

PRESS RELEASE



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EUROCOMMERCIAL PROPERTIES N.V. FIRST QUARTER RESULTS 2014/2015

Like for like rental growth continues at 1.1%
12 month turnover growth 1.7%; 3 months 1.9%
Direct investment result per depositary receipt stable

Direct Investment Result

The direct investment result for the three month period to 30 September 2014 was € 21.6 million compared with € 21.7 million for the three months to 30 September 2013 which included the rental income from both Val Thoiry and Passy Plaza. The sale of Passy Plaza was subsequently completed in October 2013. Net financing expenses and company expenses were both lower this quarter compared with the previous corresponding quarter.

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. The direct investment result per depositary receipt at 30 September 2014 was stable at € 0.52.

Rental Growth

Net property income for the three months to 30 September 2014 was € 36.2 million, down from € 37.6 million in the previous corresponding period due to the impact of the sale of Passy Plaza.

Like for like (same floor area) rental growth in the Company's properties for the twelve months to 30 September 2014 was 1.1% overall.

	Like for like rental growth	Relettings and renewals	Average rental uplift on relettings and renewals
Overall	+1.1%	219	+6%
France	+2.1%	44	+17%
Italy	+0.1%	118	+3%
Sweden	+1.8%	57	+5%

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Retail Sales Turnover

Like for like retail sales turnover in Eurocommercial's shopping centres for the three and twelve months to 30 September 2014 compared with the previous corresponding periods is set out below. All three markets were affected by the poor performance of the fashion and shoe sectors in September due to the unseasonably warm weather.

Retail Sales Turnover by Country*

	Three months to 30 September 2014	Twelve months to 30 September 2014
Overall	1.9%	1.7%
France	0.0%	1.4%
Italy	2.9%	0.8%
Sweden	2.3%	3.9%

* Excluding hypermarkets and extensions

Retail Sales Turnover by Sector*

	Three months to 30 September 2014	Twelve months to 30 September 2014
Fashion	0.3%	1.0%
Shoes	0.5%	3.5%
Gifts and jewellery	5.3%	2.2%
Health and beauty	2.0%	2.9%
Sport	-4.8%	-4.0%
Restaurants	2.8%	0.6%
Home goods	4.8%	6.6%
Electricals	4.2%	2.2%
Hyper/supermarkets	1.6%	0.3%

* Excluding extensions

Occupancy Cost Ratios

Total occupancy cost ratios (rent plus marketing contributions, service charges and tenant property taxes as a proportion of sales turnover including VAT) for Eurocommercial galleries excluding hypermarkets at the end of the year were 8.1% overall; 8.2% in France, 8.2% in Italy and 7.6% in Sweden. When VAT is excluded in the sales turnover, the figures were 9.8% overall; 9.8% in France, 9.9% in Italy and 9.5% in Sweden.

Vacancy Levels and Rent Arrears

Rental arrears of more than 90 days represent around 1% of rental income. Tenant corporate failures are minimal with only six shops (four in France and two in Italy) in administration out of a total of 1,436. Vacancies remain at less than 1% of rental income.

Adjusted and IFRS Net Asset Values

Property valuations were not undertaken at the end of the three month period in accordance with the Company's policy to only commission independent revaluations at the half year and year ends. The adjusted net asset value per depositary receipt therefore changed minimally since June 2014, reflecting only accrued income and currency movements. All properties will be externally valued at 31 December 2014.

The adjusted net asset value figure for 30 September 2014 was € 37.25 per depositary receipt compared with € 37.12 at 30 September 2013 and € 36.74 at 30 June 2014. 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 September 2014, after allowing for contingent capital gains tax liabilities if all properties were to be sold simultaneously and the fair value of the interest rate swap contracts, was € 32.97 per depositary receipt compared with € 33.52 at 30 September 2013 and € 32.77 at 30 June 2014.

Buy Back Programme

On 5 June 2014 Eurocommercial initiated a programme to buy back depositary receipts to cover anticipated exercises of the 657,303 employee stock options which vested on 8 November 2013 at a price of € 32.45, with the intention of minimising costs to the Company. The programme was subsequently extended on 25 June 2014 to also include the 647,795 outstanding employee stock options which vested on 11 November 2010 at a price of € 37.28. The programme, which was carried out by ABN AMRO Bank N.V., was completed on 1 September 2014.

Employees have exercised a total of 415,717 of these stock options, so the Company therefore has 41,885,590 depositary receipts outstanding as at 30 September 2014, with a further 889,381 depositary receipts held in treasury.

Funding

The net debt to adjusted net equity ratio at 30 September 2014 was 70% and the net loan to property value was 41%. At the end of the quarter, 80% of interest costs were fixed for an average of more than 7 years resulting in an average overall interest rate for the total loan portfolio of 3.8%, including margins averaging 90 bps.

Interest expenses for the three months to 30 September 2014 fell by € 1.4 million over the previous corresponding quarter due to the lower amount of borrowings, the expiry of interest rate swaps and the entering into of newly starting interest rate swaps at lower rates. Eurocommercial intends to continue extending the length of its swap portfolio, taking advantage of the favourable low market rates.

Country Commentary

France

Refurbishment works at Val Thoiry in the Greater Geneva area are underway and, in order to permit an extension of the centre, Eurocommercial has completed the acquisition of five hectares of land opposite the centre for a price of € 9 million.

Early in 2015 Eurocommercial also intends to submit a planning application for a significant extension of Les Atlantes, Tours.

Italy

Works are underway at Cremona Po, Cremona to improve the access route to the main car park, add around 250 new surface car spaces and create a pedestrian link between the retail park and the shopping centre. A large external children's play area will be built in early 2015.

At I Portali, Modena the € 4.5 million refurbishment is nearing completion. The public spaces have been improved with increased natural light, better use of the piazzas, new entrances and customer toilets and taller shop fronts to increase the impact of the retail offer. Eurocommercial also expects to submit a planning application for a significant extension of Carosello, Milano soon.

In a recent survey published in the Corriere della Sera, the leading Italian newspaper, I Gigli (Firenze) was ranked as the most frequented shopping centre in Italy with 18.6 million annual visitors.

Sweden

Planning permission for the 16,000m² (GLA) extension of Eurostop, Halmstad has been received from the municipality. The internal layout of the new centre is now being finalised so that pre-leasing can begin. Ongoing discussions with existing and future anchors remain very encouraging and terms have been agreed with Statoil who will vacate their existing petrol station and lorry park once their new petrol station is completed next year. This will release 14,000m² of land that they currently occupy to allow for the future extension.

The shopping centre extension is due to open in several phases up to autumn 2017. The completed gallery will have a gross lettable area of approximately 38,400m², including at least one hypermarket and a further 85 retail tenants. The total estimated cost is approximately € 75 million, delivering a targeted net return on cost of around 7%.

A major refurbishment of Bergvik, Karlstad, is due to begin in spring 2015 for a total cost of around € 4 million and includes a new external façade and entrances, new floors, ceilings and lighting. The project is expected to be completed by autumn 2015.

Market Commentary

Recent transactions in France and elsewhere confirm the strength of the investment market in shopping centres where, in general, low inflation has been positive for consumer spending and the financial health of retailers.

Low interest rates are likely to continue for some time given economic conditions. Debt funding costs will therefore remain significantly lower than property yields, giving considerable support to the market.

Annual General Meeting Resolutions Adopted

All proposed resolutions were adopted at the Annual General Meeting of Shareholders held on 4 November 2014, including the appointment of Mrs Brigitte Carrière and Mr Richard Foulkes as members of the Board of Supervisory Directors and Mr Bas Steins Bisschop as Chairman of the Board of Supervisory Directors. They replace outgoing Chairman Mr Willem van Hassel and Mr Andre Teeuw, both of whom we thank for their considerable contributions to the Company over many years.

The proposed resolution for a dividend of € 1.94 per depositary receipt in cash or in stock at a ratio of 1 new depositary receipts for every 19 existing depositary receipts was also adopted. Holders of depositary receipts who wish to receive the stock dividend are requested to notify ABN AMRO Bank N.V. Exchange Agency Services MF2020 (e-mail: as.exchange.agency@nl.abnamro.com, fax +31 (0)10 264 4652) via their financial institution. The financial institutions are requested to deliver the dividend rights directly to ABN AMRO (EGSP account 28001 NDC 106 account 41.05.70.222 option stock, only in multiples of 19 dividend rights and to EGSP account 28001 NDC 106 account 41.50.49.121 option cash) no later than 3pm on 20 November 2014. If the notification is not received before 3pm on 20 November 2014, only the net cash dividend will be payable.

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STATEMENT OF CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS*

(€ '000)	First quarter ended 30-09-2014	First quarter ended 30-09-2013
Rental income	42,806	44,510
Service charges income	7,439	8,185
Service charges expenses	(8,115)	(9,112)
Property expenses	(5,894)	(5,941)
Net property income	36,236	37,642
Interest income	122	257
Interest expenses	(12,010)	(13,431)
Net financing expenses	(11,888)	(13,174)
Company expenses	(2,579)	(2,740)
Direct investment result before taxation	21,769	21,728
Current tax	(153)	(50)
Direct investment result	21,616	21,678
Investment revaluation	(11)	(24)
Fair value movement derivative financial instruments	(10,835)	7,086
Investment expenses	(141)	(168)
Indirect investment result before taxation	(10,987)	6,894
Deferred tax	(3)	(307)
Indirect investment result	(10,990)	6,587
Total investment result	10,626	28,265
Per depositary receipt (€)**		
Direct investment result	0.52	0.52
Indirect investment result	(0.26)	0.16
Total investment result	0.26	0.68

STATEMENT OF ADJUSTED NET EQUITY*

(€ '000)	30-09-2014	30-06-2014	30-09-2013
IFRS net equity per balance sheet	1,381,048	1,386,632	1,399,174
Derivative financial instruments	143,214	132,379	113,437
Deferred tax liabilities	37,043	36,795	37,139
Deferred tax assets	(927)	(800)	(422)
Adjusted net equity	1,560,378	1,555,006	1,549,328
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	41,885,590	42,319,567	41,740,054
Net asset value - € per depositary receipt (IFRS)	32.97	32.77	33.52
Adjusted net asset value - € per depositary receipt	37.25	36.74	37.12
Stock market prices - € per depositary receipt	34.87	36.02	29.94

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

** The average number of depositary receipts on issue over the first quarter was 41,955,543 (first quarter 30-09-2013: 41,740,054).

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(€ '000)	First quarter ended 30-09-2014	First quarter ended 30-09-2013
Rental income	42,806	44,510
Service charges income	7,439	8,185
Service charges expenses	(8,115)	(9,112)
Property expenses	(5,894)	(5,941)
Net property income	36,236	37,642
Investment revaluation	(11)	(24)
Interest income	122	257
Interest expenses	(12,010)	(13,431)
Fair value movement derivative financial instruments	(10,835)	7,086
Net financing cost	(22,723)	(6,088)
Company expenses	(2,579)	(2,740)
Investment expenses	(141)	(168)
Profit before taxation	10,782	28,622
Current tax	(153)	(50)
Deferred tax	(3)	(307)
Total tax	(156)	(357)
Profit after taxation	10,626	28,265
Per depositary receipt (€)*		
Profit after taxation	0.25	0.68
Diluted profit after taxation	0.25	0.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	First quarter ended 30-09-2014	First quarter ended 30-09-2013
Profit after taxation	10,626	28,265
Foreign currency translation differences (to be recycled through Profit and Loss Account)	1,090	4,537
Total other comprehensive income	1,090	4,537
Total comprehensive income	11,716	32,802
Per depositary receipt (€)*		
Total comprehensive income	0.28	0.79
Diluted total comprehensive income	0.27	0.76

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

CONSOLIDATED BALANCE SHEET*

(€ '000)	30-09-2014	30-06-2014	30-09-2013
Property investments	2,704,088	2,688,603	2,677,935
Tangible fixed assets	1,756	1,906	1,949
Receivables	235	234	246
Deferred tax assets	927	800	422
Total non-current assets	2,707,006	2,691,543	2,680,552
Receivables	33,918	30,168	53,907
Cash and deposits	83,150	85,372	36,169
Total current assets	117,068	115,540	90,076
Property investments held for sale	0	0	141,000
Total assets	2,824,074	2,807,083	2,911,628
Creditors	70,478	65,464	88,777
Borrowings	95,043	131,935	266,432
Total current liabilities	165,521	197,399	355,209
Creditors	10,476	10,733	10,908
Borrowings	1,084,871	1,041,301	993,858
Derivative financial instruments	143,214	132,379	113,437
Deferred tax liabilities	37,043	36,795	37,139
Provision for pensions	1,901	1,844	1,903
Total non-current liabilities	1,277,505	1,223,052	1,157,245
Total liabilities	1,443,026	1,420,451	1,512,454
Net assets	1,381,048	1,386,632	1,399,174
Equity Eurocommercial Properties shareholders			
Issued share capital	213,875	213,875	208,890
Share premium reserve	385,948	385,838	393,855
Other reserves	670,809	687,129	644,856
Undistributed income	110,416	99,790	151,573
Net assets	1,381,048	1,386,632	1,399,174

* The comparative figures for September 2013 have been restated for the actuarial result on the pension scheme under IAS 19R.

CONSOLIDATED CASH FLOW STATEMENT

(€ '000)	First quarter ended 30-09-2014	First quarter ended 30-09-2013
Cash flow from operating activities		
Profit after taxation	10,626	28,265
Adjustments:		
Increase in receivables	(3,816)	(25,115)
Increase in creditors	1,271	28,279
Interest income	(122)	(257)
Interest expenses	12,010	13,431
Movement stock options and performance shares granted	110	308
Derivative financial instruments	10,835	(7,086)
Deferred tax	3	307
Current tax	153	50
Other movements	245	438
	31,315	38,620
Cash flow from operations		
Borrowing costs	(43)	(6)
Interest paid	(10,988)	(12,799)
Interest received	238	418
	20,522	26,233
Cash flow from investing activities		
Capital expenditure	(10,806)	(10,992)
Additions to tangible fixed assets	(29)	(105)
	(10,835)	(11,097)
Cash flow from financing activities		
Borrowings added	51,351	9,449
Repayment of borrowings	(45,651)	(39,682)
Stock options exercised	9,356	0
Depository receipts bought back	(26,766)	0
Increase in non-current creditors	(257)	(297)
	(11,967)	(30,530)
Net cash flow	(2,280)	(15,394)
Currency differences on cash and deposits	58	141
Decrease in cash and deposits	(2,222)	(15,253)
Cash and deposits at beginning of period	85,372	51,422
Cash and deposits at the end of period	83,150	36,169

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY*

The movements in shareholders' equity in the first quarter ended 30 September 2014 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 for the period				10,626	10,626
Other comprehensive income			1,090		1,090
Total comprehensive income			1,090	10,626	11,716
Depository receipts bought back			(26,766)		(26,766)
Stock options exercised			9,356		9,356
Performance shares granted		110			110
30-09-2014	213,875	385,948	670,809	110,416	1,381,048

The movements in shareholders' equity in the previous first quarter ended 30 September 2013 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2013	208,890	393,547	640,319	123,308	1,366,064
Profit for the period				28,265	28,265
Other comprehensive income			4,537		4,537
Total comprehensive income			4,537	28,265	32,802
Stock options and performance shares granted		308			308
30-09-2013	208,890	393,855	644,856	151,573	1,399,174

* The comparative figures for June 2013 have been restated for the actuarial result on the pension scheme under IAS 19R.

SEGMENT INFORMATION

(€ '000)	France		Italy		Sweden		The Netherlands*		Total	
For the three months ended 30/09	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Rental income	14,983	16,686	18,619	18,423	9,204	9,401	0	0	42,806	44,510
Service charge income	3,057	3,513	1,848	1,817	2,534	2,855	0	0	7,439	8,185
Service charge expenses	(3,535)	(4,100)	(1,848)	(1,817)	(2,732)	(3,195)	0	0	(8,115)	(9,112)
Property expenses	(1,643)	(1,774)	(3,041)	(2,902)	(1,210)	(1,265)	0	0	(5,894)	(5,941)
Net property income	12,862	14,325	15,578	15,521	7,796	7,796	0	0	36,236	37,642
Investment revaluation	53	92	16	(53)	(2)	(44)	(78)	(19)	(11)	(24)
Segment result	12,915	14,417	15,594	15,468	7,794	7,752	(78)	(19)	36,225	37,618
Net financing cost									(22,723)	(6,088)
Company expenses									(2,579)	(2,740)
Investment expenses									(141)	(168)
Profit before taxation									10,782	28,622
Corporate income tax									(153)	(50)
Deferred tax									(3)	(307)
Profit after taxation									10,626	28,265

Property investments: Acquisitions, divestments and capital expenditure (including capitalised interest):

For the three months period	11,271	2,490	1,417	321	519	1,178	0	0	13,207	3,989
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(€ '000)	France		Italy		Sweden		The Netherlands*		Total	
As per 30/09 (30/06)	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Property investments	1,054,935	1,043,500	1,042,289	1,040,700	606,864	604,403	0	0	2,704,088	2,688,603
Tangible fixed assets	344	351	1,174	1,278	130	141	108	136	1,756	1,906
Receivables	25,576	20,993	4,908	6,007	2,623	2,414	1,046	988	34,153	30,402
Deferred tax assets	0	0	927	800	0	0	0	0	927	800
Cash and deposits	1,612	2,288	15,380	746	16,829	15,704	49,329	66,634	83,150	85,372
Total assets	1,082,467	1,067,132	1,064,678	1,049,531	626,446	622,662	50,483	67,758	2,824,074	2,807,083
Creditors	35,147	26,912	16,081	16,211	15,802	15,127	3,448	7,214	70,478	65,464
Non-current creditors	8,649	8,641	1,816	2,081	11	11	0	0	10,476	10,733
Borrowings	371,083	371,328	554,281	548,142	234,550	233,766	20,000	20,000	1,179,914	1,173,236
Derivative financial instruments	17,409	17,960	108,323	98,354	17,482	16,065	0	0	143,214	132,379
Deferred tax liabilities	0	0	0	0	37,043	36,795	0	0	37,043	36,795
Provision for pensions	0	0	0	0	0	0	1,901	1,844	1,901	1,844
Total liabilities	432,288	424,841	680,501	664,788	304,888	301,764	25,349	29,058	1,443,026	1,420,451

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

COUNTRY SPREAD

(%)	30-09-2014	30-09-2013
France	39	41
Italy	39	37
Sweden	22	22
	100	100

The figures in this press release have not been audited by an external auditor.