

PRESS RELEASE



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EUROCOMMERCIAL PROPERTIES N.V. YEAR END RESULTS 2015/16

The 2015/16 financial year has been one of the best in Eurocommercial's 25 year history. A number of acquisitions, which boosted rental income, and a reduction in interest expenses increased the total direct investment result by 17.6% to €102.8 million and the direct investment result per depositary receipt by 5.4% to €2.15. Adjusted NAV rose by 9.6% as a result of higher property valuations.

Summary of Results

Direct Investment Result up 17.6%: The direct investment result increased by 17.6% over the year to 30 June 2016 to €102.8 million, primarily due to property acquisitions and a reduction in interest expenses. The direct investment result per depositary receipt increased by 5.4% to €2.15.

Adjusted Net Asset Value up 9.6%: Adjusted net asset value per depositary receipt at 30 June 2016 was €43.00, an increase of 9.6% compared to €39.24 at 30 June 2015 and 6.2% compared to €40.49 at 31 December 2015.

Property Valuations up 5.4%: Property values at 30 June 2016 increased by 5.4% over June 2015 and by 2.4% since December 2015. Values increased by 8.0% in France, 3.0% in Italy and 6.2% in Sweden over the year. The changes since December 2015 were 3.6% in France, 0.8% in Italy and 3.6% in Sweden.

Dividend up 3.5%: Proposed increase in annual dividend to €2.05 per depositary receipt compared with €1.98 in 2014/15.

Retail Sales up 2.7%: Overall like for like retail sales in Eurocommercial's centres for the 12 months to 30 June 2016 grew by 2.7% when compared with the same period of the previous year. Retail sales for the six months to 30 June 2016 increased by 0.7%.

Uplifts on relettings and renewals 10%: The uplift in rent achieved on leases either relet or renewed during the year averaged 10%. Like for like rental growth (same floor area) for the 12 months to 30 June 2016 was 1.0% overall. The absence of inflation resulted in zero indexation being applied to lease contracts in all three countries.

Extensions and Refurbishments: The 5,500m² extension of Chasse Sud opened in June 2016, fully let. The €10.2 million project delivered a net return on cost of 8%. Refurbishments were also completed at Val Thoiry and Bergvik. Construction of the 16,000m² extension in Halmstad began during the year and is progressing well, with 90% of the space pre-let ahead of the planned opening at the end of 2017.

Property Transactions: The Company completed four acquisitions during the financial year for a total purchase cost of almost €400 million. In October 2015 Eurocommercial acquired 50% of Fiordaliso in Milan from Gruppo Finiper and at the end of December 2015 it completed the purchase of Collestrada in Perugia. The Company also increased its ownership of two existing properties - Bergvik in Karlstad and I Gigli in Florence - by acquiring the hypermarkets and additional gallery shops at both centres in November 2015 and April 2016 respectively. Saint Doulchard in Bourges was sold for €42.2 million on 1 March 2016 and a contract was signed shortly after the year end to sell Kronan in Karlskrona for SEK 185 million (€19.6 million).

Chief Executive's Commentary

This year we celebrated 25 years since Eurocommercial's quotation on the Amsterdam Stock Exchange in June 1991. The Company has since grown from one with property assets of approximately €140 million then to €3.5 billion today, including joint ventures. Dividends have risen steadily and our shop occupancy levels at 99% have consistently been the best in the industry.

Our senior management team has been extraordinarily committed and loyal with senior directors serving an average of around 20 years. They in turn have passed on their spirit of dedication to their teams in Amsterdam, Milan, Paris and Stockholm. We think that there really is a family feeling within Eurocommercial and, like all good families, we are doing our best to encourage the younger members to learn the business and develop professionally so they can ensure that the Company continues to thrive in the future.

The challenges for a property company like ours constantly change but certain fundamental criteria remain; the most important being the location of the properties, the suitability of the buildings for their purposes and a profound understanding of the needs of our tenants and their customers. The internet is one of the more recent challenges but seems to have resulted in demand for larger, not smaller, shops from the successful, omni-channel retailers, helping to maintain our low vacancy levels.

In the end, our job is to provide our shareholders with predictable, steadily rising dividends and a solid, growing asset base which we have achieved over the last 25 years through our considered investment strategy and highly professional teams, with their open and collegial culture.

Appropriately for our anniversary, 2015/16 has been one of our best years. Our asset values, income and earnings have all grown strongly and exciting property expansion and improvement projects are progressing in all our countries. The lack of inflation has held back our annually indexed rents but average retail sales growth in our centres over the year to 30 June of 2.7% is encouraging. Property values have benefitted from strong investor demand pushing down yields so that our portfolio is worth 5.4% more than it was a year ago on a like for like basis.

Commercial property markets have been strong in France, Italy and Sweden with prices rising as yields reduce, reflecting the extreme shortage of good investments. This situation is unlikely to change for the foreseeable future as long as interest rates remain so low. Relatively low GDP growth in France and Italy is balanced in our portfolio by very strong growth in Sweden. The Italian economy is recovering steadily with around 1% GDP growth but consumer spending is robust, reflecting the sound financial situation of Italian families.

The exit of Britain from the European Union is unlikely to have a significant effect on our markets because very little has been directly invested in European property by British organisations, although many major international investors operate from London. Whether they will continue to do so remains to be seen.

Our investment strategy remains one of cautious expansion in our existing markets, focussing as ever on the sustainability of rental income.

Results in Detail

Gallery Rental Growth*

Rental uplifts on lease renewals and relettings averaged 10% across the portfolio over the year, a positive reflection on tenant demand. Overall like for like rental growth for Eurocommercial's galleries for the 12 months to 30 June 2016 was, however, only 1.0%, largely because of zero annual indexation of rents, all of which are tied to national inflation measures, usually CPI (consumer price index). The figures outlined below compare tenancy schedules (same floor area) at the balance dates. In addition to renewals and relettings, rental growth components also include indexation and turnover rents but exclude entry premiums.

	Average rental uplift on relettings and renewals	% of total leases relet and renewed	Number of relettings and renewals	Like for like rental growth
Overall	10%	12%	193	1.0%
France	11%	8%	39	0.5%
Italy	13%	10%	92	0.8%
Sweden	7%	26%	62	2.7%

* Excluding extensions

Retail Sales Growth

Overall like for like (same floor area) retail sales in Eurocommercial's shopping centres for the 12 months to 30 June 2016 increased by 2.7% compared with the 12 months to 30 June 2015. Retail sales growth was particularly strong in both Italy and Sweden, increasing 3.7% and 5.4% respectively. French retail sales fell by 0.5% over the period, impacted by strikes, weather (floods) and terrorism concerns. Excluding the Paris city centre properties, which were particularly badly affected by these factors, French turnover would have increased by 1.3%.

Retail Sales Growth by Country*

	Twelve months to 30 June 2016	Six months to 30 June 2016
Overall	2.7%	0.7%
France	-0.5%	-1.6%
Italy	3.7%	1.1%
Sweden	5.4%	3.8%

* Excluding hypermarkets, Systembolaget and extensions

Retail Sales Growth by Sector*

	Twelve months to 30 June 2016	Six months to 30 June 2016
Fashion	3.3%	0.8%
Shoes	-1.5%	-5.4%
Gifts and jewellery	8.7%	8.5%
Health and beauty	3.3%	2.4%
Sport	1.8%	-2.0%
Restaurants	2.3%	0.8%
Home goods	8.0%	2.3%
Electricals	-0.2%	-1.1%
Hyper/supermarkets	2.5%	2.0%

* Excluding extensions

Occupancy Cost Ratios (OCRs)

Total occupancy cost ratios (rent plus marketing contributions, service charges and tenant property taxes as a proportion of retail sales including VAT) for Eurocommercial galleries excluding hypermarkets and Systembolaget at the end of the year were 8.2% overall; 8.7% in France, 8.1% in Italy and 7.8% in Sweden.

Vacancies and Arrears

Eurocommercial's retail vacancies represented 0.8% of rental income at June 2016. Eurocommercial will continue to ensure that its occupancy cost ratios are reasonable and that rents are therefore affordable for its tenants. This is reflected in the arrears of more than 90 days which remain less than 1% of rental income.

Out of a total of 1,630 tenants, there are 11 tenants in administration, nine of which are still paying rent.

Net Property Income

Net property income, including joint ventures (on the basis of proportional consolidation), for the 12 month period to 30 June 2016 increased by 6.8% to €155.4 million from €145.5 million for the same period to 30 June 2015, primarily due to the four acquisitions which were completed during the period.

Direct Investment Result

The direct investment result for the year to 30 June 2016 rose 17.6% to €102.8 million from €87.4 million for the year ended 30 June 2015, mainly due to the aforementioned acquisitions and lower interest expenses. The direct investment result per depositary receipt for the year to 30 June 2016 increased by 5.4% to €2.15 from €2.04 for the year to 30 June 2015 in spite of an 11.2% increase in the average number of depositary receipts in issue during the year.

The direct investment result is defined as net property income less net interest expenses and company expenses after taxation and in the view of the Board more accurately represents the underlying profitability of the Company than the IFRS "profit after tax" which must include unrealised capital gains and losses.

Dividend

The Board proposes increasing the annual dividend to €2.05 per depositary receipt (10 ordinary shares) from €1.98 per depositary receipt for the previous financial year. Approximately €4.4 million of the direct investment result will be added to the retained profit reserve, in part to cover the expected temporary loss of income during the rebuilding and extensions at Amiens, Carosello, I Gigli and Halmstad during the 2016/17 financial year.

Holders of depositary receipts will again be offered the option of taking new depositary receipts from the Company's share premium reserve, instead of the cash dividend payable, on 30 November 2016. The price of these depositary receipts will be announced on 28 October 2016.

Property Valuation Growth

As usual, all of Eurocommercial's properties were independently valued at 30 June 2016 by major international firms in accordance with the standards set out in the "Red Book" of The Royal Institution of Chartered Surveyors. The change in values of the properties since June and December 2015 are set out in the table below, together with their net yields. The 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. The objective is to replicate the calculations of a professional institutional investor.

	Valuation growth		Net yield including purchase costs
	Twelve months to 30 June 2016	Six months to 30 June 2016	At 30 June 2016
Overall	5.4%	2.4%	5.1%
France	8.0%	3.6%	4.4%
Italy	3.0%	0.8%	5.7%
Sweden	6.2%	3.6%	5.0%

Independent Valuations by Property

	Net value June 2016	Net value June 2015	Net yield including purchase costs	Cost to date
France (€million)				
Passage du Havre, Paris ⁴	405.40	366.50	3.7%	189.42
Les Atlantes, Tours ³	146.70	139.30	4.7%	65.00
Val Thoiry, Greater Geneva ³	135.80	122.80	4.7%	136.76
Chasse Sud, Chasse-sur-Rhône ³	*86.50	65.90	5.1%	72.03
Plaine de France, Moisselles ⁴	81.90	76.10	5.2%	63.70
74 rue de Rivoli, Paris ⁴	70.80	64.50	3.4%	20.72
Les Portes de Taverny, Taverny ³	65.40	62.60	4.8%	25.92
Amiens Glisy, Amiens ³	**60.40	48.90	5.2%	23.08
Centr'Azur, Hyères ⁴	55.40	53.70	4.9%	21.64
Shopping Etrembières, Greater Geneva ²	49.40	46.80	5.0%	51.67
Les Allées de Cormeilles, Cormeilles ³	46.10	43.50	5.2%	44.74
Les Trois Dauphins, Grenoble ³	40.10	39.70	5.1%	26.78
Les Grands Hommes, Bordeaux ³	18.20	18.00	3.8%	18.27
TOTAL FRANCE	1,262.10	1,148.30	4.4%	759.73

Italy (€million)

I Gigli, Florence ²	***383.50	280.20	5.8%	304.35
Carosello, Carugate, Milan ³	320.80	302.30	5.3%	202.27
Fiordaliso, Rozzano, Milan ³	144.40	-	5.5%	140.80
Il Castello, Ferrara ³	113.90	106.90	5.8%	84.92
Curno, Bergamo ¹	112.20	103.30	5.7%	35.60
Collestrada, Perugia ²	110.40	-	5.6%	114.03
Cremona Po, Cremona ¹	83.90	83.10	6.3%	87.21
Centro Leonardo, Imola ¹	70.50	67.90	6.0%	64.97
I Portali, Modena ¹	48.50	47.50	5.8%	47.24
La Favorita, Mantova ²	46.60	44.60	6.2%	34.21
Centro Lame, Bologna ¹	39.80	38.60	6.1%	30.00
Centroluna, Sarzana ²	25.80	24.70	6.2%	14.89
TOTAL ITALY	1,500.30	1,099.10	5.7%	1,160.49

Sweden (SEK million) ****

Bergvik, Karlstad ²	***1,426.00	689.00	4.8%	1,003.84
Ingelsta Shopping, Norrköping ³	1,147.00	1,044.00	5.1%	891.73
Grand Samarkand, Växjö ²	1,104.00	996.00	4.5%	739.21
Elins Esplanad, Skövde ²	800.00	758.00	4.9%	550.61
421, Göteborg ³	785.00	762.00	5.0%	837.31
Eurostop, Halmstad ³	*762.00	666.00	-	711.64
Moraberg, Södertälje ³	458.00	440.00	5.4%	365.70
Kronan, Karlskrona ² *****	185.00	186.00	5.8%	165.90
Mellby Center, Laholm ²	184.00	178.00	5.4%	141.70
TOTAL SWEDEN	6,851.00	5,719.00	5.0%	5,407.64

* These properties have been subject to building works during the period

** Including acquisition of portion of hypermarket

*** Including acquisitions of hypermarket and additional gallery

**** 1€ = 9.4242 SEK

***** Property held for sale, to be completed 30/09/16

¹ CBRE, ² Cushman & Wakefield, ³ JLL, ⁴ Knight Frank

Adjusted Net Asset Value and IFRS Results

The adjusted net asset value figure at 30 June 2016 was €43.00 per depositary receipt, up 9.6% compared with €39.24 at 30 June 2015 and 6.2% compared with €40.49 at 31 December 2015. Adjusted net asset values do not take into account contingent capital gains tax liabilities nor do they take into account the fair value of financial derivatives (interest rate swaps) which are used to stabilise interest costs.

The IFRS net asset value at 30 June 2016 was €37.34 per depositary receipt, compared with €34.99 at 30 June 2015 and €35.64 at 31 December 2015 and includes both contingent capital gains tax liabilities if all the properties were to be sold simultaneously and the fair value of financial derivatives (interest rate swaps).

The total investment result (IFRS profit after taxation) for the year rose to €207.4 million from €167.8 million for the previous financial year, mainly due to an increase in the figure "investment revaluation and disposal of investment properties" from €129.8 million for the 12 months ended 30 June 2015 to €173.7 million for the 12 months to 30 June 2016 caused by higher property valuations, and lower interest expenses of €38.9 million (previous financial year €46.2 million). These items offset the adverse impact of the more negative fair value movement of the derivative financial investments (interest rate swap contracts) of €43.2 million caused by lower interest rates (previous financial year €1.4 million). It is the view of the Board that the total investment result, as it includes unrealised "capital" movements, does not properly represent continuing underlying earnings which are better defined by the direct investment result, the standard representation of operational profit for Dutch property companies.

Funding

During the course of the financial year, Eurocommercial completed a total of €500 million new or refinanced loans, representing approximately one third of the total loan book. Some of the major transactions included the Company's Italian joint venture entering into a new five year loan for €160 million with the Milan branches of ING Bank and BNP Paribas. The funds were partially utilised by the JV to repay its loan to Eurocommercial.

In April 2016 a new five year loan was entered into for an amount of €179 million through Unicredit to refinance existing loans on the I Gigli shopping centre and to purchase the hypermarket and remainder of the gallery not already owned. Shortly before the year end a new SEK 500 million (c. €53 million) four year loan was signed on a Swedish property at a total fixed rate of 1.5% which replaced an existing loan maturing in April 2017. In August 2016, a SEK 690 million (c. €73 million) bullet loan with a term of seven years was agreed with Allianz Real Estate on the Bergvik shopping centre at a fixed rate lower than the current average interest rate in the loan portfolio. Both financings will have a positive impact on the maturity profile and overall interest rate of the loan portfolio. The Company is also making further progress to renegotiate loans maturing in 2017 and beyond.

As a result of agreeing these new loans under very favourable terms, the Company was able to reduce its interest expense for the financial year by 15.7% to €38.9 million compared to the previous financial year. The average length of the loan portfolio is around five years and, at the end of the financial year, 72% of interest costs were fixed for an average of seven years.

On the basis of proportional consolidation, the net debt to adjusted net equity ratio at year end was 66% (30 June 2015: 53%) and the net loan to property value was 39% (30 June 2015: 34%). The average overall interest rate for the total loan portfolio decreased slightly over the quarter to 2.7%, including margins averaging 103 bps (30 June 2015: 91 bps), from 2.8% at 31 March 2016 (30 June 2015: 3.6%).

10,498 performance shares (depositary receipts), which were awarded to employees in 2012, vested in November 2015. A further 577,188 depositary receipts were issued that month to shareholders who opted to take up the stock dividend. Therefore at 30 June 2016, 47,978,844 depositary receipts were outstanding, excluding the 279,418 depositary receipts held in treasury.

EPRA Performance Measures

Eurocommercial is an active member of the European Public Real Estate Association (EPRA), a body which aims to promote, develop and represent the listed real estate sector. The Company has adopted the EPRA Performance Measures to assist in improving the transparency, comparability and relevance of the published results of listed real estate companies. Further information on the calculation of these metrics can be found on page 12.

	2015/16	2014/15
EPRA earnings per depositary receipt	€2.06	€1.94*
EPRA NAV per depositary receipt	€42.55	€38.95
EPRA NNAV per depositary receipt	€37.68	€35.24
EPRA net initial yield (NIY)	5.1%	5.4%
EPRA 'topped-up' NIY	5.2%	5.4%
EPRA vacancy rate	0.8%	0.4%
EPRA cost ratio (including cost of direct vacancy)	27.6%	25.7%

* Restated to include investment expenses

Country Commentary

France

Like for like rental growth, excluding extensions, was 0.5% and mirrors the figure achieved last year. Indexation has been flat and positive contributions from turnover rent and relettings and renewals have been offset by a small increase in vacancy. Val Thoiry, which underwent a major refurbishment during the year, generated most of the turnover rent increase but also most of the vacancy as a large unit has been kept deliberately vacant to facilitate the arrival of a new anchor tenant. The increased velocity of deals during the year has been particularly gratifying with 39 relettings and renewals, which produced an average uplift in rent of 11%.

Retail sales turnover fell by 0.5% over the 12 months to June 2016, impacted by strikes, adverse weather and terrorism concerns. Excluding the Paris city centre properties, which were particularly badly affected by these factors, turnover would have been up 1.3%. Bright spots have been the two retail parks at Cormeilles and Chasse Sud, both of which were up 6.5% for the year.

The 5,500m² extension of Chasse Sud opened in June 2016, fully let. It complements the successful retail park of 17,500m² which opened in 2013. This new development consists of fifteen individual units, situated between the Géant hypermarket and the existing retail park, which trade onto the car park. Retailers include Marie Blachère, Beaumanoir and Picard Surgelés, as well as two new restaurant operators, Buffalo Grill and Memphis Coffee. During the first two months of trade from the new extension, sales in the existing retail park increased by more than 14%. The total cost of the extension was €10.2 million which generated a net return on total cost of 8%.

On 1 March 2016, Eurocommercial completed the sale of Saint Douichard in Bourges to Casino Group for a price of €42.2 million, 5.5% above its December 2015 valuation. The proceeds will be used for the pipeline of extensions and refurbishments in France.

All necessary planning consents have been obtained for a 5,000m² extension of Amiens Glisy. Construction will begin shortly and is expected to be completed by the end of 2017. The total cost, including land, is estimated at €19 million with an expected net return on cost of 6.5%.

Eurocommercial expects to submit planning applications later in the year for major extensions of Val Thoiry (c. 25,000m²) and Les Atlantes (c. 15,000m²). A decision is also expected to be made shortly by the mayor of Bordeaux regarding the reorganisation and refurbishment of Les Grands Hommes.

Italy

The main contributor to rental growth came from the 92 renewals and relettings over the year which generated an average rental uplift of around 13%. The best overall results came from Cremona Po, Fiordaliso and Curno. Overall like for like rental growth for the twelve months to June 2016 was 0.8%. Headline inflation averaged 0.1% in 2015 and is expected to remain stable in 2016.

Retail sales turnover growth continued to be strong, averaging 3.7% for the twelve months to June 2016. The best performers were Fiordaliso (8.3%), Collestrada (5.2%), Carosello (4.7%) and Cremona Po (4.5%), reflecting strength across the portfolio, regardless of the size of the shopping centre. The occupancy cost ratio was kept at a healthy and sustainable 8.1%.

In October 2015 the Company acquired 50% of the Fiordaliso shopping centre in Milan and, in March 2016, the adjoining retail park for a total purchase price of €135 million with a net initial blended yield of around 5.8%. The shopping centre has more than 125 shops, as well as a hypermarket with a sales area of 11,800m² which was not part of the transaction. Eurocommercial is responsible for the management and leasing of both the shopping centre and the retail park. Works are starting shortly to refurbish parts of the gallery.

In December 2015 Eurocommercial also acquired the Collestrada shopping centre in Perugia, a wealthy town of 166,000 inhabitants located in the centre of the country, halfway between Florence and Rome. The total GLA of the centre is 28,000m², including an 11,045m² hypermarket let to Ipercoop. The gallery is composed of 50 shops, including Zara, H&M, Media World, Bershka and McDonald's, and is the dominant shopping centre in the area attracting almost five million visitors a year. The gallery has already undergone a light refurbishment this year and plans are being evaluated for a further refurbishment to coincide with a possible extension.

In April 2016 the Company bought the 15,800m² hypermarket and 9,000m² of gallery shops in I Gigli it did not own, bringing Eurocommercial's total ownership of the shopping centre to 100%. The hypermarket has subsequently been reduced to around 10,000m² and leased back to PAM. Work is progressing on schedule to restructure the former hypermarket space and part of the existing gallery into a new mall and large premises for Primark (one of the first in Italy) and an enlarged Zara. The new units are expected to open in mid-2017.

During the financial year an agreement was signed with Carrefour at Carosello to reduce their hypermarket from a gross lettable area of 28,000m² to 21,000m². The space is currently being converted into new gallery shops, to include major Italian department store, Coin, and shoe retailer, Scarpe & Scarpe. All units are due to open by autumn 2016.

Sweden

Rental growth was 2.7% over the year. With no rental indexation again during 2016, rental growth came from a combination of leasing and higher turnover rent. During the 12 months to June 2016, the in-house leasing team carried out 62 lease renewals and relettings, capturing an overall 7% increase in rent on those transactions. The standout performance was the lease renewal programme completed at Grand Samarkand where 21 deals produced an average uplift approaching 12%. The same property was also an important contributor to the overall 50% increase in turnover rent. Turnover rent is now being paid by 46 tenants (almost 20% of the tenant base).

Sales growth in the galleries was consistently strong all year across every property and all sectors. Overall, gallery turnover growth was up 5.4% on the year. The best performance came from four of the largest assets at Ingelsta Shopping (8.7%), 421 (8.4%), Bergvik (7.1%) and Grand Samarkand (6.4%). This positive retail climate has led to strong tenant demand for representation in the shopping centres, resulting in just two vacant units and no rental arrears.

The major acquisition during the year was the off-market purchase of the 19,000m² hypermarket-anchored gallery at Bergvik on the E18 motorway outside Karlstad which adjoins and links with Eurocommercial's existing and recently refurbished gallery which was acquired in 2005 and is let to tenants including H&M, Lindex, Stadium and Clas Ohlson.

The new property was acquired in November 2015 from Konsum Värmland (the regional Coop) for a price of €64.6 million, reflecting a net initial yield of 5.3%. The property comprises a Coop hypermarket of 11,000m², let on a 15 year lease, together with 8,000m² of retail units and a new food court. The combined shopping centre has 32,750m² of retail floor space and 70 shops. With neighbours including IKEA and ICA Maxi, Bergvik will remain the dominant centre in the region and provide plenty of scope for further rental growth which has averaged over 5% per annum over the 10 years of ownership.

In July 2016 a Share Purchase Agreement was signed for the sale of Kronan based on an agreed property price of SEK 185 million (€19.6 million), in line with its latest valuation and representing a net initial yield of 5.8%. Since Eurocommercial acquired Kronan in 2007, it has carried out a major refurbishment and significant tenant rotation. The sale is expected to complete at the end of September 2016.

Construction is well underway on the 16,000m² extension at Halmstad where the project will be completed in phases, with an opening at the end of 2017. As part of the project, the existing 13,500m² gallery will also be fully refurbished where tenants include H&M, KappAhl, Lindex and Systembolaget. 90% of the extension is already pre-let to tenants including Stadium, Coop, Nilson Group (Feet First), Jack and Jones, Vero Moda, Gina Tricot, Cubus, Volt, BikBok, Carlings, MQ and Cassels. On completion, the centre will have around 90 tenants and will be the dominant shopping centre for this west coastal region serving a catchment of 200,000 people. With pre-lettings achieving their target rents and with the construction costs on or below budget, the overall investment return of 7% on the €75 million project should be achieved.

Investigations are also progressing concerning a further round of extensions at Ingelsta Shopping, Grand Samarkand and Elins Esplanad which together could provide an additional 25,000m² of new retail space for which there is strong tenant demand.

Extensions and Refurbishments

Eurocommercial has five extension and refurbishment projects underway or due to begin before the end of 2016. Just over half of the total expected cost of €200 million has already been incurred.

Shopping centre	Project	Expected cost (€m)	Cost to date (€m)	Expected net return on cost	Expected completion
I Gigli, Florence	Hypermarket and gallery acquisition, restructuring and refurbishment	100	84.3	5.5%	Mid 2017
Amiens Glisy, Amiens	5,000m ² extension	19	7.3	6.5%	End 2017
Plaine de France, Moisselles-Domont	Refurbishment	3.5	1	-	End 2017
Eurostop, Halmstad	16,000m ² extension and refurbishment	75	15	7%	End 2017
Fiordaliso, Rozzano, Milan	Refurbishment	4	0.2	-	End 2017
TOTAL		€201.5m	€107.8m		

In addition to the committed projects, the Company is working towards enhancements of a number of other properties, although they have yet to receive the required authorisations to proceed.

Shopping centre	Proposed project
Les Atlantes, Tours	15,000m ² extension and refurbishment
Val Thoiry, Greater Geneva	25,000m ² extension and refurbishment
Shopping Etrembières, Greater Geneva	5,000m ² extension and refurbishment
Les Grands Hommes, Bordeaux	Reorganisation and refurbishment
Carosello, Carugate, Milan	23,000m ² extension
Curno, Bergamo	3,500m ² new restaurants
Collestrada, Perugia	8,000m ² extension and refurbishment
I Portali, Modena	13,000m ² extension and refurbishment
Ingelsta Shopping, Norrköping	8,000m ² extension
Grand Samarkand, Växjö	10,000m ² extension
Elins Esplanad, Skövde	5,000m ² extension

Financial Calendar

16 September 2016	Annual report 2015/16 published
28 October 2016	Announcement of scrip issue price
01 November 2016 at 09:00	Annual General Meeting at the Hotel Schiphol A4, Rijksweg A4 3, Hoofddorp
03 November 2016	Ex-dividend date
04 November 2016	First quarter results 2016/17
30 November 2016	Dividend payment date
10 February 2017	Half year results 2016/17
12 May 2017	Third quarter results 2016/17
25 August 2017	Year end results 2016/17

Conference Call and Webcast

Eurocommercial will host a conference call and audio webcast today, Friday 26 August 2016, at 9:00 AM (UK) / 10:00 AM (CET) for investors and analysts.

To access the call, please dial **+44 (0)1452 541 003** approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial call using the conference ID number **61158074**. The call will also be audio webcast at www.eurocommercialproperties.com/financial/webcast.

An accompanying presentation will be available to download from the Company's website at www.eurocommercialproperties.com/financial/presentations shortly before the start of the call.

At all other times, management can be reached at +31 (0)20 530 6030 or +44 (0)20 7925 7860.

STATEMENT OF CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS*

(€'000)	Twelve months ended 30-06-2016	Twelve months ended 30-06-2015	Fourth quarter ended 30-06-2016	Fourth quarter ended 30-06-2015
Rental income	179,383	172,753	47,195	43,874
Service charges income	26,566	25,520	5,486	5,191
Service charges expenses	(29,763)	(28,168)	(6,283)	(5,913)
Property expenses	(29,029)	(25,697)	(9,115)	(6,692)
Interest income	1,626	420	62	86
Interest expenses	(38,946)	(46,200)	(10,307)	(11,539)
Company expenses	(14,645)	(12,297)	(4,867)	(3,727)
Other income	2,034	0	1,725	0
Current tax	(145)	(51)	(134)	468
Direct investment result 100% ownership	97,081	86,280	23,762	21,748
Direct investment result joint ventures	5,704	1,120	1,724	592
Total direct investment result	102,785	87,400	25,486	22,340
Investment revaluation and disposal of investment properties	173,707	129,835	73,447	92,399
Fair value movement derivative financial instruments	(43,211)	(1,448)	(9,071)	43,605
Debt extinguishment	0	(8,721)	0	0
Investment expenses	(4,351)	(3,982)	(3,790)	(3,608)
Deferred tax	(22,514)	(33,459)	(5,049)	(31,824)
Indirect investment result 100% ownership	103,631	82,225	55,537	100,572
Indirect investment result joint ventures	983	(1,851)	2,671	(1,913)
Total indirect investment result	104,614	80,374	58,208	98,659
Total investment result	207,399	167,774	83,694	120,999
Per depositary receipt (€)**				
Total direct investment result	2.15	2.04	0.53	0.50
Total indirect investment result	2.19	1.87	1.22	2.30
Total investment result	4.34	3.91	1.75	2.80

STATEMENT OF ADJUSTED NET EQUITY*

(€'000)	30-06-2016	30-06-2015
IFRS net equity per balance sheet	1,791,670	1,658,245
Derivative financial instruments***	176,973	131,723
Deferred tax liabilities****	94,339	69,369
Adjusted net equity	2,062,982	1,859,337
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	47,978,844	47,388,471
Net asset value - € per depositary receipt (IFRS)	37.34	34.99
Adjusted net asset value - € per depositary receipt	43.00	39.24
Stock market prices - € per depositary receipt	38.45	37.41

* This statement contains additional information which is not part of the IFRS condensed financial statements.

** The average number of depositary receipts on issue over the year was 47,729,745 compared with 42,916,246 for the previous financial year.

*** The derivative financial instruments amount of €176,973 includes €1,517 derivative financial instruments for joint ventures.

****The deferred tax liabilities amount of €94,339 includes €3,770 deferred tax liabilities for joint ventures.

EPRA PERFORMANCE MEASURES*

	Total (€000)		Per depositary receipt (€)	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
EPRA earnings**	98,434	83,418	2.06	1.94
EPRA NAV***	2,057,695	1,859,337	42.55	38.95
EPRA NNNAV***	1,822,133	1,682,177	37.68	35.24

RECONCILIATION NAV, EPRA NAV AND EPRA NNNAV*

	Total (€000)		Per depositary receipt (€)	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
Equity balance sheet	1,791,670	1,658,245	37.34	34.99
Derivative financial instruments	175,456	131,723		
Deferred tax liabilities	90,569	69,369		
EPRA NAV***	2,057,695	1,859,337	42.55	38.95
Derivative financial instruments	(175,456)	(131,723)		
Deferred tax liabilities****	(47,071)	(34,608)		
Fair value borrowings*****	(13,035)	(10,829)		
EPRA NNNAV***	1,822,133	1,682,177	37.68	35.24

* These statements contain additional information which is not part of the IFRS financial statements.

** The average number of depositary receipts on issue over the year was 47,729,745 compared with 42,916,246 for the previous financial year. EPRA earnings have been restated for the previous financial year to include investment expenses.

*** EPRA NAV and EPRA NNNAV per depositary receipt are based on the diluted number of depositary receipts. The diluted number of depositary receipts on issue at 30 June 2016 was 48,359,535 compared with 47,736,252 at 30 June 2015.

**** The calculation of the deferred tax liabilities takes into account the likelihood that the Company can recover the deferred tax in the case of a possible sale.

***** The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on the confirmations received from the bank.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€'000)	Twelve months ended 30-06-2016	Twelve months ended 30-06-2015	Fourth quarter ended 30-06-2016	Fourth quarter ended 30-06-2015
Rental income	179,383	172,753	47,195	43,874
Service charges income	26,566	25,520	5,486	5,191
Service charges expenses	(29,763)	(28,168)	(6,283)	(5,913)
Property expenses	(29,029)	(25,697)	(9,115)	(6,692)
Net property income	147,157	144,408	37,283	36,460
Share of result of joint ventures	6,687	(731)	4,395	(1,321)
Investment revaluation and disposal of investment properties	173,707	129,835	73,447	92,399
Interest income	1,626	420	62	86
Interest expenses	(38,946)	(46,200)	(10,307)	(11,539)
Fair value movement derivative financial instruments	(43,211)	(1,448)	(9,071)	43,605
Debt extinguishment	0	(8,721)	0	0
Net financing cost	(80,531)	(55,949)	(19,316)	32,152
Company expenses	(14,008)	(11,918)	(4,359)	(3,384)
Investment expenses	(4,988)	(4,361)	(4,298)	(3,951)
Other income	2,034	0	1,725	0
Profit before taxation	230,058	201,284	88,877	152,355
Current tax	(145)	(51)	(134)	468
Deferred tax	(22,514)	(33,459)	(5,049)	(31,824)
Total tax	(22,659)	(33,510)	(5,183)	(31,356)
Profit after taxation	207,399	167,774	83,694	120,999
Per depositary receipt (€)*				
Profit after taxation	4.34	3.91	1.75	2.80
Diluted profit after taxation	4.31	3.83	1.74	2.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€'000)	Twelve months ended 30-06-2016	Twelve months ended 30-06-2015	Fourth quarter ended 30-06-2016	Fourth quarter ended 30-06-2015
Profit after taxation	207,399	167,774	83,694	120,999
Foreign currency translation differences (to be recycled through profit or loss)	(8,132)	(1,603)	(8,143)	2,624
Actuarial result on pension scheme (not to be recycled through profit or loss)	2,126	(1,045)	(508)	114
Other comprehensive income	(6,006)	(2,648)	(8,651)	2,738
Total comprehensive income	201,393	165,126	75,043	123,737
Per depositary receipt (€)*				
Total comprehensive income	4.22	3.85	1.56	2.87
Diluted total comprehensive income	4.19	3.78	1.55	2.82

* The Company's shares are listed in the form of bearer receipts on Euronext Amsterdam. One bearer depositary receipt represents ten ordinary registered shares.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	30-06-2016	30-06-2015
Property investments	3,275,928	2,821,226
Property investments under development	5,000	4,800
Investment in joint ventures	90,596	42,598
Tangible fixed assets	1,899	1,865
Receivables	247	237
Derivative financial instruments	0	353
Total non-current assets	3,373,670	2,871,079
Receivables	32,874	31,875
Cash and deposits	124,452	169,133
Total current assets	157,326	201,008
Property investments held for sale	19,630	39,700
Total assets	3,550,626	3,111,787
Creditors	78,136	78,712
Borrowings	183,586	58,162
Total current liabilities	261,722	136,874
Creditors	10,106	10,312
Borrowings	1,221,103	1,102,060
Derivative financial instruments	175,456	132,076
Deferred tax liabilities	90,569	69,369
Provision for pensions	0	2,851
Total non-current liabilities	1,497,234	1,316,668
Total liabilities	1,758,956	1,453,542
Net assets	1,791,670	1,658,245
Equity Eurocommercial Properties shareholders		
Issued share capital	241,291	238,353
Share premium reserve	522,063	524,098
Other reserves	820,917	728,020
Undistributed income	207,399	167,774
Net assets	1,791,670	1,658,245

CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended (€'000)	30-06-2016	30-06-2015
Cash flow from operating activities		
Profit after taxation	207,399	167,774
Adjustments:		
Increase in receivables	(659)	(1,980)
Increase in creditors	6,475	1,471
Interest income	(1,626)	(420)
Interest expenses	38,946	46,200
Movement stock options and performance shares granted	749	459
Investment revaluation and disposal of investment properties	(174,828)	(129,825)
Derivative financial instruments	43,211	1,448
Debt extinguishment	0	8,721
Deferred tax	22,514	33,459
Current tax	145	51
Other movements	(82)	717
Result joint ventures	(6,687)	731
	135,557	128,806
Cash flow from operations		
Dividend received from joint ventures	1,978	0
Current tax paid	(1,129)	(232)
Derivative financial instruments	(9,407)	(2,036)
Borrowing costs	(2,458)	(1,833)
Interest paid	(39,142)	(46,286)
Interest received	1,678	738
	(48,480)	(49,649)
Total cash flow from operating activities	87,077	79,157
Cash flow from investing activities		
Acquisitions	(265,649)	(25,576)
Capital expenditure	(56,665)	(23,850)
Property sales	42,204	12,902
Investment in joint ventures	(33,049)	(43,329)
Additions to tangible fixed assets	(870)	(719)
	(314,029)	(80,572)
Cash flow from financing activities		
Net proceeds issued shares	0	162,299
Borrowings added	618,563	291,830
Repayment of borrowings	(367,657)	(303,546)
Stock options exercised	100	30,925
Debt extinguishment	0	(8,721)
Performance shares settled – shares issued	(111)	0
Depository receipts bought back	0	(26,766)
Dividends paid	(68,706)	(60,429)
Decrease in non-current creditors	(69)	(418)
	182,120	85,174
Net cash flow	(44,832)	83,759
Currency differences on cash and deposits	154	2
Increase in cash and deposits	(44,681)	83,761
Cash and deposits at beginning of year	169,133	85,372
Cash and deposits at end of year	124,452	169,133

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The movements in shareholders' equity in the financial year ended 30 June 2016 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Total
30-06-2015	238,353	524,098	728,020	167,774	1,658,245
Profit after taxation				207,399	207,399
Other comprehensive income			(6,006)		(6,006)
Total comprehensive income			(6,006)	207,399	201,393
Issued shares	2,886	(2,886)			0
Profit previous financial year			99,087	(99,087)	0
Dividends paid		(19)		(68,687)	(68,706)
Performance shares granted		749			749
Performance shares settled – shares issued	52	363	(526)		(111)
Performance shares vested		(242)	242		0
Stock options exercised			100		100
30-06-2016	241,291	522,063	820,917	207,399	1,791,670

The movements in shareholders' equity in the previous financial year ended 30 June 2015 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Total
30-06-2014	213,875	385,838	687,129	99,790	1,386,632
Profit after taxation				167,774	167,774
Other comprehensive income			(2,648)		(2,648)
Total comprehensive income			(2,648)	167,774	165,126
Issued shares	24,478	137,820			162,298
Profit previous financial year			39,380	(39,380)	0
Depositary receipts bought back			(26,766)		(26,766)
Dividends paid		(19)		(60,410)	(60,429)
Performance shares granted		459			459
Stock options exercised			30,925		30,925
30-06-2015	238,353	524,098	728,020	167,774	1,658,245

PROPERTY EXPENSES

Property expenses in the current financial year were:

(€'000)	30-06-2016	30-06-2015
Direct property expenses		
Bad debts	606	406
Centre marketing expenses	2,230	2,108
Insurance premiums	750	662
Managing agent fees	1,885	1,911
Property taxes	3,236	2,794
Repair and maintenance	1,847	1,424
Shortfall service charges	581	392
	11,135	9,697
Indirect property expenses		
Accounting fees	393	384
Audit fees	339	286
Depreciation fixed assets	639	621
Dispossession indemnities	327	477
Italian local tax (IRAP)	1,706	1,269
Legal and other advisory fees	1,639	1,593
Letting fees and relocation expenses	1,766	1,710
Local office and accommodation expenses	1,501	1,480
Pension contributions	164	157
Salaries, wages and bonuses	5,567	4,589
Social security charges	2,235	1,847
Performance shares granted (IFRS 2)	173	102
Travelling expenses	911	668
Other local taxes	334	536
Other expenses	200	281
	17,894	16,000
	29,029	25,697

COUNTRY SPREAD TOTAL PROPERTY INVESTMENTS (incl. joint ventures)

(%)	30-06-2016	30-06-2015
France	36	41
Italy	43	38
Sweden	21	21
	100	100

SEGMENT INFORMATION

2016

(€'000) For the twelve months ended 30/06/2016	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	63,145	87,560	37,497	0	188,202	(8,819)	179,383
Service charge income	8,211	9,867	10,868	0	28,946	(2,380)	26,566
Service charge expenses	(9,697)	(9,624)	(12,647)	0	(31,968)	2,205	(29,763)
Property expenses	(8,061)	(16,064)	(5,685)	0	(29,810)	781	(29,029)
Net property income	53,598	71,739	30,033	0	155,370	(8,213)	147,157
Share of result of joint ventures	0	0	0	0	0	6,687	6,687
Investment revaluation and disposal of investment properties	95,761	43,187	41,174	(135)	179,987	(6,280)	173,707
Segment result	149,359	114,926	71,207	(135)	335,357	(7,806)	327,551
Net financing cost					(83,456)	2,925	(80,531)
Company expenses					(14,008)	0	(14,008)
Other income					981	1,053	2,034
Investment expenses					(4,998)	10	(4,988)
Profit before taxation					233,876	(3,818)	230,058
Current tax					(194)	49	(145)
Deferred tax					(26,283)	3,769	(22,514)
Profit after taxation					207,399	0	207,399

(€'000) As per 30/06/2016	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	1,257,100	1,500,300	707,328	0	3,464,728	(188,800)	3,275,928
Property investments under development	5,000	0	0	0	5,000	0	5,000
Investment in joint ventures	0	0	0	0	0	90,596	90,596
Tangible fixed assets	709	747	59	384	1,899	0	1,899
Receivables	20,306	9,227	3,426	604	33,563	(442)	33,121
Cash and deposits	7,107	9,554	14,116	100,764	131,541	(7,089)	124,452
Property investments held for sale	0	0	19,630	0	19,630	0	19,630
Total assets	1,290,222	1,519,828	744,559	101,752	3,656,361	(105,735)	3,550,626
Creditors	32,108	28,300	20,176	5,907	86,491	(8,355)	78,136
Non-current creditors	9,053	1,600	25	0	10,678	(572)	10,106
Borrowings	392,061	850,499	253,650	0	1,496,210	(91,521)	1,404,689
Derivative financial instruments	13,637	148,420	14,916	0	176,973	(1,517)	175,456
Deferred tax liabilities	0	32,199	62,140	0	94,339	(3,770)	90,569
Provision for pensions	0	0	0	0	0	0	0
Total liabilities	446,859	1,061,018	350,907	5,907	1,864,691	(105,735)	1,758,956

(€'000) For the twelve months ended 30/06/2016	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	(19,857)	358,136	80,365	0	418,644	(140,915)	277,729

* The Netherlands represents assets and liabilities of Eurocommercial Properties N.V. and its offices in Amsterdam and London.

SEGMENT INFORMATION continued

2015

(€'000)					Total	Adjustments	
For the twelve months ended				The	proportional	joint	Total IFRS
30/06/2015	France	Italy	Sweden	Netherlands*	consolidation	ventures	
Rental income	62,062	75,253	36,621	0	173,936	(1,183)	172,753
Service charge income	7,240	8,003	10,609	0	25,852	(332)	25,520
Service charge expenses	(8,441)	(8,003)	(12,056)	0	(28,500)	332	(28,168)
Property expenses	(7,436)	(13,129)	(5,195)	0	(25,760)	63	(25,697)
Net property income	53,425	62,124	29,979	0	145,528	(1,120)	144,408
Share of result of joint ventures	0	0	0	0	0	(731)	(731)
Investment revaluation and disposal of investment properties	57,791	46,667	23,909	(384)	127,983	1,852	129,835
Segment result	111,216	108,791	53,888	(384)	273,511	1	273,512
Net financing cost					(55,949)	0	(55,949)
Company expenses					(11,918)	0	(11,918)
Investment expenses					(4,360)	(1)	(4,361)
Profit before taxation					201,284	0	201,284
Current tax					(51)	0	(51)
Deferred tax					(33,459)	0	(33,459)
Profit after taxation					167,774	0	167,774

(€'000)					Total	Adjustments	
As per 30/06/2015	France	Italy	Sweden	The	proportional	joint	Total IFRS
				Netherlands*	consolidation	ventures	
Property investments	1,143,500	1,099,100	620,626	0	2,863,226	(42,000)	2,821,226
Property investments under development	4,800	0	0	0	4,800	0	4,800
Investment in joint ventures	0	0	0	0	0	42,598	42,598
Tangible fixed assets	513	1,106	96	150	1,865	0	1,865
Receivables	23,224	5,229	3,045	719	32,217	(105)	32,112
Derivative financial instruments	307	0	46	0	353	0	353
Cash and deposits	3,414	11,225	17,343	138,267	170,249	(1,116)	169,133
Property investments held for sale	39,700	0	0	0	39,700	0	39,700
Total assets	1,215,458	1,116,660	641,156	139,136	3,112,410	(623)	3,111,787
Creditors	38,798	15,823	20,114	4,140	78,875	(163)	78,712
Non-current creditors	9,094	1,653	25	0	10,772	(460)	10,312
Borrowings	398,558	541,898	219,766	0	1,160,222	0	1,160,222
Derivative financial instruments	13,222	102,328	16,526	0	132,076	0	132,076
Deferred tax liabilities	0	19,710	49,659	0	69,369	0	69,369
Provision for pensions	0	0	0	2,851	2,851	0	2,851
Total liabilities	459,672	681,412	306,090	6,991	1,454,165	(623)	1,453,542

(€'000)					Total	Adjustments	
For the twelve months ended				The	proportional	joint	Total IFRS
30/06/2015	France	Italy	Sweden	Netherlands*	consolidation	ventures	
Acquisitions, divestments and capital expenditure (including capitalised interest)	86,460	11,541	(9,617)	0	88,384	(43,908)	44,476

* The Netherlands represents assets and liabilities of Eurocommercial Properties N.V. and its offices in Amsterdam and London.

The financial statements of the Company as per 30 June 2016 are in the process of being prepared and audited. The Annual Report enclosing these financial statements will be published on www.eurocommercialproperties.com on 16 September 2016. The figures in this press release have not been audited by an external auditor.