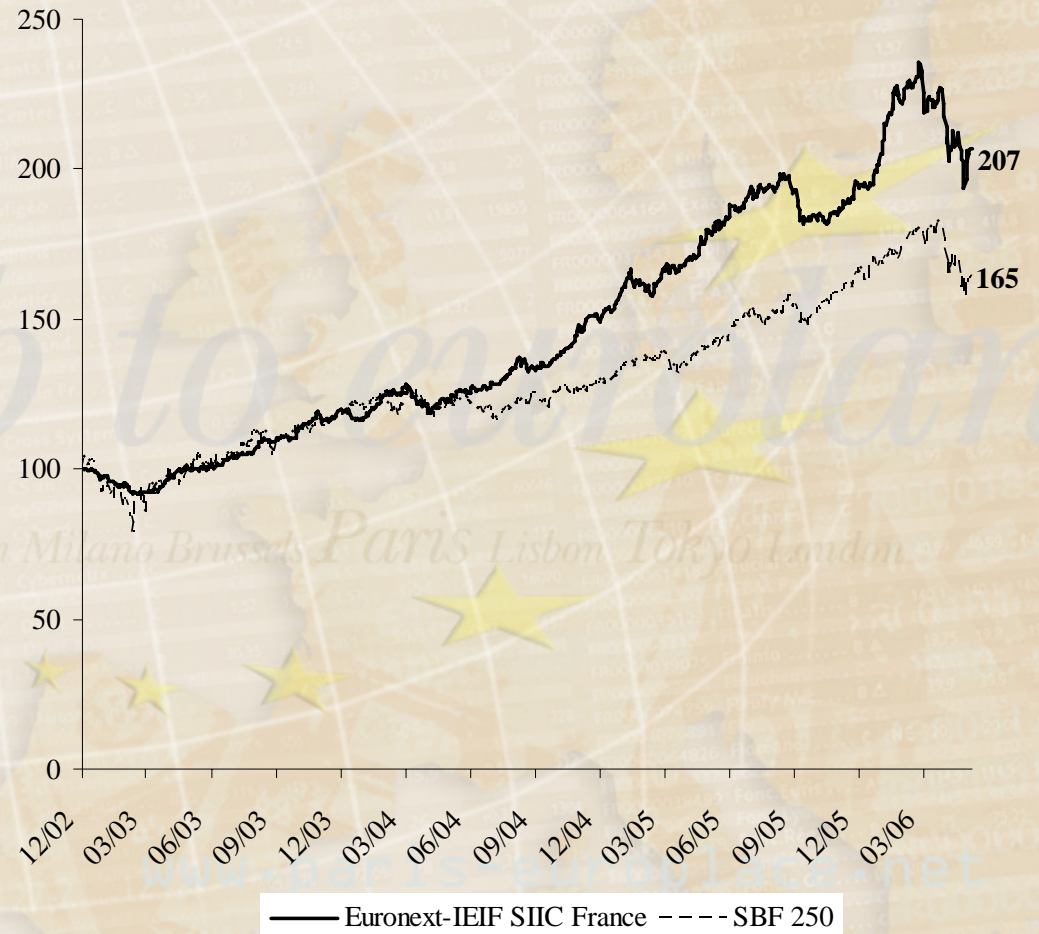
- Strong performance for French REITs
- What do equity investors think?
- What do the other European property companies think?
- SIIC sector: the story is not over

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SIICs have outperformed the French stock market

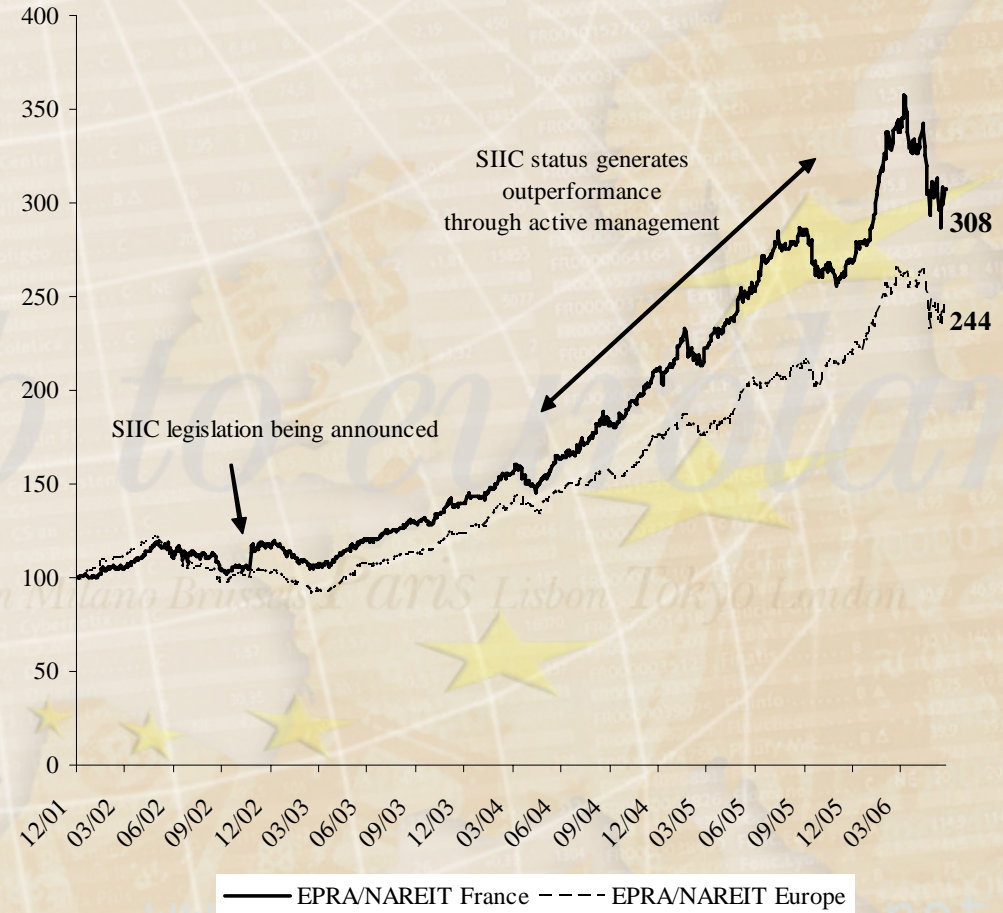
- Real Estate sector has outperformed the broad market
- Drivers: SIIC dividends, low interest rates, results above expectations, M&A activity, return of capital...
- After the recent sell-off, French sector valuation below valuations seen ahead of the past property cycle



Source: IEIF, Euronext

SIICs have outperformed the European Real Estate Sector

- With SIIC status, companies have more active asset management strategies
- France has a broad range of interesting companies (business models, focus, size...)



Source: EPRA/NAREIT

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SIIC: What do equity investors think?

- Institutions with long-term views have taken strategic stakes in several property companies (Predica, Generali, Axa...)
- Generalists equity fund managers now consider the French Real Estate as a “normal” sector
- Unibail is a potential candidate to the CAC 40
- French IPOs have been very successful: Mercialis, Icade...
- Strong equity stories and earnings growth more important than quality of assets or dividend yields

SIIC: What do European property companies think?

- Financial Times: “The French Model” (11 Dec 2003)
- More European countries want a performing REIT model: UK (2007), Germany (2008?), The Netherlands (improving current regime), Spain?
- Other European Real Estate groups have applied for a second listing in France and adopted the SIIC status for their French portfolio

HAMMERSON (GB)
RODAMCO EUROPE (NL)
WERELDHAVE (NL)
WAREHOUSE DE PAUW (BE)
CORIO (NL)
EUROCOMMERCIAL PROPRIETIES (NL)
VASTNED RETAIL (NL)

- SIIC status has fuelled cross-border operations: Gecina, SFL, SIIC de Paris, Affine, FDL...
- SIIC also used by private equity players: MSREF, Colony Capital...

SIIC: the story is not over

- Great management teams
- Average Earnings, dividends and NAV growth above 8% pa for 06E and 07E
- Broader range of business models and property segments
- More capital formation
- Ongoing M&A activity

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