

## PRESS RELEASE

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# EUROCOMMERCIAL ACQUIRES SHOPPING CENTRE UNDER CONSTRUCTION IN KRISTIANSTAD

## ANNOUNCEMENT OF SCRIP ISSUE PRICE

Eurocommercial has acquired a site in Kristianstad in the southern Skåne region of Sweden, upon which a major shopping centre – C4 Shopping – and external hypermarket are being constructed, with completion expected by the end of 2018.

Kristianstad is approximately one hour's drive north-east of Malmö and is the regional capital of a catchment of 300,000 people which does not currently have an out-of-town shopping centre. The newly acquired retail zone is on the E22 motorway and will include a 31,600m<sup>2</sup> shopping centre housing approximately 90 shops and restaurants. A 6,500m<sup>2</sup> hypermarket is being built opposite the shopping centre, with a further 2,500m<sup>2</sup> of complementary retail units alongside it. The Company has also conditionally committed to acquire a 20,500m<sup>2</sup> retail park on the site. The necessary planning consents have been received for all units.

The net acquisition yield for the shopping centre and the hypermarket is 6% and will generate a total purchase cost of around SEK 1.325 billion (c. €134 million), depending on the level of net rental income achieved. The net acquisition yield for the retail park will be 6.5%, if acquired, which will generate an additional cost of around SEK 350 million (c. €35 million). Ground works have begun and the hypermarket is expected to open by the end of 2017, with the shopping centre opening approximately one year later.

Peter Mills, Eurocommercial's Director responsible for Sweden said, "The Swedish team, under the leadership of Martin Björn, has developed considerable construction and leasing expertise in major extensions of our shopping centres over the years. The Kristianstad acquisition allows us to utilise this experience to acquire properties at an earlier stage, thus achieving much higher yields than simply buying existing assets in a highly competitive market."

## **Announcement of scrip issue price**

Eurocommercial today announces that holders of depositary receipts (representing 10 ordinary shares) once again have the choice of taking a dividend in cash or stock, or a combination of the two in any proportion they wish.

Those who take new depositary receipts from the share premium reserve instead of the proposed cash dividend of €2.05 per depositary receipt, will receive 1 (one) new depositary receipt for every 21 (twenty-one) depositary receipts held, equating to a price of €43.05 per depositary receipt or a percentage of 4.76%. These new depositary receipts will rank pari passu with pre-existing depositary receipts in respect of the financial year 2016/17. Investors have until 17 November 2016 at 13:00 (CET) to make their choice known. If notification is not received by that date only a cash dividend will be payable. The new depositary receipts will be issued on 30 November 2016.

The dividend proposal will be tabled in the Annual General Meeting to be held on 1 November 2016. Eurocommercial will announce its first quarter 2016/17 results on 4 November.

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