

EUROCOMMERCIAL

SHOPPING CENTRES



EUROCOMMERCIAL PROPERTIES N.V.
HALF YEAR REPORT 31 DECEMBER 2010

PRESS RELEASE

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CONFERENCE CALL

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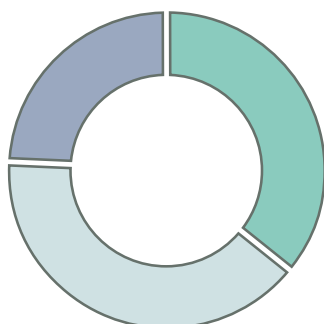
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Profile

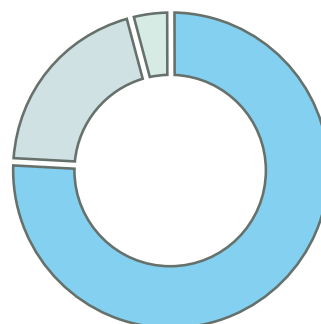
Eurocommercial Properties N.V. (Eurocommercial) was established in 1991 and is an NYSE Euronext quoted public company with zero tax status. The Company invests in shopping centres and other retail properties in France, Northern Italy and Sweden and has a sound record of steady dividend growth since inception.

Geographic spread



France (€906m)	37%
Northern Italy (€950m)	38%
Sweden (€623m)	25%

Property type



Shopping centres	76%
City centre shops/galleries	20%
Retail parks	4%



Half year results at 31 December 2010

Rising sales turnover and rents in Eurocommercial's centres, together with stronger investment demand and rising property values, have produced increased earnings and net asset values for the Company for the period to 31 December 2010.

Interest costs have been further stabilised with interest rate swaps and fixed direct borrowings, bringing the proportion of fixed interest rates to 84% for an average term of almost ten years.

Direct investment result: €37.1m +14.9%

The direct investment result for the six months to 31 December 2010 rose 14.9% to €37.1 million from €32.3 million for the same period in 2009. The direct investment result is defined as net property income less net interest expenses and company expenses after taxation. The direct investment result per depositary receipt rose 4.5% from €0.88 at 31 December 2009 to €0.92 at 31 December 2010, in spite of a 9.8% increase in the average number of depositary receipts outstanding.

Net rental income: €63.5m +11.0%

Rental income for the six months to 31 December 2010, after deducting net service charges and direct and indirect property expenses (branch overheads), was €63.5 million compared with €57.2 million for the prior year period – an increase of 11.0%.

Like for like rental growth: +1.6%

The like for like (same floor area) rents of Eurocommercial's properties increased by 1.6% at 31 December 2010 compared with 31 December 2009. The rent figures compare tenancy schedules at the relevant dates and include indexation and turnover rents.

Retail sales turnover growth: +3.0%

Like for like retail sales turnover in Eurocommercial's shopping centres increased by 3.0% for the twelve months to 31 December 2010 compared to the twelve months to 31 December 2009. For the three month period to 31 December 2010 turnover increased by 4.7%.

Property valuations: €2.5bn +4.7%

Properties were independently revalued at 31 December 2010 resulting in a 4.7% increase in value compared with December 2009 and 2.0% compared with June 2010.

Adjusted net asset value: €34.68 +11.8%

Adjusted net asset value increased by 2.3% to €34.68 per depositary receipt at 31 December 2010 from €33.90 per depositary receipt at 30 June 2010 and by 11.8% from €31.01 at 31 December 2009.

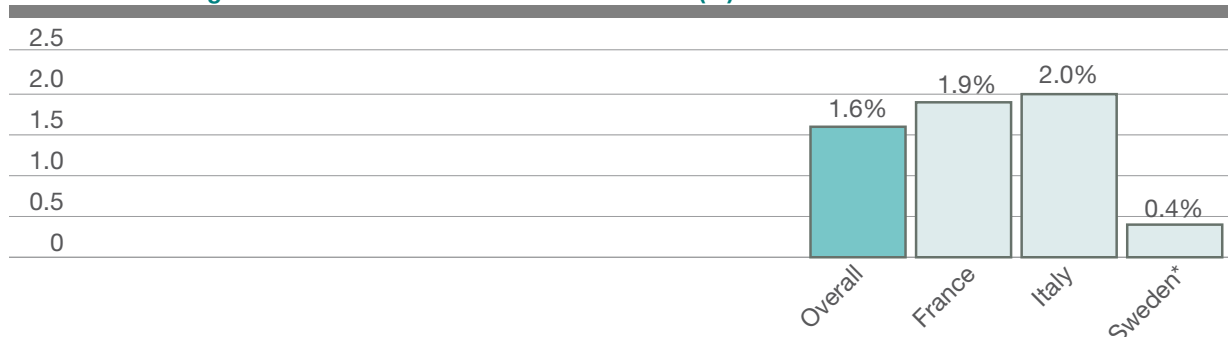
IFRS results

The IFRS net asset value, which, unlike the adjusted net asset value, includes the negative fair value of financial derivatives (interest rate swaps) of €71.5 million and contingent capital gains tax liabilities of €56.3 million, was €31.54 per depositary receipt at 31 December 2010 compared with €30.13 at 30 June 2010 and €28.31 at 31 December 2009. The IFRS result after taxation for the six months to 31 December 2010 rose to €112.4 million from €36.9 million for the same period in 2009.

Rental growth

The like for like (same floor area) rents of Eurocommercial's properties increased overall by 1.6% at 31 December 2010 compared with 31 December 2009. The figures for the individual countries are:

Like for like rental growth 12 months to 31 December 2010/2009 (%)



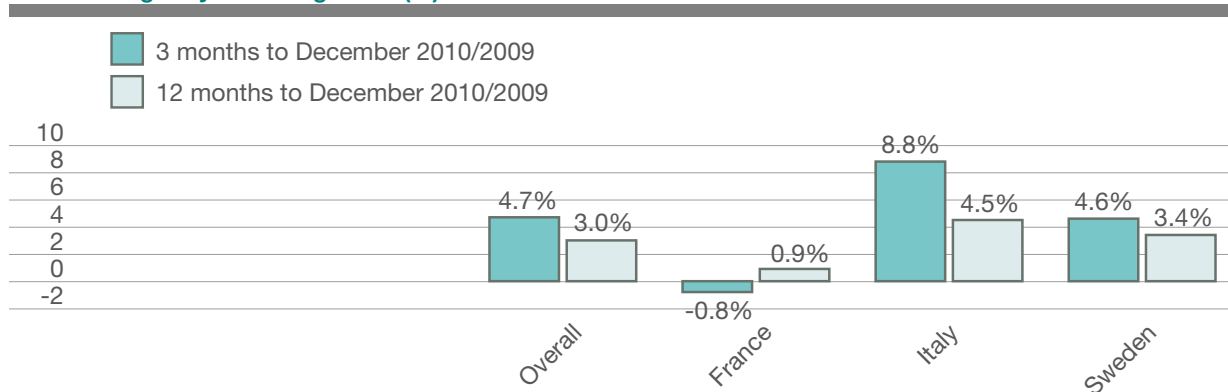
* Indexation was negative at -1.5% in calendar 2010.

Rent indexation in 2010 was +0.84% in France based on the new ILC system (or -4.1% for those still using the ICC system), +1% in Italy and -1.5% in Sweden. Rent indexation for 2011 will be -0.22% in France for those tenants using ILC, or +1.27% for those tenants still using ICC. Including Eurocommercial's most recent acquisition in Moisselles, approximately 60% of French tenants have now moved to the ILC index. Indexation in 2011 in Italy will be +1.9% and +1.5% in Sweden.

Retail sales turnover

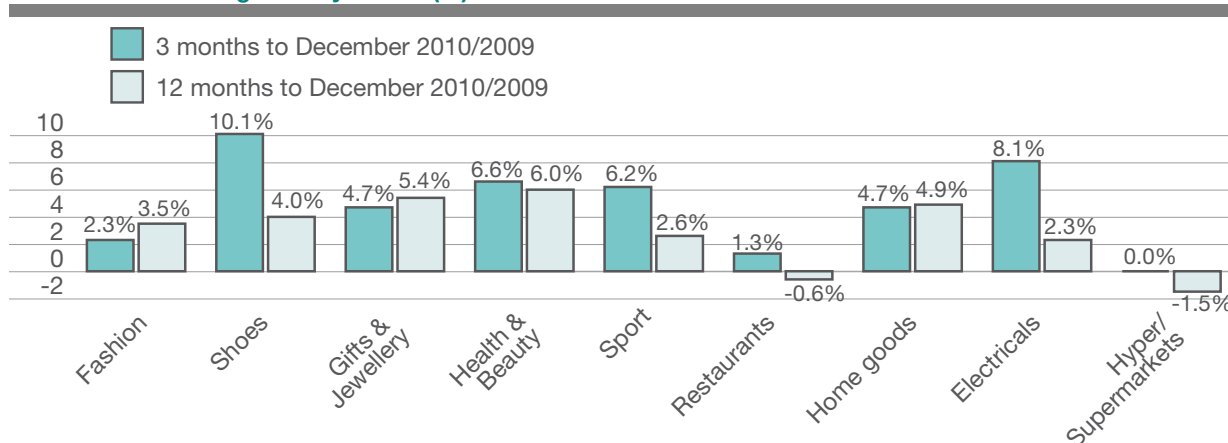
Like for like retail sales turnover in Eurocommercial's shopping centres for the three months to 31 December 2010 and for the twelve months to 31 December 2010 compared with the previous corresponding periods are set out below. Turnover steadily improved during the last six months of 2010 in France, Italy and Sweden although strike action and heavy snow in Northern France dampened performance somewhat in October and December.

Retail sales gallery turnover growth* (%)



* Excluding hypermarkets and extensions.

Retail sales turnover growth by sector* (%)

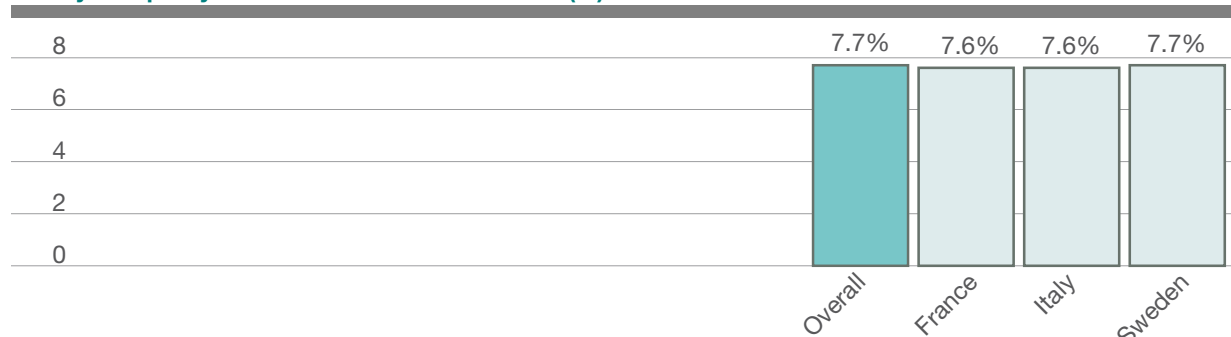


* Excluding extensions.

Occupancy cost ratios

The total occupancy cost ratio (rent plus marketing contributions, service charges and property taxes as a proportion of turnover including VAT) for Eurocommercial galleries excluding hypermarkets at the end of the period was 7.7% overall.

Gallery occupancy cost ratios at 31 December 2010 (%)



Vacancies and arrears

Vacancies and rental arrears of more than 90 days for the total Eurocommercial portfolio both remain under 1% of total income.

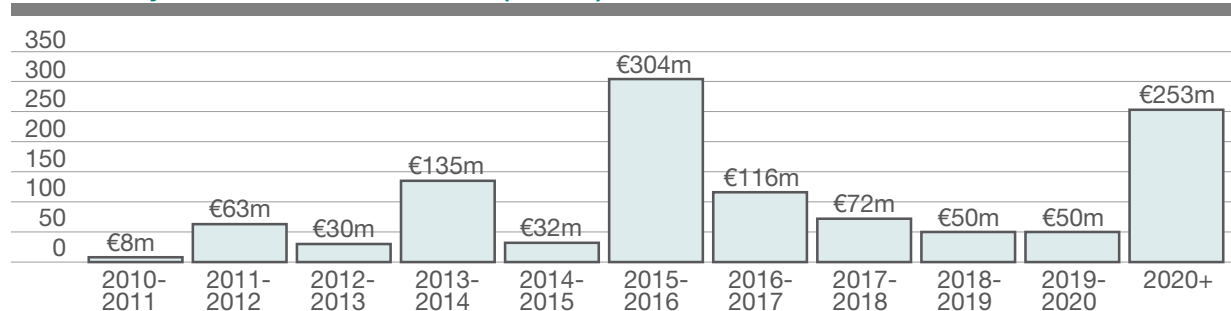
Funding

During the period, holders of depositary receipts (DRs) representing 21% of the issued share capital opted to take up 423,189 bonus DRs at an issue price of €36.40 from the Company's share premium reserve, instead of a cash dividend of €1.82 per depositary receipt for the financial year ended 30 June 2010. The total number of depositary receipts outstanding at 31 December 2010 therefore increased to 40,776,650.

The net debt to adjusted net equity ratio at 31 December 2010 was 72% and the net loan to property value was 41%. Eurocommercial has been steadily lengthening its loan portfolio and has recently secured a new €30 million ten year loan and a new SEK 250 million four year loan. The Company also converted an existing €30 million short term loan into a long term financing for eight years. The average loan term is now nearly eight years and 84% of interest costs are fixed through swaps for an average of almost ten years - slightly longer than reported in September 2010 due to additional fixing of interest rates for new longer term loans. The Company's average overall interest rate at 31 December was 4.1%, including margins averaging 61 bps.

Number of shares in issue	40.8 million
Shareholders' adjusted net equity	€1.4 billion
Net debt	€1.0 billion
Net debt to adjusted net equity ratio	72%
Net loan to property value ratio	41%
Interest cover	2.7x
Average loan term	8 years
Average fixed interest period	10 years
Average loan margin	61 bps
Overall interest cost	4.1%

Loan maturity schedule at 31 December 2010 (€ million)



Property valuations

All of the Company's properties were independently valued as usual at 31 December 2010 in accordance with the rules set out in the RICS "Red Book", the International Valuation Standards and IAS40. The net yield figures provided in the table opposite are the result of dividing the Company's 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 market. The objective is to replicate the calculations of a professional institutional investor.

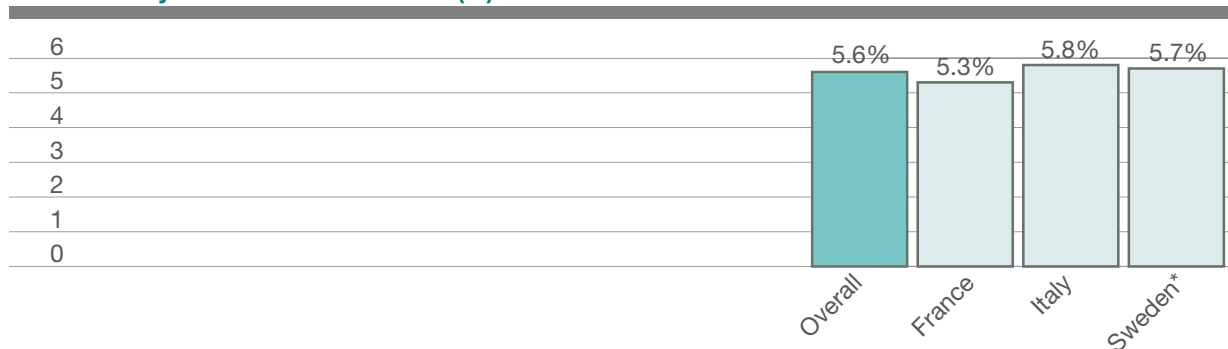
Overall, the property portfolio increased in value by 4.7% compared with December 2009 and 2.0% when compared with June 2010. The increase in values since December 2009 by country was 9.8% in France, 1.2% in Italy and 3.1% in Sweden. The increases since June 2010 were 4.5% in France, 0.2% in Italy and 1.4% in Sweden.

Valuation changes 12 months to 31 December 2010/2009 (%)



The overall net yield on valuations for Eurocommercial's properties was 5.6%. The average yield was 5.8% in Italy and 5.7% in Sweden (excluding the project at Grand Samarkand, Växjö). In France the overall net initial yield was 5.3%. Paris city centre properties in France were valued at 4.9%, provincial hypermarket-anchored centres were valued at 5.5% and Ile de France (Paris region) retail parks were valued at 6.7%.

Net valuation yields at 31 December 2010 (%)



* Excluding the project at Grand Samarkand, Växjö.

Values by property

	Net value 31/12/10	Net value 30/06/10	Net value 31/12/09	Net yield including purchase costs
France (€ million)				
Amiens Glisy, Amiens ²	43.60	41.90	39.90	5.7%
Saint Doulchard, Bourges ⁵	39.20	37.80	38.10	5.6%
Buchelay Retail Park, Buchelay ²	6.10	6.10	6.20	7.5%
Chasse Sud, Chasse-sur-Rhône ⁵	30.10	29.30	29.20	5.8%
Les Allées de Corneilles, Corneilles ²	35.30	35.20	35.40	6.6%
Les Trois Dauphins, Grenoble ⁶	34.30	33.50	33.10	5.7%
Centr'Azur, Hyères ⁵	44.00	42.00	40.80	5.4%
Plaine de France, Moisselles ⁵	68.10	64.10	55.60	5.9%
Passage du Havre, Paris ²	267.50	249.60	241.20	4.9%
Passy Plaza, Paris ²	124.60	118.50	114.80	5.2%
74 rue de Rivoli, Paris ⁶	45.60	43.20	37.50	4.5%
Les Portes de Taverny, Taverny ⁶	51.80	50.30	48.50	5.5%
Les Atlantes, Tours ²	116.10	111.40	106.80	5.2%
Italy (€ million)				
Curno, Bergamo ⁴	98.30	98.10	98.60	5.8%
Centro Lame, Bologna ⁷	40.60	39.90	39.80	5.8%
Il Castello, Ferrara ⁷	103.60	99.90	101.00	5.7%
I Gigli, Firenze ¹	244.40	241.90	230.20	5.6%
Centro Leonardo, Imola ¹	73.90	71.90	65.90	5.9%
La Favorita, Mantova ²	46.70	45.50	48.10	6.6%
Carosello, Carugate, Milano ⁴	272.70	270.70	270.70	5.7%
I Portali, Modena ²	43.10	41.60	38.30	5.9%
Centroluna, Sarzana ⁷	26.20	25.90	25.40	5.9%
Sweden (SEK million) *				
421, Göteborg ³	750.00	733.00	725.70	5.4%
Kronan, Karlskrona ²	163.20	162.00	149.00	6.0%
Bergvik, Karlstad ³	552.50	535.00	520.00	5.8%
Mellby Center, Laholm ²	151.00	153.00	149.00	6.4%
Burlöv Center, Malmö ³	1,079.20	1,062.00	1,078.20	5.6%
Ingelsta Shopping, Norrköping ²	878.20	872.00	831.20	5.7%
Elins Esplanad, Skövde ²	644.70	628.00	596.60	5.8%
Moraberg, Södertälje ³	397.70	391.50	392.00	5.9%
Hälla Shopping, Västerås ²	293.50	295.00	282.50	5.8%
Grand Samarkand, Växjö ^{2**}	675.00	515.00	370.00	-

*1 € = 8.97 SEK

** Extension project

Valuations by: ¹ CB Richard Ellis, ² Cushman & Wakefield, ³ DTZ, ⁴ Jones Lang LaSalle, ⁵ Knight Frank,⁶ Retail Consulting Group, ⁷ Savills

Country commentary

France

Agreement has been reached with the adjoining land-owners for Eurocommercial to acquire a retail park and to carry out a gallery extension at Chasse Sud, south of Lyon. It is hoped that all planning permissions will be received within the next 12 months so that building work can begin in mid 2012. A planning application has also been submitted for a small extension of Saint Doulchard in Bourges.

The refurbishment of Les Atlantes in Tours is under way and scheduled to finish in May 2011. In addition to the aesthetic changes being made, the project also includes improvements to the pedestrian flow through the centre. The refurbishments of Passage du Havre in Paris and Centr'Azur in Hyères are also expected to begin later in the year.

Italy

The €5.5 million refurbishment of Il Castello in Ferrara is largely complete. As part of the upgrade the piazzas, ceilings, lighting and toilets will have been restyled, including new skylights in all the piazzas. The entrances are being completely remodelled to enhance visibility from the car park with the addition of retailer signage and a new logo. A new internal and external children's play area will also be added.

The construction of a 4,000m² retail park at I Gigli in Firenze is due to begin over the summer. The new development will provide 550 new car spaces and this, together with the inclusion of a restaurant, will strengthen the link to the soon-to-be rebranded UCI cinema adjacent to the shopping centre. The units will be pre-let prior to building works commencing. A major refurbishment of the I Gigli shopping centre will also begin during 2011.

In October 2010 the Carosello extension in Carugate, Milano marked its second anniversary. The 23,700m² gallery now houses 113 retail tenants, including newcomers to the Italian market such as Apple and Hollister. Annual gallery turnover has increased 172% since the extension while the GLA increased by 117%. Visitor numbers have increased by 48%.

Sweden

Grand Samarkand shopping centre in Växjö is due to open, as scheduled, at the end of April 2011. The new centre will be the city's only out of town shopping destination, serving a catchment of around 180,000 people. Grand Samarkand is now 98% let to 55 tenants including H&M, Stadium, New Yorker, Lindex, KappAhl, Gina Tricot, Esprit and Deichmann. Parts of the 18,400m² shopping centre, which adjoins a 10,600m² ICA Maxi, have already opened with many of the shops reporting that turnover has exceeded their expectations despite the ongoing construction works. Original target rental levels have been achieved. The total project cost of approximately €40 million will deliver a net return on cost of around 8%.

A refurbishment and small extension of Mellby Center on the busy E6 motorway south of Halmstad is under way and due to be completed in mid April. Eurocommercial has renewed all the leases of the gallery tenants, including Lindex and KappAhl, at higher rents. The net return on cost of the €1.8 million project is therefore expected to be in excess of 8%.

Overview of projects

	Project	Estimated cost	Expected completion date
France			
Les Atlantes, Tours	Refurbishment and new entrances	€6 million	2011
Passage du Havre, Paris	Refurbishment	€4 million	2012
Centr'Azur, Hyères	Refurbishment and photovoltaic roof	€4 million	2012
Saint Doulchard, Bourges	Extension and refurbishment	€5 million	2012
Italy			
Il Castello, Ferrara	Refurbishment and new entrances	€5.5 million	2011
I Gigli, Firenze	Refurbishment	€8.5 million	2012
I Gigli, Firenze	Retail park development and car parking	€10 million	2012
Sweden			
Grand Samarkand, Växjö	Shopping centre redevelopment (18,000m ²)	€40 million	2011
Mellby Center, Laholm	Extension and refurbishment	€1.8 million	2011



Les Atlantes, Tours



Centr'Azur, Hyères



Il Castello, Ferrara



I Gigli, Firenze

Grand Samarkand,
Växjö

Mellby Center, Laholm

Market commentary

Investor demand remains strong, particularly for prime properties. Prices have therefore risen, pushing yields in France down to 5% or less. Yields are slightly higher in Northern Italy and Sweden but demand is equally solid.

Turnover, occupancy cost ratios and rental levels in Eurocommercial's centres have all improved, with turnover growth particularly strong over the six months to 31 December 2010 in Italy and Sweden. We expect retail spending to continue growing modestly in all our markets in 2011.

The Company will continue to focus on extensions and improvements to its existing centres and is examining the few potential acquisitions available in its current markets. Eurocommercial's policy remains that purchases will only be made if they can be expected to be earnings enhancing within a year of acquisition. They also need to meet demanding criteria of sustainable rent to turnover ratios and be in unsaturated catchment areas in wealthy districts.

Paris delisting

Eurocommercial delisted from NYSE Euronext Paris on 31 January 2011 because a secondary listing on the French exchange is no longer required under the French SIIC regime. The delisting will also result in some cost savings. Eurocommercial continues to be listed on its market of reference, NYSE Euronext Amsterdam.

Amsterdam, 11 February 2011

Board of Management

J.P. Lewis

E.J. van Garderen

Responsibility statement

We hereby state to the best of our knowledge, and in accordance with the applicable IFRS reporting principles for interim financial reporting, that the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the group, and that the interim management report of the Board of Management includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the current financial year.

Amsterdam, 11 February 2011

Board of Management

J.P. Lewis
E.J. van Garderen

Board of Supervisory Directors

W.G. van Hassel, Chairman
H.W. Bolland
P.W. Haasbroek
J.C. Pollock
A.E. Teeuw

Conference call

Eurocommercial will host a conference call today, Friday 11 February 2011, at 9:00 AM (UK) / 10:00 AM (CET) for investors and analysts. To access the call, please dial +44 (0)1452 555 566 approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial call using the conference ID number of 37813759. A replay facility will be available for one week following the call and can be accessed by dialling +44 (0)1452 550 000. The conference ID number is also required to access the replay.

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

Website: www.eurocommercialproperties.com

Statement of consolidated direct, indirect and total investment results*

(€ '000)	Six months ended 31-12-10	Six months ended 31-12-09	Second quarter ended 31-12-10	Second quarter ended 31-12-09
Rental income	74,588	67,149	37,728	33,868
Service charges income	13,314	11,406	6,304	5,105
Service charges expenses	(15,287)	(13,125)	(7,371)	(6,024)
Property expenses	(9,154)	(8,237)	(4,796)	(4,456)
Net property income	63,461	57,193	31,865	28,493
Interest income	154	20	128	14
Interest expenses	(22,024)	(20,757)	(11,141)	(10,439)
Net financing expenses	(21,870)	(20,737)	(11,013)	(10,425)
Company expenses	(4,534)	(4,201)	(2,326)	(2,169)
Direct investment result before taxation	37,057	32,255	18,526	15,899
Corporate income tax	0	0	0	0
Direct investment result	37,057	32,255	18,526	15,899
Investment revaluation	48,118	(33,890)	48,793	(32,157)
Fair value movement derivative financial instruments	32,946	(6,155)	44,306	2,645
Investment expenses	(625)	(338)	(497)	(215)
Indirect investment result before taxation	80,439	(40,383)	92,602	(29,727)
Deferred tax	(5,055)	45,072	(5,190)	45,525
Indirect investment result	75,384	4,689	87,412	15,798
Total investment result	112,441	36,944	105,938	31,697
Per depositary receipt (€)**				
Direct investment result	0.92	0.88	0.46	0.42
Indirect investment result	1.86	0.12	2.16	0.43
Total investment result	2.78	1.00	2.62	0.85

Statement of adjusted net equity*

Adjusted net equity	31-12-10	30-06-10	31-12-09
IFRS net equity per balance sheet	1,286,266	1,214,323	1,140,792
Deferred tax liabilities	56,296	48,229	42,877
Derivative financial instruments	71,469	103,677	66,161
	1,414,031	1,366,229	1,249,830
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	40,776,650	40,304,266	40,303,499
Net asset value - € per depositary receipt (IFRS)	31.54	30.13	28.31
Adjusted net asset value - € per depositary receipt	34.68	33.90	31.01

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

** The average number of depositary receipts on issue during the period was 40,408,566 compared with 36,812,312 for the six months to 31/12/2009, an increase of 9.8%.

Consolidated profit and loss account

(€ '000)	Note	Six months ended 31-12-10	Six months ended 31-12-09	Second quarter ended 31-12-10	Second quarter ended 31-12-09
Rental income		74,588	67,149	37,728	33,868
Service charges income		13,314	11,406	6,304	5,105
Service charges expenses		(15,287)	(13,125)	(7,371)	(6,024)
Property expenses	4	(9,154)	(8,237)	(4,796)	(4,456)
Net property income		63,461	57,193	31,865	28,493
Investment revaluation	5	48,118	(33,890)	48,793	(32,157)
Interest income	6	154	20	128	14
Interest expenses	6	(22,024)	(20,757)	(11,141)	(10,439)
Fair value movement derivative financial instruments	6	32,946	(6,155)	44,306	2,645
Net financing cost	6	11,076	(26,892)	33,293	(7,780)
Company expenses	7	(4,534)	(4,201)	(2,326)	(2,169)
Investment expenses		(625)	(338)	(497)	(215)
Result before taxation		117,496	(8,128)	111,128	(13,828)
Corporate income tax		0	0	0	0
Deferred tax	12	(5,055)	45,072	(5,190)	45,525
Profit after taxation		112,441	36,944	105,938	31,697
Per depositary receipt (€)*					
Profit after taxation		2.78	1.00	2.62	0.85
Diluted profit after taxation		2.73	0.98	2.57	0.84

* The average number of depositary receipts on issue during the period was 40,408,566 compared with 36,812,312 for the six months to 31/12/2009, an increase of 9.8%.

Consolidated balance sheet

(€ '000)	Note	31-12-10	30-06-10	31-12-09
Property investments	8	2,473,491	2,356,074	2,241,226
Property investments under development		5,260	3,500	4,400
Tangible fixed assets		1,377	1,364	1,470
Receivables	9	986	1,113	1,268
Derivative financial instruments		4,164	1,479	408
Total non-current assets		2,485,278	2,363,530	2,248,772
Receivables	9	26,825	25,970	22,192
Cash and deposits		86,423	116,218	13,365
Total current assets		113,248	142,188	35,557
Total assets		2,598,526	2,505,718	2,284,329
Corporate tax payable		0	0	5,201
Creditors	10	59,118	54,222	70,421
Borrowings	11	58,022	142,190	80,493
Total current liabilities		117,140	196,412	156,115
Creditors	10	10,719	10,721	10,996
Borrowings	11	1,051,308	929,651	866,553
Derivative financial instruments		75,633	105,156	66,569
Deferred tax liabilities	12	56,296	48,229	42,877
Provision for pensions		1,164	1,226	427
Total non-current liabilities		1,195,120	1,094,983	987,422
Total liabilities		1,312,260	1,291,395	1,143,537
Net assets		1,286,266	1,214,323	1,140,792
Equity Eurocommercial Properties shareholders	13			
Issued share capital		204,283	202,167	202,167
Share premium reserve		395,443	399,905	399,519
Other reserves		574,099	518,511	502,162
Undistributed income		112,441	93,740	36,944
Net assets		1,286,266	1,214,323	1,140,792
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back		40,776,650	40,304,266	40,303,499
Net asset value - € per depositary receipt		31.54	30.13	28.31

Consolidated cash flow statement

For the six months ended (€ '000)	Note	31-12-10	31-12-09*
Cash flow from operating activities			
Profit after taxation		112,441	36,944
Adjustments:			
Increase/decrease in receivables	9	(710)	1,542
Increase in creditors	10	3,631	177
Interest income		(154)	(20)
Interest expenses		22,024	20,757
Movement stock options		326	491
Investment revaluation	5	(49,296)	32,663
Derivative financial instruments		(32,946)	6,155
Deferred tax	12	5,055	(45,072)
Other movements		842	104
		61,213	53,741
Cash flow from operations			
Derivative financial instruments		(172)	(92)
Borrowing costs		(913)	(782)
Interest paid		(22,418)	(20,852)
Interest received		154	20
		37,864	32,035
Cash flow from investing activities			
Property acquisitions	8	0	(98,224)
Capital expenditure	8	(33,145)	(11,486)
Additions to tangible fixed assets		(288)	(229)
		(33,433)	(109,939)
Cash flow from financing activities			
Proceeds issued shares		0	96,613
Borrowings added	11	83,391	119,361
Repayment of borrowings	11	(61,419)	(96,644)
Dividends paid	13	(58,006)	(37,534)
Stock options exercised		1,219	38
Increase in non-current creditors		58	1,215
		(34,757)	83,049
Net cash flow			
Currency differences on cash and deposits		531	393
Decrease/increase in cash and deposits		(29,795)	5,538
Cash and deposits at beginning of period		116,218	7,827
Cash and deposits at end of period		86,423	13,365

* A reclassification of the interest income and interest expenses was made in the consolidated cash flow statement for the comparative figures. The items are shown separately from the creditors in the adjustments of the cash flow from operating activities. In the cash flow from investing activities the capital expenditure includes the accrued expenditure for the previous financial year.

Consolidated statement of comprehensive income

(€ '000)	Six months ended 31-12-10	Six months ended 31-12-09	Second quarter ended 31-12-10	Second quarter ended 31-12-09
Profit after taxation	112,441	36,944	105,940	31,697
Foreign currency translation differences	15,963	11,160	5,299	(119)
Total other comprehensive income	15,963	11,160	5,299	(119)
Total comprehensive income	128,404	48,104	111,239	31,578

Consolidated statement of changes in shareholders' equity

The movements in shareholders' equity in the six month period ended 31 December 2010 and in the previous six month period ended 31 December 2009 were:

(€ '000)	Issued share capital 2010	Issued share capital 2009	Share premium reserve 2010	Share premium reserve 2009	Other reserves 2010	Other reserves 2009	Undis-tributed Income 2010	Undis-tributed income 2009	Total 2010	Total 2009
30/06/										
	202,167	179,859	399,905	324,782	518,511	709,144	93,740	(180,705)	1,214,323	1,033,080
Profit for the period							112,441	36,944	112,441	36,944
Other comprehensive income					15,963	11,160			15,963	11,160
Total comprehensive income					15,963	11,160	112,441	36,944	128,404	48,104
Issued shares	2,116	22,308	(2,116)	74,305					0	96,613
Result previous financial year					35,751	(218,180)	(35,751)	218,180	0	0
Dividends paid			(17)	(59)			(57,989)	(37,475)	(58,006)	(37,534)
Stock options exercised			(2,655)		3,874	38			1,219	38
Stock options granted			326	491					326	491
31/12/	204,283	202,167	395,443	399,519	574,099	502,162	112,441	36,944	1,286,266	1,140,792

Notes to the consolidated financial statements

as at 31 December 2010

1. Principal accounting policies

The financial statements of the Company for the financial year starting 1 July 2010 and ending 30 June 2011 are drawn up in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements for the six month period ending 31 December 2010 have been drawn up in accordance with IAS 34 (Interim Financial Reporting). The comparative figures for the six months period in the previous year have been taken from last year's interim report for 31 December 2009. For the principal accounting policies applied in this interim financial report reference is made to the published financial statements for the financial year ended 30 June 2010.

2. Segment information

(€ '000)	France		Italy		Sweden		The Netherlands		Total	
For the six months ended 31/12	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Rental income	26,582	23,607	30,309	27,990	17,697	15,367	0	185	74,588	67,149
Service charge income	4,489	4,046	2,686	2,445	6,139	4,915	0	0	13,314	11,406
Service charge expenses	(5,459)	(5,033)	(2,686)	(2,445)	(7,142)	(5,647)	0	0	(15,287)	(13,125)
Property expenses	(2,432)	(2,331)	(4,389)	(4,049)	(2,333)	(1,849)	0	(8)	(9,154)	(8,237)
Net property income	23,180	20,289	25,920	23,941	14,361	12,786	0	177	63,461	57,193
Investment revaluation	39,211	(13,229)	1,742	(14,565)	7,928	(4,932)	(763)	(1,164)	48,118	(33,890)
Segment result	62,391	7,060	27,662	9,376	22,289	7,854	(763)	(987)	111,579	23,303
Net financing cost									11,076	(26,892)
Company expenses									(4,534)	(4,201)
Investment expenses									(625)	(338)
Result before taxation									117,496	(8,128)
Corporate income tax									0	0
Deferred tax									(5,055)	45,072
Profit after taxation									112,441	36,944

Property investments	906,300	827,100	944,240	913,600	622,951	496,886	0	3,640	2,473,491	2,241,226
Property investments under development	0	0	5,260	4,400	0	0	0	0	5,260	4,400
Tangible fixed assets	272	256	102	172	54	48	949	994	1,377	1,470
Receivables	17,305	14,893	5,286	4,502	3,967	2,882	1,253	1,183	27,811	23,460
Derivatives financial instruments	0	0	3,888	377	245	0	31	31	4,164	408
Cash and deposits	2,790	3,802	403	652	11,190	8,039	72,040	872	86,423	13,365
Total assets	926,667	846,051	959,179	923,703	638,407	507,855	74,273	6,720	2,598,526	2,284,329

Corporate tax payable	0	0	0	5,201	0	0	0	0	0	5,201
Creditors	22,177	29,217	12,873	22,200	22,665	16,862	1,403	2,142	59,118	70,421
Non-current creditors	8,020	8,023	2,692	2,972	7	1	0	0	10,719	10,996
Borrowings	315,297	288,915	516,648	434,233	277,385	223,898	0	0	1,109,330	947,046
Derivatives financial instruments	20,312	19,157	48,410	37,399	6,911	10,013	0	0	75,633	66,569
Deferred tax liabilities	0	0	0	0	56,296	42,877	0	0	56,296	42,877
Provision for pensions	0	0	0	0	0	0	1,164	427	1,164	427
Total liabilities	365,806	345,312	580,623	502,005	363,264	293,651	2,567	2,569	1,312,260	1,143,537
Acquisitions, divestments and capital expenditure (including capitalised interest)	4,180	60,746	12,441	50,421	17,802	4,834	0	0	34,423	116,001

Notes to the consolidated financial statements continued

as at 31 December 2010

3. Exchange rates

It is generally the Company's policy for non-euro investments to use debt denominated in the currency of investment to provide a (partial) hedge against currency movements. Exceptionally forward contracts may be entered into from time to time when debt instruments are inappropriate for cost or other reasons. The only non-euro investment assets and liabilities of the Company are in Sweden and to a very small extent in the United Kingdom as the Company has an office in London. As at 31 December 2010 SEK 10 was € 1.1154 (31 December 2009: € 0.9754) and GBP 1 was € 1.16178 (31 December 2009: € 1.12599).

4. Property expenses

Property expenses in the current financial period were:

For the six months ended (€ '000)	31-12-10	31-12-09
Direct property expenses		
Bad debts	209	209
Centre marketing expenses	1,046	1,023
Insurance premiums	250	334
Managing agent fees	740	700
Property taxes	616	683
Repair and maintenance	662	342
Snow clearance	64	0
Shortfall service charges	96	115
	3,683	3,406
Indirect property expenses		
Accounting fees	225	217
Audit fees	149	120
Depreciation fixed assets	60	111
Dispossession indemnities	140	67
Italian local tax (IRAP)	616	513
Legal and other advisory fees	617	593
Letting fees and relocation expenses	777	722
Local office and accommodation expenses	534	450
Pension contributions	33	17
Salaries, wages and bonuses	1,280	1,129
Social security charges	514	463
Stock options granted (IFRS 2)	37	75
Travelling expenses	152	106
Other local taxes	234	160
Other expenses	103	88
	5,471	4,831
	9,154	8,237

5. Investment revaluation

Realised and unrealised value movements on investments in the current financial period were:

For the six months ended (€ '000)	31-12-10	31-12-09
Revaluation of property investments	49,364	(24,727)
Revaluation of property investments under development	(68)	(7,936)
Elimination of capitalised letting fees	(278)	(429)
Movement non-current creditors	7	189
Other movements	(907)	(987)
	48,118	(33,890)

Other movements relate to valuation adjustments of other assets and liabilities.

Notes to the consolidated financial statements continued

as at 31 December 2010

6. Net financing cost

Net financing cost in the current financial period comprised:

For the six months ended (€ '000)	31-12-10	31-12-09
Interest income	154	20
Gross interest expense	(23,151)	(21,632)
Capitalised interest	1,127	875
Unrealised fair value movement interest rate swaps	32,946	(6,063)
Realised fair value movement interest rate swaps	0	(92)
	11,076	(26,892)

Gross interest expense consists of interest payable on loans calculated using the effective interest rate method. The interest payable to finance the extension/acquisition of an asset is capitalised until completion/acquisition date and is reported as capitalised interest. The interest rate used for capitalised interest during the current financial period was 4.50 per cent (2009/2010: 4.80 per cent). Interest rate swap agreements have been entered into to hedge the exposure to interest rate movements for a total notional amount of € 936 million (June 2010: € 878 million). Due to higher market interest rates the negative fair value of this interest rate swaps portfolio changed, resulting in an unrealised gain of € 32.9 million for the period.

7. Company expenses

Company expenses in the current financial period comprised:

For the six months ended (€ '000)	31-12-10	31-12-09
Audit fees	91	92
Depreciation fixed assets	215	214
Directors' fees	624	575
Legal and other advisory fees	391	341
Marketing expenses	125	117
Office and accommodation expenses	555	595
Pension contributions	218	178
Salaries, wages and bonuses	1,328	1,197
Social security charges	180	174
Statutory costs	234	115
Stock options granted (IFRS 2)	129	170
Travelling expenses	222	244
Other expenses	222	189
	4,534	4,201

Notes to the consolidated financial statements continued

as at 31 December 2010

8. Property investments and property investments under development

Property investments and property investments under development are stated at fair value. It is the Company's policy that all property investments and property investments under development be revalued semi-annually by qualified independent experts. The independent valuation figures for the Company's properties represent the net price expected to be received by the Company from a notional purchaser who would deduct any purchaser's costs including registration tax. All properties in the Group are freehold. All properties were revalued at 31 December 2010. The yields described in the Board of Management report reflect market practice and are derived by dividing property net rent by the gross valuation (net valuation figure plus purchaser's costs including transfer duties) expressed as a percentage.

The current property portfolio is:

(€ '000)	31-12-10 Book value	30-06-10 Book value	31-12-10 Costs to date	30-06-10 Costs to date
France				
Amiens Glisy, Amiens*	43,600	41,900	15,988	15,995
Saint Doulchard, Bourges*	39,200	37,800	42,830	42,810
Buchelay Retail Park, Buchelay*	6,100	6,100	6,757	6,756
Chasse Sud, Chasse-sur-Rhône*	30,100	29,300	30,449	30,335
Les Allées de Cormeilles, Cormeilles*	35,300	35,200	44,889	44,925
Les Trois Dauphins, Grenoble*	34,300	33,500	24,655	24,601
Centr'Azur, Hyères*	44,000	42,000	16,999	17,008
Plaine de France, Moisselles*	68,100	64,100	59,279	59,166
Passage du Havre, Paris*	267,500	249,600	165,823	165,463
Passy Plaza, Paris*	124,600	118,500	72,466	72,513
74 rue de Rivoli, 1-3 rue de Renard, Paris*	45,600	43,200	21,074	20,912
Les Portes de Taverny, Paris*	51,800	50,300	24,570	24,603
Les Atlantes, Tours*	116,100	111,400	51,325	47,836
	906,300	862,900	577,104	572,923
Italy				
Curno, Bergamo*	98,300	98,100	34,311	34,298
Centro Lame, Bologna*	40,600	39,900	29,212	29,176
Il Castello, Ferrara*	103,600	99,900	80,702	77,235
I Gigli, Firenze*	239,140	238,400	156,905	155,700
I Gigli Extension Land, Firenze*	5,260	3,500	35,206	33,378
Centro Leonardo, Imola*	73,900	71,900	63,940	63,615
La Favorita, Mantova*	46,700	45,500	33,843	33,802
Carosello, Milano*	272,700	270,700	178,892	173,497
I Portali, Modena	43,100	41,600	41,389	41,322
Centroluna, Sarzana*	26,200	25,900	13,211	13,148
	949,500	935,400	667,611	655,171
Sweden				
421, Göteborg*	83,655	76,950	88,061	87,946
Kronan, Karlskrona*	18,203	17,007	14,536	14,540
Bergvik, Karlstad*	61,626	56,164	37,345	37,381
Mellby Center, Laholm*	16,843	16,062	13,915	13,354
Burlöv Center, Malmö*	120,374	111,489	75,590	75,757
Ingelsta Shopping, Norrköping*	97,954	91,543	87,117	86,880
Elins Esplanad, Skövde*	71,910	65,927	57,821	57,869
Moraberg, Södertälje*	44,359	41,100	38,264	38,271
Hälla Shopping, Västerås*	32,737	30,969	21,279	21,259
Grand Samarkand, Växjö	75,290	54,063	64,732	47,601
	622,951	561,274	498,660	480,858
	2,478,751	2,359,574	1,743,375	1,708,952

* These properties carry mortgage debt up to € 1,077 million at 31 December 2010 (30 June 2010: € 963 million).

Notes to the consolidated financial statements continued

as at 31 December 2010

8. Property investments and property investments under development (continued)

Changes in property investments for the financial period ended 31 December 2010 were as follows:

(€ '000)	31-12-10	31-12-09
Book value at beginning of the period	2,356,074	2,125,050
Acquisitions	0	98,224
Capital expenditure	31,848	16,381
Capitalised interest	469	331
Capitalised letting fees	278	429
Elimination of capitalised letting fees	(278)	(429)
Revaluation of property investments	49,364	(24,727)
Exchange rate movement	35,736	25,967
Book value at the end of the period	2,473,491	2,241,226

Changes in property investments under development for the financial period ended 31 December 2010 were as follows:

(€ '000)	31-12-10	31-12-09
Book value at beginning of the period	3,500	11,700
Capital expenditure	1,170	92
Capitalised interest	658	544
Revaluation of property investments under development	(68)	(7,936)
Book value at the end of the period	5,260	4,400

9. Receivables

The two largest current receivables items are rents receivable for an amount of € 17.4 million (June 2010: € 18.9 million) and VAT receivable for an amount of € 4.6 million (June 2010: € 4.1 million). The largest non-current receivables item is the trademark licence for an amount of € 0.8 million (June 2010: € 1.1 million).

10. Creditors

The two largest current creditors items are rent received in advance for an amount of € 20.7 million (June 2010: € 19.0 million) and the payable on extensions and refurbishments for an amount of € 11.3 million (June 2010: € 11.4 million). The largest non-current creditors item is the tenant rental deposits for an amount of € 9.1 million (June 2010: € 8.9 million).

11. Borrowings

The borrowings are all directly from major banks with average committed unexpired terms of nearly eight years. The average interest rate in the current financial period was 4.1 per cent (six months ended 31 December 2009: 4.5 per cent). At 31 December 2010 the Company has hedged its exposure to interest rate movements on its borrowings for 84 per cent (30 June 2010: 82 per cent) at an average term of almost ten years (30 June 2010: almost nine years).

12. Deferred tax liabilities

Deferred tax liabilities increased from € 48.2 million to € 56.3 million due to higher market values and lower fiscal book values of the property assets, lower negative mark to market values of the derivative financial instruments and a stronger Swedish krona.

Notes to the consolidated financial statements continued

as at 31 December 2010

13. Share capital and reserves

The number of shares on issue increased on 30 November 2010 by 423,189 bonus depositary receipts under the stock dividend plan. Holders of depositary receipts representing 21% of the issued share capital (last year 41%) opted for the bonus depositary receipts at an issue price of € 36.40 from the Company's share premium reserve, instead of a cash dividend of € 1.82 per depositary receipt for the financial year ended 30 June 2010. Accordingly, of the available dividend of € 73.4 million, an amount of € 15.4 million was not paid out.

14. Commitments not included in the balance sheet

As at 31 December 2010 bank guarantees have been issued for a total amount of € 2.5 million.

Amsterdam, 11 February 2011

Board of Management

J.P. Lewis
E.J. van Garderen

Board of Supervisory Directors

W.G. van Hassel, Chairman
H.W. Bolland
P.W. Haasbroek
J.C. Pollock
A.E. Teeuw

Other information

Statements pursuant to the Netherlands Act on Financial Supervision

The Netherlands Authority for the Financial Markets granted a permit to the Company on 7 July 2006, a copy of which is available at the Company's office and is also available at the Company's website:
www.eurocommercialproperties.com.

The members of the Board of Supervisory Directors and the members of the Board of Management of Eurocommercial Properties N.V. have no personal interest in investments made by the Company now or at any time in the reporting period. The Company has no knowledge of property transactions taking place in the period under review with persons or institutions which could be considered to stand in a direct relationship to the Company.

Holders of depositary receipts/ordinary shares with a holding of 5 per cent or more

Under the Netherlands Act on Financial Supervision, the Netherlands Authority for the Financial Markets has received notification from three holders of depositary receipts/ordinary shares with interests greater than 5 per cent in the Company. According to the latest notifications these interests were as follows: Stichting Administratiekantoor Eurocommercial Properties (99.84 per cent), the Government of Singapore (12.75 per cent) and Morgan Stanley Investment Management Ltd. (5.02 per cent). The dates of the aforesaid notifications were 1 November 2006 and 30 November 2010 (Morgan Stanley Investment Management Ltd.).

Stock market prices and turnovers from 1 July to 31 December 2010

		High	Low	Average
Closing price 31 December 2010 (€; depositary receipts)	34.45	36.55	25.92	31.81
Average daily turnover (in depositary receipts)	105,035			
Average daily turnover (€ '000,000)	3.6			
Total turnover over the past twelve months (€ '000,000)	839.5			
Market capitalisation (€ '000,000)	1,407.3			
Total turnover divided by market capitalisation	60%			

Source: NYSE Euronext, Global Property Research

Liquidity providers: RBS N.V. and Amsterdams Effectenkantoor B.V.

Depositary receipts listed on NYSE Euronext Amsterdam are registered with Centrum voor Fondsenadministratie B.V. under code: 28887.

ISIN – Code:	NL 0000288876
Stock market prices are followed by:	
Bloomberg:	ECMPA NA
Datastream:	307406 or H:SIPF
Reuters:	SIPFc.AS

Subsequent events

Since the balance sheet date 31 December 2010 no material events have taken place which the Company would be required to disclose.

Other information continued

Review report

To the shareholders and holders of depositary receipts of Eurocommercial Properties N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information of Eurocommercial Properties N.V., Amsterdam, which comprises the consolidated balance sheet as at 31 December 2010, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the notes for the period of six months ended at 31 December 2010. We have not performed a review of the figures for the second quarter (the period 1 October 2010 up to and including 31 December 2010). The Board of Management of the Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 31 December 2010 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union and the Act on Financial Supervision.

Amsterdam, 11 February 2011
for Ernst & Young Accountants LLP

M.A. van Loo

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