



**Eurocommercial
Properties N.V.**



A YEAR OF SOLID GROWTH IN RENTS AND VALUES

Against a background of accounting scandals and plunging stockmarkets, Eurocommercial Properties N.V. has achieved:-

Net income increased by 10% to EUR 36.6 million

Dividend increased by 5% to EUR 1.40 per share

Shareholders' equity increased by 18% to EUR 631 million

Net asset value increased by 6% to EUR 22.09 per share

Corporate profile

Eurocommercial Properties N.V. ("the Company") is a quoted Netherlands company, founded in 1991, approved and supervised by The Central Bank of The Netherlands to act as an Investment Institution. It invests in retail, office and warehouse properties exclusively in the European Union and, as it qualifies as a fiscal investment institution (fiscale beleggingsinstelling), it is subject to a nil rate of Dutch corporate income and capital gains tax, provided it meets certain conditions.

The Company currently pays out 100% of its distributable profit which shareholders have the option of taking as a cash dividend

or in the form of bonus shares from the share premium reserve. Cash dividend is subject to 25 % Netherlands dividend withholding tax, which non-resident shareholders may be able to reduce under the relevant tax treaty and/or any credit against their local tax liability. The issue of the bonus shares is not subject to Netherlands dividend withholding tax.

The Company is listed on the Euronext Stock Exchange (Amsterdam, Brussels, Paris and Lisbon) and admitted to the Next 150 index and the NextPrime market segment. Its shares may be bought or sold through any stockbroker.

01	The year in brief
	Corporate profile
03	Report of the Board of Management
	Property Portfolio
17	France
20	Italy
23	Netherlands and Sweden
25	Report of the Board of Supervisory Directors
	Financial Statements
27	Consolidated Balance Sheet
28	Consolidated Profit and Loss Account
29	Consolidated Cash Flow Statement
30	Notes to the Consolidated Financial Statements
42	Company Balance Sheet
42	Company Profit and Loss Account
43	Notes to the Company Financial Statements
46	Other Information
50	Directory



REPORT OF THE BOARD OF MANAGEMENT

FINANCIAL RESULTS

Net income increased by 10%

Net income for the year was EUR 36.6 million, an increase of 10% when compared with EUR 33.3 million for 2001. The higher income results mainly from higher rents on existing properties and new properties purchased at yields higher than borrowing costs.

The increase in the number of shares in issue has been taken into account when calculating earnings per share of EUR 1.40 per depositary receipt (2001: EUR 1.33; an increase of 5%) to reflect the time weighting under the standard Netherlands formula for the issue of depositary receipts.

Dividend increased by 5%

The Board will recommend that a dividend for the year of EUR 1.40 be paid to depositary receipt holders. This represents an increase of 5% when compared with the dividend for 2001.

Depositary receipt holders will again be offered the option of taking new depositary receipts from the Company's share premium reserve, instead of a cash dividend, at a price to be announced prior to the Annual General Meeting of Shareholders. Our policy remains one of offering these depositary receipts at a price that ensures there is no dilution of the interests of the majority of shareholders who cannot use the tax advantages of these bonus depositary receipts.

Shareholders' equity increased by 18%

The Company increased its equity during the year benefiting from the upward independent revaluation of its properties at the balance date with the transfer to reserves of the net increment, after allowing for an appropriate increase in the provision for potential future capital gains taxes.

Furthermore, 2,597,500 new depositary receipts representing 9.9% of the Company's capital were placed in May 2002 at EUR 20.25 per depositary receipt to the Government of Singapore (GIC) through an affiliate of GIC Real Estate who acquired shares in the market taking their holding to just over 12.5% of the Company's capital. The issue of 430,487 bonus depositary receipts instead of a cash dividend also contributed to shareholders' funds so that net equity rose over the year by 18% to EUR 631 million before income appropriation.

The EUR 52.6 million raised through the private placement together with the EUR 92 million proceeds from property sales give the Company, with its additional borrowing capacity, sufficient resources to fund its current acquisition programme.

Net asset value increased by 6%

Net asset value per depositary receipt before income appropriation increased by 6% to EUR 22.09 at 30 June 2002 compared with EUR 20.87 in June 2001.

The increase in net asset value results from strong performance from the existing property portfolio (EUR 51 million) and capital gains on the sale of investments (EUR 6.7 million). Allowance has been made for an increased provision for potential future capital gains taxes (EUR 17.4 million) as a result of property revaluations.

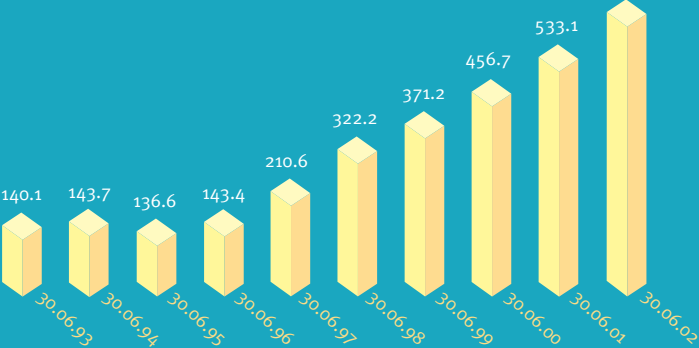
Debt to equity ratio reduced to 81%

At the balance sheet date net debt represents 81% of shareholders' equity or 42% of total assets. At 30 June 2002 all the Company's non current borrowings of EUR 401 million, representing 78% of all debt, are derived from bank loan facilities with average committed unexpired terms of almost ten years. Interest rates for those borrowings are fixed for an average period of five years.

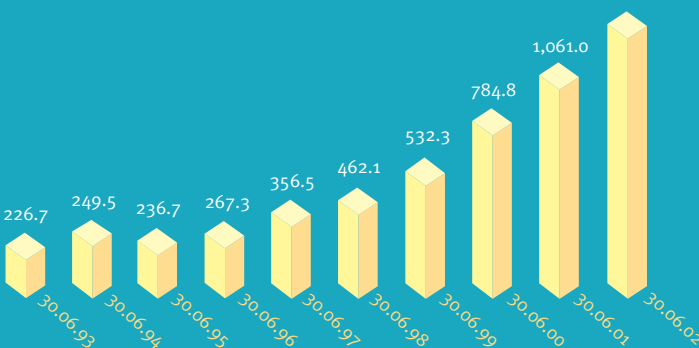
The Company is accordingly defensively financed at an average interest rate of around 5%. New property acquisitions can therefore be funded partly through debt at lower short term rates that allow a positive contribution to earnings, even on net property yields of 6%.

INVESTMENT POLICIES DESIGNED TO PRODUCE
CONSISTENT LONG TERM PERFORMANCE
THROUGH STRATEGIC TIMING AND
MINIMISATION OF RISK

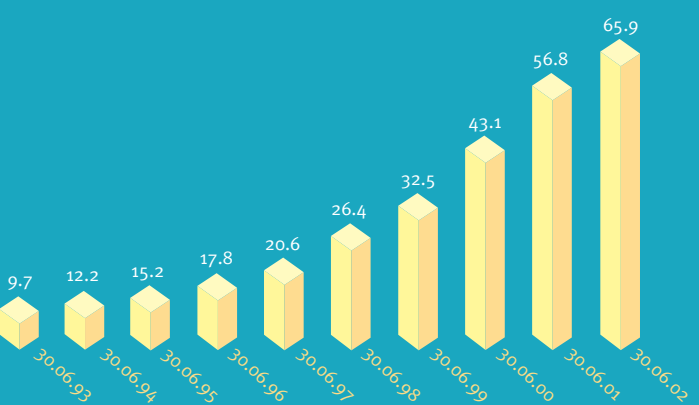
Shareholders’ equity (x EUR ‘000,000)



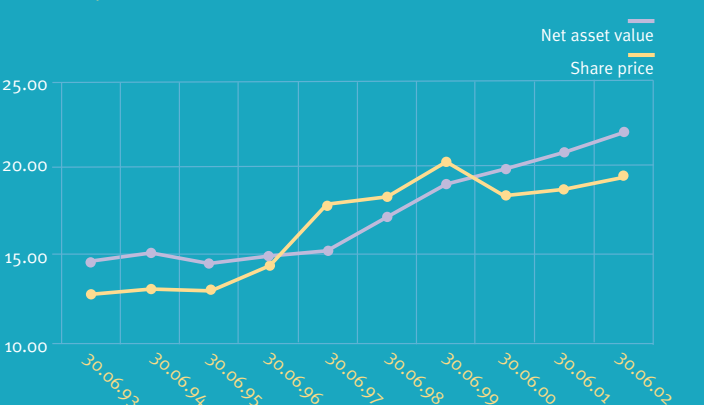
Total assets (x EUR ‘000,000)



Net property income (x EUR ‘000,000)



Share price and net asset value (EUR)



Key financial information

For the financial year ended	30-06-02	30-06-01	30-06-00	30-06-99	30-06-98	30-06-97	30-06-96	30-06-95	30-06-94	30-06-93
Profit and Loss Account (X EUR '000)										
Net property income	65,882	56,775	43,062	32,541	26,394	20,619	17,785	15,189	12,161	9,682
Net interest expense	(23,967)	(19,227)	(9,487)	(5,549)	(4,122)	(3,540)	(5,097)	(2,722)	(263)	2,498
Company expenses	(4,873)	(4,257)	(5,033)	(3,686)	(3,205)	(2,656)	(2,273)	(2,357)	(2,024)	(2,219)
Net income (direct investment result)	36,630	33,274	28,540	23,281	19,128	14,412	10,444	10,095	9,513	10,019
Indirect investment result (X EUR '000)	38,074	24,586	44,637	35,106	34,495	8,902	39	(7,057)	4,152	(13,906)

Balance Sheet - before income appropriation (X EUR '000)										
Total assets	1,216,662	1,060,959	784,796	532,314	462,122	356,514	267,343	236,693	249,531	226,675
Property investments	1,041,545	1,013,753	766,677	509,552	387,235	280,066	233,742	194,036	167,188	118,540
Cash and deposits	156,628	22,016	1,949	8,802	57,336	67,068	26,832	34,469	74,654	91,190
Borrowings	512,004	463,729	269,369	131,397	121,892	129,704	107,456	87,889	98,830	83,626
Shareholders' equity	631,277	533,088	456,684	371,166	322,209	210,607	143,438	136,647	143,684	140,091

Number of depositary receipts representing shares in issue at balance sheet date	28,572,841	25,544,853	23,038,762	19,575,700	18,876,549	13,810,930	9,566,064	9,446,595	9,446,595	9,446,595
Average number of depositary receipts representing shares in issue	26,073,611	24,943,097	21,853,009	19,284,547	17,072,268	12,138,702	9,516,131	9,446,595	9,446,595	9,446,595

Per depositary receipt information* (EUR)										
Net asset value	22.09	20.87	19.82	18.96	17.07	15.25	14.99	14.47	15.21	14.83
Direct investment result	1.40	1.33	1.31	1.21	1.12	1.19	1.09	1.07	1.01	1.06
Indirect investment result	1.46	0.99	2.04	1.82	2.02	0.74	0.00	(0.75)	0.44	(1.50)
Dividend	1.40	1.33	1.26	1.19	1.13	1.11	1.09	1.07	1.07	1.07

Property information										
Sector spread (%)										
Retail	84	77	74	62	65	63	58	56	64	54
Office	12	19	23	34	30	30	36	41	34	44
Warehouse	4	4	3	4	5	7	6	3	2	2
	100	100	100	100	100	100	100	100	100	100

Stock market prices										
Last sale at the end of June on Euronext Amsterdam (EUR; depositary receipts)	19.10	18.85	18.40	20.40	18.38	17.88	14.38	12.80	12.84	12.48

* Note

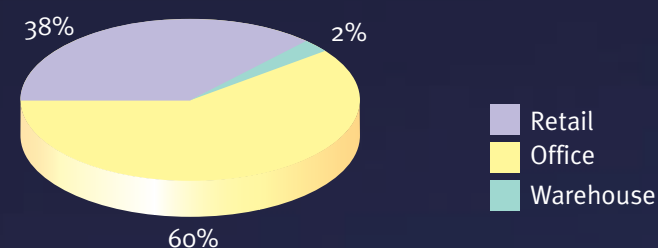
The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam (the Amsterdam stock exchange). 1 depositary represents 10 ordinary shares.

The calculation of the direct and indirect investment results is based on the weighted average of the number of depositary receipts representing the ordinary shares in issue over the year using Netherlands GAAP. This allows for

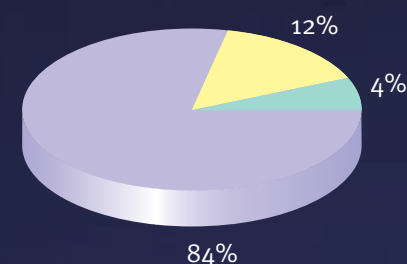
the fact that, although payment for newly issued shares was made during the respective financial year, they ranked for dividend from the start of the respective financial year. The weighted average number of depositary receipts over the year 2001/2002 is 26,073,611. The per depositary receipt information shown above for the previous financial years is the information taken from the relevant annual reports taking into account a change of accounting policies.

A DECADE OF STRATEGIC EVOLUTION

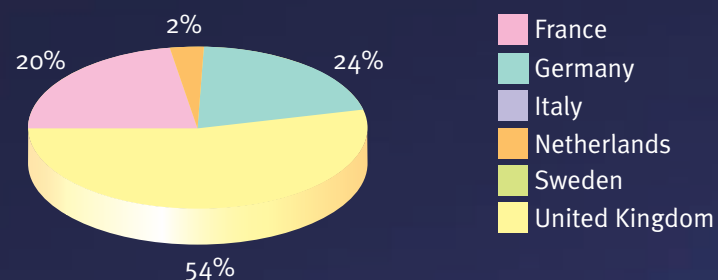
1992 property by sector



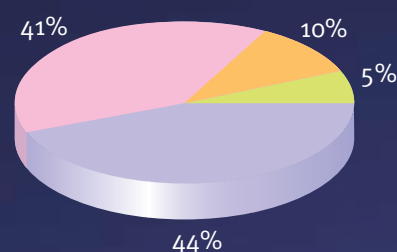
2002 property by sector



1992 country spread



2002 country spread



The Company has sought to reduce risk in its property portfolio, not merely through tenant, sector and geographic diversification but through timely strategic shifts in emphasis to anticipate market changes.

Today, having over the last year reduced its exposure to office buildings, the Company has over 84% of its investments in shopping centres where significant planning restrictions limit the potential for over supply and there is and will remain consistent demand from a wide range of retail tenants. Investments are made only in the wealthier countries of Western Europe where there are developed banking and investment sectors, liquid property markets and reliable statistical and economic databases.

Portfolio balance

During the year the office buildings forming the Gouden Bocht complex on the Herengracht in Amsterdam were sold at a net price of EUR 40.4 million. The properties were bought in 1997 at a price of EUR 22.7 million so that, including the running yield, a total return of 21% per annum was achieved.

The reason for the sale was that we believed that office rents had peaked at around EUR 350 per m² in the building and with increasing problems in the telecommunications and banking sectors rental falls were possible. It seemed therefore sensible to lock in the capital gain and re-invest the proceeds elsewhere as we had already done with the other office buildings we had owned in the Netherlands. The Tax Office (Belastingdienst) building in Amsterdam Sloterdijk is the only separate office building to be retained because of its rental security. It is leased in its entirety to the Government of the Netherlands until 2009 at a rent from which good growth can still be expected.

With the reduction of the Company's office exposure the retail component of the portfolio has increased to 84% and will increase further as contracts are finalised for retail buildings under negotiation in Italy, France and Sweden. Plans are also advancing for extensions in a number of our shopping centres.

We are also increasing our investment in good modern warehouses in our target markets, to up to 5% of the total property portfolio.

Management

The acquisition of Larry Smith, the Italian shopping centre specialist, announced in December, has greatly strengthened our management and leasing capabilities in Italy. These operations can now be conducted in house at a significant saving in fees but, as importantly, greatly increased contact with the retailers themselves. The research team at Larry Smith is acknowledged to be the Italian market leader and complements our own economic and demographic research group.

Larry Smith has a wide and increasing external client base and profits in our first year of ownership have exceeded expectations.

The French management team based in Paris has been strengthened by the return of France of Pascal Le Goueff where he is being joined by directly employed rent collection and centre management staff. We do not currently plan to employ our own leasing teams in France because, unlike Italy, we do not intend to seek outside mandates.



PROPERTY VALUES INCREASED BY 5.6%

RENTAL GROWTH WAS 6%

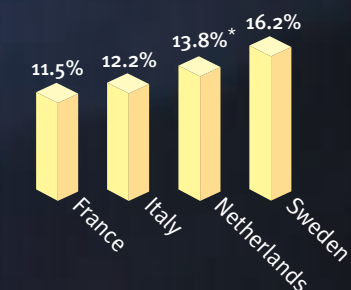
TURNOVER GROWTH WAS 4.2%

Direct property total returns

The overall total return, including income, for the entire portfolio for the year was 12.5% which can be broken down by property sector and country as follows:-

Performance by country

* Several properties held for less than 12 months.



Performance by sector



Property total return figures are set out above and in the sections of this report relating to each property and are calculated in accordance with the industry standard IPD/ROZ formula.

Property revaluations

Property values at 30 June 2002 show an overall increase of 5.6% for the twelve month period with shopping centre values up 5.7% in Italy, 4.5% in France and 8.6% in Sweden. These increases have been driven by the consistently strong appetite of institutional investors drawn to the sector which offers income quality and sustainability.

Rental growth

Like for like rental growth of 6% has derived from a combination of indexation and lease renewals. Within the portfolio the Italian centres are leased under both the business licence (affitto d'azienda) and lease (locazione) system. The business licence system provides for terms of 4-7 years following which the rent may be renewed to market levels whereas lease law in both Italy and France provides for renewal at expiry of the term which is generally for twelve years.

In Italy lease renewals at I Gigli and Il Castello have during the past twelve months resulted in average increases of 16% and 19% respectively.

A further 28% of contracts are due for renewal at I Gigli in 2003 as are 76% of leases at Curno and 44% of contracts at La Favorita.

In France lease renewals at Taverny have to date resulted in an average rental increase of 25% and at Les Atlantes, Tours 74% of leases are due for renewal in 2004.

Turnover growth

The average turnover growth in our galleries for the year to 30 June 2002 compared to the previous year was 4.2%. The rate for France was 4.7%, for Italy 3.9% and Sweden 3.3%. In Italy the best performing centre has been I Gigli with an increase of 8.3%.

In France, Passy Plaza is performing well following the change in the anchor store to Inno and Amiens Glisy has grown at 10% favoured by improved road access and expansion of the retail pole around the shopping centre.

RENTAL SECURITY STEMS FROM A DIVERSE TENANT BASE, REASONABLE RENTS AND EFFECTIVE LEASE CONTRACTS

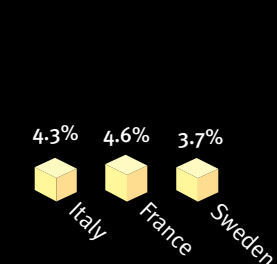
Five largest tenants

	(x EUR '000,000)	% of total income
1. Netherlands Government	6.4	8.3
2. Carrefour	4.3	5.5
3. Fnac	2.5	3.3
4. Coop Forum	2.1	2.7
5. Ipercoop	1.9	2.6
TOP 5	17.2	22.4

The balance of gross rental income is derived from about 820 separate tenancies.

Rent levels

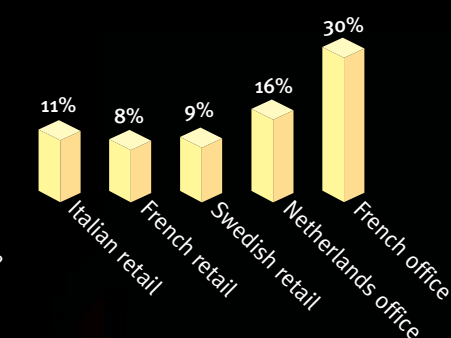
Average rent to turnover ratios*:-



* Base rents excl. vat
Total turnover incl. vat

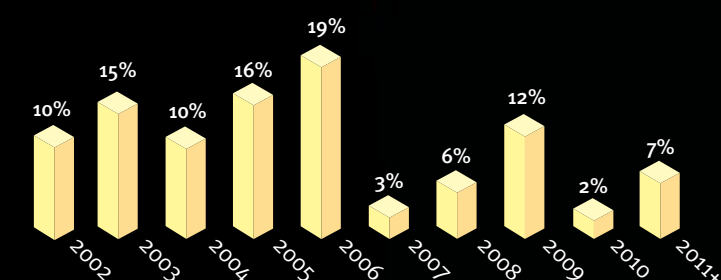
Potential rental reversions

Compared to today's open market rents reversionary potential is:-



Unexpired retail lease terms

Over 70% of retail leases are due for renewal by 2007.



THE DIFFICULTY PROPERTY INVESTORS FACE TODAY IS THAT GOOD RETAIL PROPERTY IN MOST EUROPEAN PROPERTY MARKETS IS SCARCE AND IN GREAT DEMAND

Market comment and investment strategy

Despite lower economic growth yields are under downward pressure, increasing values because there are, simply, more buyers than sellers for good retail property in our main markets of France, Italy and Scandinavia. It seems that relatively low yields of 6% or thereabouts for good retail property, which were previously justified by expectations of strong rental growth, are now accepted because of the relative security of property income compared with other sectors.

Offices with their endemic unpredictability of supply and demand are suffering as large staff layoffs in the securities and telecommunication industries create vacancies and lower rents. However, we have already reduced our exposure to this sector to less than 15% and should therefore be unaffected, particularly given the security of income from our remaining separate office building.

Target returns

Current target total returns for new investments, assuming no gearing, are about 10% per annum over a three year period. It is, in the strong market we face, not easy to achieve returns of this level, given that initial yields for the best retail property are around 6%. However, rents in our markets are indexed to inflation so under current conditions minimum income growth rates of around 2% per annum are likely with some expectation of additional turnover rent growth. We will also specifically seek properties with reversionary potential or particular features that allow us to expect to reach our target returns. Clearly if initial yields are above 6% as they are for provincial shopping centres, retail parks or warehouses, our task is made easier.

Acquisition programme

Acquisitions in the region of EUR 150 million are expected over the coming year with an emphasis on medium sized shopping centres and retail warehouses in Italy for which there is less international competition and whose identification and selection and management has been assisted by our Larry Smith teams.

We are also increasing our retail property acquisition programme in France with properties targeted both in central Paris and the provinces.

Swedish shopping centres and retail warehouses are under consideration but currently no purchases have been finalised.

We believe that well situated good quality warehouse buildings can add both high yields (about 8%) and stability to the portfolio and properties are under negotiation in France, Italy and The Netherlands. It is intended that warehouses will form up to 5% of the portfolio.

Shopping centre extensions

Most of the Italian centres can be extended on their existing sites or on immediately adjoining land.

These extensions are all at varying stages of negotiation and have not all received planning consents or trading licences. They can be summarised as follows:-

1. Carosello	Milan	10,000m ²
2. Centroluna	Sarzana	3,000m ²
3. I Gigli	Florence	14,000m ²
4. La Favorita	Mantova	10,000m ²
5. Leonardo	Imola	10,000m ²

The extensions should occur within the next 2 to 5 years except at Mantova where construction has begun on the retail park adjacent to the centre and the leisure complex at I Gigli. Should all the extensions be realised then a total investment of EUR 100-120 million is envisaged at an average yield of 1-1.25% above the market yield for the existing centre. We will only proceed with these extensions if they are either pre-leased or we are very confident of leasing upon completion.

In France the Company has entered into a contract to acquire 10 rue du Havre, in Paris, which is the neighbouring property to Passage du Havre. The building provides 1,163m² of accommodation including our own offices and the price of EUR 4,321,000 will provide a net yield of 6.4%.

In Sweden we are also currently studying the expansion of Burlöv centre in Malmö.

Occupancy levels

Occupancy levels remain high, exceeding 99% by area.



AN ERA HAS PASSED

PROPERTY HAS REGAINED ITS PLACE IN INVESTMENT PORTFOLIOS

Outlook

Steady, positive, long term returns from property contrast strongly with volatile and negative returns from equity markets over recent years.

Understandably therefore many institutional and private investors are increasing their allocations to property after a long period of minimal exposure to the sector.

The outlook, though, for European property markets is varied and depends very much on its sector and location. Office space oversupplies for example will continue to result in lower rents and values. Shopping centres however, in the wealthy western European countries, are expected to maintain their relative security and growth potential despite a slowing economic outlook. Stock market losses should not directly affect consumer spending in the Company's target countries, particularly Italy and France, where there is low private and institutional share ownership. The real key to shopping centre spending will be unemployment levels which have not increased to any significant degree, nor are they expected to in the short to medium term.

If spending does slow, however, the key to the maintenance of rental income and capital values in shopping centres will be the rent to turnover ratio. The lower the proportion of the retailers' turnover paid in rent the better chance they have of

prospering despite an economic downturn.

We believe that the Company's average base rent to turnover ratios of around 4.6% allow for significant reductions in turnover before retailers suffer seriously. Indeed, in many cases, turnover must halve before our rents look excessive.

Property values must of course reflect their growth prospects and security of income. The emphasis of investors has undeniably shifted from expectations of growth to concerns over security. We share these concerns and have structured our portfolio so that it can continue to provide consistent returns in the future, as it has over the last ten years.

In fact known rental reversions in the Company's present portfolio and new acquisitions, assuming they are achieved as planned, allow us to expect higher rental income in the next few years.

Property values will rise in direct relationship with net income, provided that market yields do not change. It is unlikely that they will in the retail sector, we think, because concerns that economic slowdowns could reduce rental growth should be balanced by strong investor demand and limited supply.

Amsterdam, 27 August 2002
Board of Management
J.P. Lewis, Chairman
E.J. van Garderen



PROPERTY PORTFOLIO

France	17
Italy	20
Sweden	23
The Netherlands	23

Individual long term property performance figures are calculated in accordance with the industry standard IPD/ROZ formula.



RETAIL
PASSAGE DU HAVRE,
PARIS,
FRANCE

Rental income has increased significantly partly as a result of higher turnover rents.

TOTAL LETTABLE AREA
19,284m²
Retail: 13,472m²,
Office: 4,271m²
Residential: 1,541m²

COMPANY OWNERSHIP
19,284m²

CAR SPACES
179

TENURE
Freehold

NET VALUATION
EUR 166.67 million

YIELD ON GROSS VALUE
5.8%

OCCUPANCY
100%

MAJOR TENANTS
fnac, Generali, Sephora,
Nature et Découverte, Zara

LEASE TERMS
Retail: 9-12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.
Offices: 9 year leases providing for indexation to the INSEE cost of construction index

RENEWAL PROFILE
2006: 77% leases

CURRENT NET INCOME
EUR 9.92 million p.a.

RENT TO TURNOVER RATIO
3.5%

TURNOVER GROWTH 2001/2002
4.0%

RENTAL GROWTH 2001/2002
8.0%

TOTAL RETURN PER ANNUM
SINCE PURCHASE IN OCTOBER 2000
9.4% (retail and office)

RETAIL
CENTRE LES ATLANTES,
TOURS,
FRANCE

Performance has been steady and a light refurbishment is planned.

TOTAL LETTABLE AREA
33,347m²
Gallery GLA: 22,747m²
Carrefour- Hypermarket (Sales): 10,600m²

COMPANY OWNERSHIP
22,747m²

CAR SPACES
2,500

TENURE
Freehold in co-propriété

NET VALUATION
EUR 62.26 million

YIELD ON GROSS VALUE
6.6%

OCCUPANCY
100%

MAJOR TENANTS
Go Sport, Flunch, Hypermedia

LEASE TERMS
12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.

RENEWAL PROFILE
2004: 74% leases

CURRENT NET INCOME
EUR 4.37 million p.a.

RENT TO TURNOVER RATIO
4.5%

TURNOVER GROWTH 2001/2002
1.0%

RENTAL GROWTH 2001/2002
5.0%

TOTAL RETURN PER ANNUM
SINCE PURCHASE IN JUNE 1992
12.0%



RETAIL
CENTRE COMMERCIAL
AMIENS GLISY,
AMIENS, FRANCE

Strong growth in rents and turnovers has resulted from road improvements and retail warehouse units which have reinforced the centre.

TOTAL LETTABLE AREA
16,769m²
Gallery GLA: 6,279m²
Géant - Hypermarket (Sales): 10,000m²
Other occupiers: 490m²

COMPANY OWNERSHIP
6,279m²

CAR SPACES
2,200

TENURE
Freehold in co-propriété

NET VALUATION
EUR 24.51 million

YIELD ON GROSS VALUE
7.0%

OCCUPANCY
100%

MAJOR TENANTS
Flunch, Etam, Camaieu

LEASE TERMS
12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.

RENEWAL PROFILE
2006: 73% leases

CURRENT NET INCOME
EUR 1.81 million p.a.

RENT TO TURNOVER RATIO
6.4%

TURNOVER GROWTH 2001/2002
10.0%

RENTAL GROWTH 2001/2002
10.0%

TOTAL RETURN PER ANNUM
SINCE PURCHASE IN JANUARY 1995
16.9%



RETAIL
74 RUE DE RIVOLI,
1-3 RUE DU RENARD,
PARIS, FRANCE

Retail rents remain highly reversionary and residential lettings have seen healthy uplifts.

TOTAL LETTABLE AREA
2,907m²
Retail: 654m²
Office: 466m²
Residential: 1,787m²

COMPANY OWNERSHIP
2,907m²

TENURE
Freehold

NET VALUATION
EUR 11.32 million

YIELD ON GROSS VALUE
5.5%

OCCUPANCY
100%

MAJOR TENANTS
Natalys, Minelli

LEASE TERMS
Retail/office: nine years
subject to three yearly tenant break clauses
and indexation to the INSEE index.

Residential: six years subject to annual indexation and three month tenant only break clauses.

RENEWAL PROFILE
2006: 75% retail leases

CURRENT NET INCOME
EUR 0.67 million p.a.

RENTAL GROWTH 2001/2002
4.0%

TOTAL RETURN PER ANNUM
SINCE PURCHASE IN MARCH 1998
7.6%

					
<div>RETAIL</div> <div>PASSY PLAZA, PARIS, FRANCE</div>	<div>RETAIL</div> <div>LES PORTES DE TAVERNY, PARIS, FRANCE</div>	<div>RETAIL</div> <div>CENTR'AZUR, HYÈRES, FRANCE</div>	<div>WAREHOUSE</div> <div>PARISUD, SÉNART, FRANCE</div>	<div>WAREHOUSE</div> <div>RUE DES BÉTHUNES, SAINT-OUEN L'AUMONE, FRANCE</div>	<div>RETAIL</div> <div>CENTRO CAROSELLO, CARUGATE, MILAN, ITALY</div>
<div>The rebranding of the supermarket to "Inno" has resulted in turnover for the centre increasing by 14% for first semester 2002.</div>	<div>Lease renewals have contributed strongly to rental growth and ongoing negotiations should further improve performance.</div>	<div>Consistent growth in rents and turnovers has been maintained.</div>	<div>The zone continues to attract new occupiers.</div>	<div>Rental increases have resulted from backdated indexation.</div>	<div>Five relettings in the centre this year have been achieved at an average rental increase of 44%. Turnover growth has stabilised following the opening of competing centres.</div>
<div>TOTAL LETTABLE AREA</div> <div>8,077m²</div> <div>COMPANY OWNERSHIP</div> <div>8,077m²</div> <div>CAR SPACES</div> <div>150</div> <div>TENURE</div> <div>Freehold volume</div> <div>NET VALUATION</div> <div>EUR 79.85 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.0%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Inno, Zara, H&M</div> <div>LEASE TERMS</div> <div>12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2005: 56% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 5.09 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>8.4%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>14% (6 months)</div> <div>RENTAL GROWTH 2001/2002</div> <div>5.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JULY 1999</div> <div>9.8%</div>	<div>TOTAL LETTABLE AREA</div> <div>24,354m²</div> <div>Gallery GLA: 5,482m²</div> <div>Auchan- Hypermarket (Sales): 10,200m²</div> <div>Other ownership: 8,672m²</div> <div>COMPANY OWNERSHIP</div> <div>5,482m²</div> <div>CAR SPACES</div> <div>1,500</div> <div>TENURE</div> <div>Freehold in co-propriété</div> <div>NET VALUATION</div> <div>EUR 27.83 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.8%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Paul, Histoire d'Or, Krys</div> <div>LEASE TERMS</div> <div>12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2002: 39% leases</div> <div>2003: 4% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 2.00 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>5.1%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>6.3%</div> <div>RENTAL GROWTH 2001/2002</div> <div>7.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN AUGUST 1995</div> <div>15.4%</div>	<div>TOTAL LETTABLE AREA</div> <div>13,043m²</div> <div>Gallery GLA: 6,243m²</div> <div>Géant – Hypermarket (Sales): 6,800m²</div> <div>COMPANY OWNERSHIP</div> <div>6,243m²</div> <div>CAR SPACES</div> <div>1,600</div> <div>TENURE</div> <div>Freehold in co-propriété</div> <div>NET VALUATION</div> <div>EUR 22.36 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.9%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Casino Cafétéria, Pier Import</div> <div>LEASE TERMS</div> <div>12 year leases providing for indexation to the INSEE cost of construction index. Additional variable turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2005: 62% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 1.63 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>6.2%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>6.3%</div> <div>RENTAL GROWTH 2001/2002</div> <div>7.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN DECEMBER 1993</div> <div>11.5%</div>	<div>TOTAL LETTABLE AREA</div> <div>19,335m²</div> <div>COMPANY OWNERSHIP</div> <div>19,335m²</div> <div>SITE AREA</div> <div>42,000m²</div> <div>TENURE</div> <div>Freehold</div> <div>NET VALUATION</div> <div>EUR 11.39 million</div> <div>YIELD ON GROSS VALUE</div> <div>8.8%</div> <div>OCCUPANCY</div> <div>100%</div> <div>TENANT</div> <div>Geodis Logistics France</div> <div>LEASE TERM</div> <div>Nine years from July 1999 with a tenant only break clause at July 2005.</div> <div>CURRENT NET INCOME</div> <div>EUR 1.06 million p.a.</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN MAY 2001</div> <div>6.1%</div>	<div>TOTAL LETTABLE AREA</div> <div>28,599m²</div> <div>Bic: 14,886m²</div> <div>Lancel: 13,713m²</div> <div>COMPANY OWNERSHIP</div> <div>28,599m²</div> <div>SITE AREA</div> <div>55,484m²</div> <div>TENURE</div> <div>Freehold</div> <div>NET VALUATION</div> <div>EUR 16.87 million</div> <div>YIELD ON GROSS VALUE</div> <div>8.8%</div> <div>OCCUPANCY</div> <div>100%</div> <div>TENANTS</div> <div>Bic, Lancel</div> <div>LEASE TERMS</div> <div>Bic: 9 years from January 1999 subject to a tenant only break clause after six years.</div> <div>Lancel: 9 years from September 2000 subject to a tenant only break clause after six years.</div> <div>CURRENT NET INCOME</div> <div>EUR 1.56 million p.a.</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JANUARY 2001</div> <div>7.0%</div>	<div>TOTAL LETTABLE AREA</div> <div>41,000m²;</div> <div>Gallery GLA: 11,000m²,</div> <div>Carrefour –Hypermarket (Sales): 15,000m²</div> <div>Reserves: 15,000m²</div> <div>COMPANY OWNERSHIP</div> <div>41,000m²</div> <div>CAR SPACES</div> <div>3,200</div> <div>TENURE</div> <div>Freehold</div> <div>NET VALUATION</div> <div>EUR 145.39 million</div> <div>YIELD ON GROSS VALUE</div> <div>5.8%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Carrefour, Ovieisse, Autogrill, Giacomelli</div> <div>LEASE TERMS</div> <div>Hypermarket: 25 years from April 2001 to Carrefour with further options subject to annual indexation. Additional turnover rental is payable once the hypermarket turnover reaches a given threshold.</div> <div>Gallery: 6 year leases subject to annual indexation automatically renewable for a further 6 year term. Additional turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>Gallery leases are renewable in 2009</div> <div>CURRENT NET INCOME</div> <div>EUR 8.60 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>Gallery 4.9%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>Gallery 1.0%, Hypermarket 2.3%</div> <div>RENTAL GROWTH 2001/2002</div> <div>Gallery 2.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN MAY 1997</div> <div>23.0%</div>

					
<div>RETAIL</div> <div>IL CASTELLO, FERRARA, ITALY</div>	<div>RETAIL</div> <div>CENTRO COMMERCIALE CURNO, BERGAMO, ITALY</div>	<div>RETAIL</div> <div>CENTRO COMMERCIALE LA FAVORITA, MANTOVA, ITALY</div>	<div>RETAIL</div> <div>I GIGLI, FLORENCE, ITALY</div>	<div>RETAIL</div> <div>CENTRO LEONARDO, IMOLA, ITALY</div>	<div>RETAIL</div> <div>CENTROLUNA, SARZANA, ITALY</div>
<div>Renewals to date have produced an average increase of 19% and have contributed to an overall increase in income of 9%.</div>	<div>Turnovers have been steady but lease renewals next year are likely to result in significant growth in rents.</div>	<div>A new retail warehouse park opposite the centre will be complementary in merchandising and will reinforce the zone.</div>	<div>Road improvements have resulted in a loss of car spaces. Turnover growth of 8% has nevertheless been maintained and a new multiplex cinema is under construction on land opposite the centre.</div>	<div>The expiry of the headlease to the Coop in 2006 will unlock significant reversionary potential. Plans for the extension progress.</div>	<div>The gallery continues its strong performance. Extension possibilities are being explored.</div>
<div>TOTAL LETTABLE AREA</div> <div>28,550m²</div> <div>Gallery GLA: 16,000m²</div> <div>Coop – Hypermarket (Sales): 9,500m²</div> <div>Brico: 3,050m²</div> <div>COMPANY OWNERSHIP</div> <div>16,000m²</div> <div>CAR SPACES</div> <div>2,400</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 64.8 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.4%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Oviesse, Autogrill, Cisolfa, Eldo</div> <div>LEASE TERMS</div> <div>Business licences (affitti d'azienda) for terms of 4-7 years subject to annual indexation to ISTAT cost of living index. Additional turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2003: 4% leases</div> <div>2004: 6% leases</div> <div>2005: 24% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 4.23 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>6.4%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>2.7% (excluding Eldo)</div> <div>RENTAL GROWTH 2001/2002</div> <div>9.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JULY 2001</div> <div>11.0%</div>	<div>TOTAL LETTABLE AREA</div> <div>26,944m²</div> <div>Gallery GLA: 15,344m²</div> <div>Città Mercato - Hypermarket (Sales): 8,200m²</div> <div>Brico: 3,400m²</div> <div>COMPANY OWNERSHIP</div> <div>15,344m²</div> <div>CAR SPACES</div> <div>2,500</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 54.02 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.4%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Media World, Cisolfa, Passatempo</div> <div>LEASE TERMS</div> <div>6 year leases subject to annual indexation automatically renewable for a further 6 year term. Additional turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2003: 76% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 3.55 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>4.1%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>1.3%</div> <div>RENTAL GROWTH 2001/2002</div> <div>3.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JANUARY 1994</div> <div>18.2%</div>	<div>TOTAL LETTABLE AREA</div> <div>22,990m²</div> <div>Gallery GLA: 7,390m²</div> <div>Ipercoop – Hypermarket (Sales): 7,200m²</div> <div>Brico: 5,700m²</div> <div>Cinema: 2,700m²</div> <div>COMPANY OWNERSHIP</div> <div>7,390m²</div> <div>CAR SPACES</div> <div>1,600</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 24.41 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.6%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>UPIM, Giacomelli Sport</div> <div>LEASE TERMS</div> <div>Business licences (Affitti d'azienda) for terms of 5-7 years subject to annual indexation to ISTAT cost of living index. In some cases additional turnover rental is payable once a tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2003: 44% leases</div> <div>2005: 26% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 1.63 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>7.0%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>3.9%</div> <div>RENTAL GROWTH 2001/2002</div> <div>4.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN DECEMBER 1997</div> <div>16.3%</div>	<div>TOTAL LETTABLE AREA</div> <div>56,300m²</div> <div>Gallery GLA: 44,300m²</div> <div>Panorama – Hypermarket (Sales): 12,000m²</div> <div>COMPANY OWNERSHIP</div> <div>44,300m²</div> <div>CAR SPACES</div> <div>3,600</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 137.25 million</div> <div>YIELD ON GROSS VALUE</div> <div>5.9%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Pittarello, Benetton, Douglas</div> <div>LEASE TERMS</div> <div>Both leases and business licences (Affitti d'azienda) for terms of 4-10 years subject to annual indexation to ISTAT cost of living index. In each case, additional variable turnover rental is payable once tenant's turnover reaches a given threshold.</div> <div>RENEWAL PROFILE</div> <div>2003: 28% leases</div> <div>2004: 6% leases</div> <div>2005: 22% leases</div> <div>2006: 12% leases</div> <div>CURRENT NET INCOME</div> <div>EUR 8.28 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>4.3%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>8.3%</div> <div>RENTAL GROWTH 2001/2002</div> <div>6.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN NOVEMBER 1999</div> <div>14.3%</div>	<div>TOTAL LETTABLE AREA</div> <div>14,380m²</div> <div>Gallery GLA: 6,380m²</div> <div>Ipercoop - Hypermarket (Sales): 8,000m²</div> <div>COMPANY OWNERSHIP</div> <div>6,380m²</div> <div>CAR SPACES</div> <div>1,500</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 18.63 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.1%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Pittarello, Benetton, Douglas</div> <div>LEASE TERMS/RENEWAL PROFILE</div> <div>Headlease to Coop Adriatica expires in 2006, subject to annual indexation.</div> <div>CURRENT NET INCOME</div> <div>EUR 1.15 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>5.9%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>1.1%</div> <div>RENTAL GROWTH 2001/2002</div> <div>3.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JULY 1998</div> <div>13.2%</div>	<div>TOTAL LETTABLE AREA</div> <div>9,633m²</div> <div>Gallery GLA: 3,633m²</div> <div>Ipercoop- Hypermarket (Sales): 6,000m²</div> <div>COMPANY OWNERSHIP</div> <div>3,633m²</div> <div>CAR SPACES</div> <div>1,000</div> <div>TENURE</div> <div>Freehold in co-ownership</div> <div>NET VALUATION</div> <div>EUR 10.59 million</div> <div>YIELD ON GROSS VALUE</div> <div>6.5%</div> <div>OCCUPANCY</div> <div>100%</div> <div>MAJOR TENANTS</div> <div>Trony, Benetton, Tutto Chicco</div> <div>LEASE TERMS/RENEWAL PROFILE</div> <div>Head lease to Coop Liguria expiring 2008, subject to annual indexation.</div> <div>CURRENT NET INCOME</div> <div>EUR 0.70 million p.a.</div> <div>RENT TO TURNOVER RATIO</div> <div>6.5%</div> <div>TURNOVER GROWTH 2001/2002</div> <div>6.1%</div> <div>RENTAL GROWTH 2001/2002</div> <div>2.0%</div> <div>TOTAL RETURN PER ANNUM SINCE PURCHASE IN JULY 1998</div> <div>7.9%</div>

					
RETAIL BURLÖV CENTRE, MALMÖ, SWEDEN	OFFICE KINGSFORDWEG 1, AMSTERDAM SLOTERDIJK, THE NETHERLANDS	WAREHOUSE GALVANIBAAN 5, NIEUWEGEIN, THE NETHERLANDS	WAREHOUSE HORSTERWEG 20, MAASTRICHT-AIRPORT, THE NETHERLANDS	WAREHOUSE KOEWEISTRAAT 10, WAARDENBURG, THE NETHERLANDS	WAREHOUSE STANDAARDRUITER 8, VEENENDAAL, THE NETHERLANDS
<p>Lease renewals have resulted in good rental growth and the hypermarket rebranding to Coop Forum has been successfully implemented. Extension possibilities are under consideration.</p>	<p>A neighbouring 50,000m² letting has reinforced Sloterdijk as a prime Amsterdam office location and confirms the reversionary potential of the rent.</p>	<p>The Utrecht industrial market continues to perform well.</p>	<p>We are investigating a possible extension for the existing tenant.</p>	<p>We are investigating a possible extension for the existing tenant.</p>	<p>The estate continues to be popular.</p>
<p>TOTAL LETTABLE AREA 35,150m² Gallery GLA: 14,250m² Coop Forum Hypermarket GLA: 20,900m² (approx 12,400m² sales)</p> <p>COMPANY OWNERSHIP 35,150m²</p> <p>CAR SPACES 1,600</p> <p>TENURE Freehold</p> <p>NET VALUATION EUR 54.16 million</p> <p>YIELD ON GROSS VALUE 6.7%</p> <p>OCCUPANCY 100%</p> <p>MAJOR TENANTS Coop Forum, H&M, Kapp-Ahl, Lindex, Stadium, Systembologet</p> <p>LEASE TERMS 3 or 5 year standard Swedish leases subject to annual indexation. In most leases additional turnover rental is payable once a tenant's turnover reaches a given threshold.</p> <p>RENEWAL PROFILE 2002: 28% leases 2003: 28% leases</p> <p>CURRENT NET INCOME EUR 3.84 million p.a.</p> <p>RENT TO TURNOVER RATIO 3.7%</p> <p>TURNOVER GROWTH 2001/2002 3.3%</p> <p>RENTAL GROWTH 2001/2002 6.0%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN APRIL 2001 23.1%</p>	<p>TOTAL LETTABLE AREA 39,475 m²</p> <p>COMPANY OWNERSHIP 39,475 m²</p> <p>CAR SPACES 650</p> <p>TENURE Perpetual ground lease</p> <p>NET VALUATION EUR 93.48 million</p> <p>YIELD ON GROSS VALUE 6.4%</p> <p>OCCUPANCY 100%</p> <p>TENANT Government of the Netherlands</p> <p>LEASE TERM 15 years from August 1994, subject to rent reviews in 2004 and 5 yearly thereafter</p> <p>CURRENT NET INCOME EUR 6.08 million p.a.</p> <p>RENTAL GROWTH 2001/2002 4.1%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN OCTOBER 1998 9.6%</p>	<p>TOTAL LETTABLE AREA 5,446m²</p> <p>COMPANY OWNERSHIP 5,446m²</p> <p>SITE AREA 9.056m²</p> <p>TENURE Freehold</p> <p>NET VALUATION EUR 4.06 million</p> <p>YIELD ON GROSS VALUE 8.3%</p> <p>OCCUPANCY 100%</p> <p>TENANT Koninklijke Fabriek Inventum</p> <p>LEASE TERM Lease expires in June 2009</p> <p>CURRENT NET INCOME EUR 0.36 million p.a.</p> <p>RENTAL GROWTH 2001/2002 3.7%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN NOVEMBER 1994 13.5%</p>	<p>TOTAL LETTABLE AREA 8,760m²</p> <p>COMPANY OWNERSHIP 8,760m²</p> <p>SITE AREA 21,650m²</p> <p>TENURE Freehold</p> <p>NET VALUATION EUR 4.86 million</p> <p>YIELD ON GROSS VALUE 7.9%</p> <p>OCCUPANCY 100%</p> <p>TENANT Boston Scientific International</p> <p>LEASE TERM 10 year lease expiring in April 2006</p> <p>CURRENT NET INCOME EUR 0.41 million p.a.</p> <p>RENTAL GROWTH 2001/2002 3.7%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN NOVEMBER 1996 14.7%</p>	<p>TOTAL LETTABLE AREA 2,900m²</p> <p>COMPANY OWNERSHIP 2,900m²</p> <p>SITE AREA 5,715m²</p> <p>TENURE Freehold</p> <p>NET VALUATION EUR 2.01 million</p> <p>YIELD ON GROSS VALUE 7.9%</p> <p>OCCUPANCY 100%</p> <p>TENANT Koninklijke Olland Groep</p> <p>LEASE TERM 5 year lease expiring in February 2004</p> <p>CURRENT NET INCOME EUR 0.17 million p.a.</p> <p>RENTAL GROWTH 2001/2002 4.7%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN SEPTEMBER 1995 12.3%</p>	<p>TOTAL LETTABLE AREA 7,170m²</p> <p>COMPANY OWNERSHIP 7,170m²</p> <p>SITE AREA 12,595m²</p> <p>TENURE Freehold</p> <p>NET VALUATION EUR 3.23 million</p> <p>YIELD ON GROSS VALUE 8.4%</p> <p>OCCUPANCY 100%</p> <p>TENANT Boxal Netherlands</p> <p>LEASE TERM 5 year lease expiring in February 2004</p> <p>CURRENT NET INCOME EUR 0.29 million p.a.</p> <p>RENTAL GROWTH 2001/2002 4.4%</p> <p>TOTAL RETURN PER ANNUM SINCE PURCHASE IN NOVEMBER 1991 13.6%</p>

REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

To the General Meeting of Shareholders

We are pleased to present the annual report of Eurocommercial Properties N.V. for the financial year ending 30 June 2002, as drawn up by the Board of Management. The auditors, Ernst & Young, have examined the financial statements and have issued an unqualified report thereon. We recommend that you adopt the financial statements.

We support the proposal of the Board of Management to distribute a cash dividend of EUR 1.40 per depositary receipt (10 ordinary shares) for the financial year ending 30 June 2002. We also support the offer, at the option of the holders of depositary receipts, of a scrip issue to be charged to the share premium reserve as an alternative to the cash dividend.

During the year under review there were five meetings of the Supervisory Board which meetings were attended by the members of the Board of Management. In addition to those meetings there was regular contact between the Supervisory Board members and the members of the Board of Management with particular reference to the Company's ongoing property acquisition strategy. Amongst the topics discussed were property and financial markets, management and financial accounts, funding, currency and dividend policy, the system of internal controls and remuneration levels and systems. We are all members of the Audit Committee and had two meetings with the auditors of the Company. Mr W.G. van Hassel and Mr J.H. Goris are members of the Remuneration Committee. All members of the Supervisory Board are independent. The role and responsibility of the Supervisory Board are laid down in specific rules and regulations which are available for inspection at the Company's office.

At the Annual General Meeting of Shareholders held on 6 November 2001, Mr H.Th.M. Bevers and Mr H.W. Bolland were reappointed as members of the Supervisory Board. At the forthcoming Annual General Meeting of Shareholders to be held on 5 November 2002 Mr J.H. Goris will retire by rotation. He, being eligible, is proposed for re-election. Under a rota devised by the Supervisory Board, each director will retire by rotation every three years.

It is with great sadness that we must report the death of Mr J.M. van der Beek after the long illness which caused his retirement from the Board of Stichting Prioriteitsaandelen Eurocommercial Properties. Mr van der Beek was a member of the Board at the inception of the Company and made a significant contribution to its success over the years.

We would like to take this opportunity to express our gratitude to the Board of Management and all staff for their efforts during the year.

Amsterdam, 27 August 2002
Board of Supervisory Directors
W.G. van Hassel, Chairman
H.Th.M. Bevers
H.W. Bolland
J.H. Goris

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
as at 30 June 2002 (before income appropriation)

(EUR 'ooo)	Note	30-06-02	30-06-01
ASSETS			
Investments			
Property investments	3	1,041,545	1,013,753
Cash and deposits	4	156,628	22,016
		1,198,173	1,035,769
Receivables	5	18,162	25,055
Other assets	6		
Tangible fixed assets		327	135
Total assets		1,216,662	1,060,959
LIABILITIES			
Current liabilities			
Creditors	7	17,109	25,441
Borrowings	8	111,117	141,528
		128,226	166,969
Non current liabilities			
Creditors	7	6,462	6,328
Borrowings	8	400,887	322,201
		407,349	328,529
Provisions	9		
Provision for contingent tax liabilities		49,810	32,373
Total liabilities		585,385	527,871
Net assets		631,277	533,088
Shareholders' equity	14		
Issued share capital	10	142,864	127,724
Share premium reserve	11	275,486	238,419
Revaluation reserve	12	139,802	101,728
Retained profit reserve	13	34,478	30,037
Undistributed income		38,647	35,180
		631,277	533,088
Net asset value – EUR per depositary receipt		22.09	20.87

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the financial year ended 30 June 2002

(EUR 'ooo)	Note	2001/2002	2000/2001
REVENUE			
Property income	15	79,827	65,254
Property expenses	16	(13,945)	(8,479)
Net property income		65,882	56,775
Interest income		707	881
Foreign currency loss		(19)	(17)
Total revenue		66,570	57,639
EXPENSES			
Depreciation fixed assets		(44)	(44)
Other company expenses	17	(4,829)	(4,213)
		(4,873)	(4,257)
Interest expense		(24,674)	(20,108)
Total expenses		(29,547)	(24,365)
Net income before taxation		37,023	33,274
Taxation	18	(393)	-
Net income after taxation (direct investment result)		36,630	33,274
Movement in the revaluation reserve			
		38,074	24,586

CONSOLIDATED CASH FLOW STATEMENT
for the financial year ended 30 June 2002

(EUR ‘000)	2001/2002	2000/2001
CASH FLOW FROM INVESTMENT ACTIVITIES		
Net income after taxation	36,630	33,274
Additions to tangible fixed assets	(341)	(123)
Depreciation tangible fixed assets	143	63
Decrease/increase in receivables	6,893	(8,960)
Decrease in creditors	(8,332)	(5,671)
Rental deposits received	134	1,724
Release from other provisions	-	(839)
Expenses charged to the revaluation reserve	(2,565)	(1,915)
Goodwill	(3,335)	(428)
Property investments	(68,207)	(239,791)
Property sales	92,026	26,286
Gain on property sales	6,697	1,909
Other movements	-	717
	59,743	(193,754)
CASH FLOW FROM FINANCE ACTIVITIES		
Net proceeds share issue	52,234	40,195
Borrowings added	211,834	413,511
Repayment of borrowings	(163,749)	(218,661)
Dividends paid	(25,414)	(21,202)
	74,905	213,843
Net cash flow	134,648	20,089
Currency differences on working capital	(36)	(22)
Increase in cash and deposits	134,612	20,067
Cash and deposits at beginning of year	22,016	1,949
Cash and deposits at end of year	156,628	22,016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include those of the holding company and its wholly owned subsidiaries as follows:

- Boleto B.V., Amsterdam
- Holgura B.V., Amsterdam
- Kingsford Exploitatiemaatschappij I B.V., Amsterdam
- Kingsford Onroerend Goed Financiering B.V., Amsterdam
- Sentinel Holdings B.V., Amsterdam
- Eurocommercial Properties Belgium N.V., Brussels
- SEPF Holding Belgium N.V., Brussels
- Eurocommercial Properties Ltd., London
- Eurocommercial Properties Azur S.a.r.l, Paris
- Eurocommercial Properties Caumartin S.N.C., Paris
- Eurocommercial Properties France S.A., Paris
- Eurocommercial Properties Glisy S.a.r.l., Paris
- Eurocommercial Properties Midi S.N.C., Paris
- Eurocommercial Properties Normandie S.N.C., Paris
- Eurocommercial Properties Passy S.a.r.l., Paris
- Eurocommercial Properties Picardie S.N.C., Paris
- Eurocommercial Properties Seine S.N.C., Paris
- Eurocommercial Properties St. Germain S.N.C., Paris
- Eurocommercial Properties Taverny S.a.r.l., Paris
- S.C.I. les Portes de Taverny, Paris
- Estense S.r.l., Milan
- Eurocommercial Properties Italia S.r.l., Milan
- Larry Smith S.r.l., Milan
- Burlövs Center Fastighets A.B., Stockholm
- Eurocommercial Properties Sweden A.B., Stockholm
- STBL Fastighets A.B., Stockholm

In view of the fact that the Company’s profit and loss account has been included in the consolidated financial statements and in accordance with article 2:402 of the Netherlands Civil Code, a summary profit and loss account of the Company is presented in the Company financial statements.

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated into Euros at the rate of exchange ruling at the balance sheet date.

Transactions denominated in foreign currencies are translated at the average monthly exchange rate.

Gains or losses arising on the revaluation, translation or realisation of property, financial investments and associated loans and currency hedge instruments are treated as capital items and taken to the revaluation reserve. Possible contingent tax liabilities are taken into account. Foreign exchange gains or losses on all other items are taken to the profit and loss account.

Property investments

It is the Company’s policy that all property investments be revalued annually by qualified independent experts. These revaluations represent the price, net of normal costs, at which the property could be sold in the open market on the date of revaluation. Property investments are initially brought to account at their full acquisition cost, including registration duties, legal and other consultants’ fees.

The cost of financing the development or refurbishment of investments is capitalised as part of the cost of the investment.

Fixed assets

Intangible fixed assets are no longer depreciated, but directly written off against reserves. The Company decided to introduce this accounting policy in view of the international accounting standards. The comparative figures were adjusted accordingly by a movement in shareholders’ equity. Tangible fixed assets are depreciated over the expected useful lives of the assets concerned. Goodwill paid is written off directly against the retained profit reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

Depreciation
Depreciation is not provided on property investments in view of the annual revaluation of properties described above. This policy is common practice in The Netherlands for Investment Institutions.
Provisions
Provisions are created to meet possible future liabilities and/or risks. The provision for deferred contingent capital gains tax liabilities represents the discounted present value of contingent liabilities to taxation arising from differences between the property appraisals and book values for tax purposes, taking into account recoverable tax losses.
Other assets and liabilities
Unless stated otherwise, assets and liabilities are shown at the amounts at which they were acquired or incurred. A provision for bad debts is deducted if appropriate. Currency hedge instruments are presented at market value.

Net income
Net income is calculated on the accrual basis of accounting and includes all income derived from the Company's investments, after deducting the property expenses, the interest expenses and 70% of the company expenses and after allowing for associated foreign exchange translation variances. 30% of the company expenses are charged against the revaluation reserve as asset management expenses. The property expenses include expenses associated with non Netherlands property holding companies which are charged to the relevant buildings rather than the general expense pool. Expenses relating to the investigation of potential property investments are written off directly against the revaluation reserve. The majority of the Company's employees are members of a defined contribution pension scheme for which the annual premiums are an expense of the period. The liabilities of the defined benefit pension scheme are provided for on the basis of actuarial calculations.

Cash flow statement
The cash flow statement has been prepared according to the indirect method. Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement.

Corporate tax
As an Investment Institution under Dutch tax law (fiscale beleggingsinstelling) the Company is subject to a nil rate of Dutch corporate tax, provided it meets certain conditions, notably the distribution of all taxable income (after permitted deductions) to shareholders within eight months of the end of each financial year. Moreover, the balance of realised capital gains and capital losses on its investments may in principle be transferred to a fiscal reinvestment reserve. The Company will not be required to distribute that part of its taxable income which is reserved in this way.
Corporate tax may, however, be payable on the fiscal results of subsidiaries in The Netherlands which do not have the status of Investment Institutions under Dutch tax law.
The fiscal results of foreign subsidiaries, which are subject to corporate tax, are determined on the basis of the current tax regulations in the countries concerned.

Dividend withholding tax
Dutch dividend withholding tax at a rate of 25% must be withheld from dividend distributions. A refund or a reduction of the Dutch dividend withholding tax may be obtained in respect of dividends paid to an investor resident in a country with which The Netherlands has concluded a treaty for the avoidance of double taxation. For Australian, Danish, French, German, Italian, New Zealand, Swedish, United Kingdom and United States of America resident investors, the final dividend withholding tax rate specified in the relevant double tax treaties is 15%. There will generally be an allowance of a credit against the shareholders' local tax liability for the amount of the Dutch dividend withholding tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

2. EXCHANGE RATES

The following exchange rates applied as at 30 June 2002:		
	30-06-02 EUR	30-06-01 EUR
AUD 1	0.56491	0.59755
DKK 10	1.34600	1.34330
GBP 1	1.53890	1.65810
SEK 10	1.09870	1.08550
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.		

3. PROPERTY INVESTMENTS

The book value of each property is its full cost of acquisition until revalued, and thereafter revaluation plus subsequent improvements or net proceeds in case of a sale.		
All properties in the group are freehold with the exception of Kingsfordweg 1, Amsterdam (perpetual ground lease) and have been revalued at 30 June 2002.		
The current property portfolio is:		
	Book value (EUR '000)	Costs to date (EUR '000)
Retail		
France		
Centre Amiens Glisy, Amiens	24,510	15,777
Centr'Azur, Hyères	22,360	16,508
Centre les Portes de Taverny, Paris	27,830	18,126
*Passage du Havre, Paris	136,570	128,435
*Passy Plaza, Paris	79,850	70,511
*74 rue de Rivoli, 1-3 rue du Renard, Paris	11,320	10,136
*Centre les Atlantes, Tours	62,260	44,750
Tourville la Rivière	1,600	1,685
	366,300	305,928
Italy		
Centro Curno, Bergamo	54,020	27,461
*Il Castello, Ferrara	64,800	62,085
*I Gigli, Florence	137,250	112,575
*Centro Leonardo, Imola	18,630	15,072
*Centro La Favorita, Mantova	24,410	17,352
*Centro Carosello, Carugate, Milan	145,390	77,679
Centroluna, Sarzana	10,590	10,044
	455,090	322,268
Sweden		
*Burlöv Centre, Malmö	54,155	45,513
	875,545	673,709
Office		
France		
*Passage du Havre, Paris**	30,100	28,683
The Netherlands		
Kingsfordweg 1, Amsterdam	93,480	84,474
	123,580	113,157

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

3. PROPERTY INVESTMENTS (continued)

	Book value	Costs to date
	(EUR '000)	(EUR '000)
Warehouse		
France		
Rue des Béthunes, Saint-Ouen L'Aumone	16,870	17,351
Parisud, Sénart	11,390	11,656
	<u>28,260</u>	<u>29,007</u>
The Netherlands		
Horsterweg 20, Maastricht-Airport	4,860	3,921
Galvanibaan 5, Nieuwegein	4,060	3,308
Standaardruiter 8, Veenendaal	3,230	2,777
Koeweistraat 10, Waardenburg	2,010	1,673
	<u>14,160</u>	<u>11,679</u>
	<u>42,420</u>	<u>40,686</u>
	<u>1,041,545</u>	<u>827,552</u>

* These properties carry mortgage debt up to EUR 317 million at 30 June 2002.
** Part of the retail complex.

Changes in property investments for the financial year ended 30 June 2002 were as follows:

	30-06-02	30-06-01
Book value at beginning of year	1,013,753	766,677
Investments	68,207	239,791
Disposals***	(92,026)	(26,286)
Revaluation	51,004	34,032
Exchange rate movement	607	(461)
	<u>1,041,545</u>	<u>1,013,753</u>

*** Disposals for the financial year ended 30 June 2002 comprised of Købmagergade 19, Copenhagen, Herengracht 459-483, Reguliersdwarsstraat 12-38, Amsterdam, Planetenweg 83-99, Hoofddorp and Planetenbaan 20-99, Maarssen.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

4. CASH AND DEPOSITS

Cash and deposits consist primarily of time deposits, with small amounts held as bank balances and other liquid assets.

5. RECEIVABLES

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Rents receivable	6,307	10,961
VAT receivable	3,648	6,082
Prepaid letting fees and relocation expenses	2,424	2,936
Staff loans	640	665
Funds held by managing agents	79	280
Pensions	213	-
Other receivables and prepayments	4,851	4,131
	<u>18,162</u>	<u>25,055</u>

Receivables at 30 June 2002 include an amount of EUR 8.1 million (2001: EUR 7.8 million) which is due after one year.

6. OTHER ASSETS

Tangible fixed assets represent office equipment and inventory for the Company's head office at Herengracht 469, Amsterdam and the group offices at 4 Carlton Gardens, London and Piazza della Repubblica 30, Milan. These costs are depreciated over the expected useful lives of the assets concerned varying from 2 to 5 years. The movements in the current and the previous financial year were:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	135	75
Additions	341	123
Depreciation	(143)	(63)
Exchange rate movement	(6)	-
	<u>327</u>	<u>135</u>
Cost at end of year	621	286
Accumulated depreciation	(294)	(151)
	<u>327</u>	<u>135</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

7. CREDITORS

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
(i) Current liabilities		
Rent received in advance	2,683	5,650
Interest payable	3,701	3,082
Payable purchased assets	-	4,710
Local and property tax payable	1,318	746
VAT payable	858	1,432
Other creditors and accruals	8,549	9,821
	17,109	25,441
(ii) Non current liabilities		
Tenant rental deposits	6,462	6,328

8. BORROWINGS

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	463,729	269,369
Drawdown of funds	211,834	413,511
Repayments	(163,749)	(218,661)
Exchange rate movements	190	(490)
Book value at end of year	512,004	463,729
The maturity profile of the borrowings is as follows:		
- less than 1 year	111,117	141,528
- 1 to 2 years	3,610	5,165
- 2 to 5 years	66,919	16,527
- 5 years or more	330,358	300,509
	512,004	463,729

Borrowings of EUR 317 million are secured on property (30 June 2001: EUR 323 million).
The borrowings, all of which are from banks, have an average interest rate in the current financial year of 5.1% (2000/2001: 5.3%).
At 30 June 2002 22% of the Company's borrowings are at floating rate plus an appropriate commercial margin.
At 30 June 2002 the Company has hedged its exposure to interest rate movements on 78% of its borrowings for an average term of five years.

The average interest rate on borrowings with remaining periods to maturity of more than one year including hedges is currently 5.1%. The average interest rate is calculated as the weighted average interest rate over the remaining principals until the respective interest maturity dates (see also note 19 to the consolidated financial statements and note 9 to the Company financial statements).

It is the policy of the Company to operate a defensive interest rate hedging policy by using derivatives to protect the Company against increase of interest rates. The Company intends to hedge the majority of its loans outstanding for the medium to long term (5 to 15 years). The fair value of the current interest rate hedge instruments as at 30 June 2002 is a negative value of EUR 8.5 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

9. PROVISIONS

The significant upward revaluation of the Company's properties makes it prudent to increase the provision for potential future capital gains taxes, which may be payable if buildings are sold. The provision for deferred contingent capital gains tax liabilities has a face value of EUR 71 million and is considered to be of a long-term nature as there are no current plans to sell any of the relevant properties. The discounted present value of the potential tax has been calculated on the basis of a net interest rate of 5.5%.

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	32,373	23,027
Additions from revaluation reserve	17,437	10,185
Release to revaluation reserve	-	(839)
Book value at end of year	49,810	32,373

10. ISSUED SHARE CAPITAL

Share capital comprises:

- 999,999,900 million authorised ordinary shares of EUR 0.50 par value, of which 285,728,310 shares are issued and fully paid as at 30 June 2002
- 100 authorised priority shares of EUR 0.50 par value, which are entirely issued and fully paid.

The weighted average of the number of shares in issue in the current financial year is 260,736,106.

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	127,724	104,545
Issued shares private placement	12,987	9,076
Issued bonus shares	2,153	2,296
Redenomination of share capital into Euros	-	11,807
Book value at end of year	142,864	127,724

As at 30 June 2002 385,500 staff stock options were outstanding, representing 1.3% of the current issued share capital. The options each confer the right to one depositary receipt representing ten ordinary shares of EUR 0.50 par value. 155,000 stock options were granted on 9 November 2000 and 230,500 on 23 February 2001. The options can only be exercised after three years have lapsed since the date of granting. Thereafter, the options can be exercised during a period of seven years. All outstanding options were granted in the previous financial year at an exercise price of EUR 18.00. The members of the Board of Management hold the following stock options: J.P. Lewis 100,000, E.J. van Garderen 80,000.

11. SHARE PREMIUM RESERVE

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	238,419	226,948
Movement change in accounting policies	-	(3,025)
Issued shares	39,220	28,599
Release for issued bonus shares	(2,153)	(2,296)
Redenomination of share capital into Euros	-	(11,807)
Book value at end of year	275,486	238,419

For Dutch tax purposes the share premium reserve regarded as paid-up capital approximates at least EUR 270 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

12. REVALUATION RESERVE

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	101,728	77,142
Movement change in accounting policies	-	90
Asset management expenses	(2,088)	(1,915)
Financial and investment expenses	(477)	-
Revaluation of property investments	51,004	34,032
Movement on provision for contingent tax liabilities	(17,437)	(10,185)
Exchange rate movement on property investments	607	(461)
Exchange rate movement on financial investments	(42)	(22)
Exchange rate movement on borrowings and rental deposits	(190)	490
Gain on sale Planetenbaan 20-99 and Planetenweg 83-99	-	745
Gain on sale Herengracht 459-483, Reguliersdwarsstraat 12-38	6,200	-
Gain on sale Købmagergade 19	497	-
Gain on sale Avenue de Cortenbergh 118-130 and Rue d'Arlon 50	-	2,218
Loss on sale Rhosili Road	-	(1,054)
Other movements	-	648
Book value at end of year	139,802	101,728

The movement of EUR 38.1 million (2001: EUR 24.6 million) in the current financial year includes a realised amount of EUR 15.1 million (2001: EUR (4.0) million) and an unrealised amount of EUR 23.0 million (2001: EUR 28.6 million).

13. RETAINED PROFIT RESERVE

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	30,037	19,665
Movement change in accounting policies	-	1,778
Net income previous financial year	8,588	9,884
Funding of dividends paid	(812)	(862)
Goodwill	(3,335)	(428)
Book value at end of year	34,478	30,037

Holders of depositary receipts holding 6,457,319 receipts opted for 430,487 bonus depositary receipts at an issue price of EUR 19.95 from the Company's share premium reserve, instead of a cash dividend of EUR 1.33 per depositary receipt for the financial year ended 30 June 2001. Accordingly, an amount of EUR 8.6 million of the 2000/2001 net income was taken to the retained profit reserve. As the proceeds of the bonus depositary receipts were received at the end of November 2001, an amount of EUR 0.8 million will be released from the retained profit reserve for funding the dividend for the year. The retained profit reserve for the previous financial year increased due to the change in accounting policies (see note 1). The goodwill cost of the acquisition of a 100% interest in Larry Smith S.r.l. was written off against the retained profit reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

14. SHAREHOLDERS' EQUITY RECONCILIATION

The movements in shareholders' equity in the current financial year were:							
(EUR '000)	Issued share capital	Share premium reserve	Revaluation reserve	Statutory reserve	Retained profit reserve	Undistributed income	Total
30-06-01 reported	127,724	241,444	101,563	1,248	28,789	33,568	534,336
Movement change in accounting policies		(3,025)	165	(1,248)	1,248	1,612	(1,248)
30-06-01 amended	127,724	238,419	101,728	0	30,037	35,180	533,088
Issued shares							
private placement	12,987	39,247					52,234
Issued bonus shares	2,153	(2,153)					0
Net income							
previous financial year					8,588	(8,588)	0
Movement revaluation reserve			38,074				38,074
Goodwill					(3,335)		(3,335)
Net income for the period						36,630	36,630
Dividends paid		(27)			(812)	(24,575)	(25,414)
30-06-02	142,864	275,486	139,802	0	34,478	38,647	631,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

14. SHAREHOLDERS' EQUITY RECONCILIATION (continued)

The movements in shareholders' equity in the previous financial year were:

(EUR '000)	Issued share capital	Share premium reserve	Revaluation reserve	Statutory reserve	Retained profit reserve	Undistri- buted income	Total
30-06-00 reported	104,545	226,948	77,142	1,778	19,665	28,384	458,462
Movement change in accounting policies		(3,004)		(1,778)	1,778	1,142	(1,862)
30-06-00 amended	104,545	223,944	77,142	0	21,443	29,526	456,600
Issued shares private placement	9,076	28,599				2,520	40,195
Issued bonus shares	2,296	(2,296)					0
Redenomination share capital	11,807	(11,807)					0
Net income previous financial year					9,884	(9,884)	0
Movement revaluation reserve			24,496				24,496
Goodwill					(428)		(428)
Net income for the period						33,274	33,274
Dividends paid					(862)	(20,340)	(21,202)
Movement change in accounting policies		(21)	90			84	153
30-06-01	127,724	238,419	101,728	0	30,037	35,180	533,088

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

15. NET PROPERTY INCOME

Net property income comprised:

(EUR '000)	Property income 2001/2002	Property income 2000/2001	Property expenses 2001/2002	Property expenses 2000/2001	Net property income 2001/2002	Net property income 2000/2001
Retail	65,281	49,002	(12,970)	(6,996)	52,311	42,006
Office	10,620	13,609	(842)	(1,264)	9,778	12,345
Warehouse	3,926	2,643	(133)	(219)	3,793	2,424
	79,827	65,254	(13,945)	(8,479)	65,882	56,775
Belgium	-	854	-	(241)	-	613
Denmark	813	1,124	(153)	(100)	660	1,024
France	30,570	23,330	(4,062)	(3,259)	26,508	20,071
Italy	33,074	25,719	(7,095)	(3,568)	25,979	22,151
Sweden	5,186	960	(1,698)	(273)	3,488	687
The Netherlands	10,184	12,666	(937)	(1,018)	9,247	11,648
United Kingdom	-	601	-	(20)	-	581
	79,827	65,254	(13,945)	(8,479)	65,882	56,775

Property income and property expenses for the current financial year recorded under Retail and Italy include the revenues and expenses of Larry Smith S.r.l..

16. PROPERTY EXPENSES

Property expenses in the current financial year were:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Accounting and advisory fees	1,408	1,292
Depreciation fixed assets	80	-
Dispossession indemnities	1,512	642
Insurance premiums	457	308
Letting fees	829	766
Local and property taxes	2,053	1,765
Managing agent fees	1,080	1,685
Marketing expenses	302	246
Property management expenses	2,951	-
Repair and maintenance	1,955	929
Services charges	1,169	579
Other expenses	149	267
	13,945	8,479

Property management expenses include personnel costs of Larry Smith S.r.l. of EUR 2,051,000 (salaries EUR 1,516,000, social security charges EUR 436,000 and contributions EUR 99,000). Larry Smith S.r.l. employed an average of 35 persons during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2002

17. OTHER COMPANY EXPENSES

Other company expenses in the current financial year comprise:		
	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Audit fees	92	74
Directors' fees	1,293	1,347
Legal and other advisory fees	613	495
Office and accommodation expenses	641	458
Personnel costs	2,860	2,575
Statutory costs	354	260
Other expenses	1,045	810
	6,898	6,019
Charged against revaluation reserve	(2,069)	(1,806)
Other company expenses	4,829	4,213

The Company charges 30% of its company expenses as asset management expenses against the revaluation reserve, following the usual practice of other similar Netherlands companies.

Personnel costs included in the other company expenses in the current financial year were:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Salaries	2,285	2,160
Social security charges	275	127
Pension contributions	300	288
	2,860	2,575

The Company directly employed an average of 22 persons during the financial year (30 June 2001: 20 persons) so that the total average number including the employees of Larry Smith S.r.l. was 57.

The directors' fees include an amount of EUR 68,000 (2000/2001: EUR 56,600) in respect of gross remuneration paid to the members of the Supervisory Board as follows: W.G. van Hassel EUR 20,000, H.Th.M. Bevers EUR 16,000, H.W. Bolland EUR 16,000, J.H. Goris EUR 16,000. The directors' fees include an amount of EUR 1,225,000 (2000/2001: EUR 1,290,000) in respect of gross remuneration, including social security charges, for the members of the Board of Management to be specified as follows: J.P. Lewis: salary EUR 417,000, bonus EUR 250,000, pension premiums EUR 7,000 and social security charges EUR 76,000, E.J. van Garderen: salary EUR 272,000, bonus EUR 169,000, pension premiums EUR 29,000 and social security charges EUR 5,000. The bonuses paid to directors and senior executives are entirely and directly linked to the annual growth in the Company's net asset value and dividend per share.

18. TAXATION

Reported taxation relates to corporate income taxes on profits of subsidiaries.

19. COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

As at 30 June 2002 bank guarantees have been issued for a total amount of EUR 13.4 million. Interest rate swap agreements have been entered into to hedge the exposure to interest rate movements for a total notional amount of EUR 397.4 million (see also note 8 to the consolidated financial statements and note 9 to the Company financial statements). On 20 June 2002 a contract was signed to acquire the property 10 Rue du Havre, Paris adjoining the Passage du Havre complex for a price of EUR 4.3 million.

COMPANY BALANCE SHEET
as at 30 June 2002 (before income appropriation)

(EUR '000)	Note	30-06-02	30-06-01
ASSETS			
Investments			
Property investments	2	14,160	87,234
Investments in subsidiaries	3	249,786	196,996
Due from subsidiaries	4	218,732	234,797
Cash and deposits	5	149,004	14,091
		631,682	533,118
Receivables			
		1,030	2,212
Other assets			
Tangible fixed assets	6	84	53
Total assets		632,796	535,383
LIABILITIES			
Current liabilities			
Creditors		1,492	2,281
Borrowings	7	-	-
		1,492	2,281
Non current liabilities			
Due to subsidiaries		27	-
Creditors		-	14
		27	14
Total liabilities		1,519	2,295
Net assets		631,277	533,088
Shareholders' equity			
Issued share capital	8	142,864	127,724
Share premium reserve		275,486	238,419
Revaluation reserve		139,802	101,728
Retained profit reserve		34,478	30,037
Undistributed income		38,647	35,180
		631,277	533,088

COMPANY PROFIT AND LOSS ACCOUNT – FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

(EUR '000)	2001/2002	2000/2001
Company income after taxation	16,430	20,799
Result from subsidiaries after taxation	20,200	12,475
Net income (direct investment result)	36,630	33,274
Movement in the revaluation reserve	38,074	24,586

NOTES TO THE COMPANY FINANCIAL STATEMENTS
as at 30 June 2002

1. GENERAL

The valuation principles and the principles for determining the results are the same as those for the consolidated financial statements. Investments in subsidiaries are accounted for on an equity basis.

2. PROPERTY INVESTMENTS

Changes in property investments for the financial year ended 30 June 2002 were as follows:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	87,234	81,598
Investments	2,072	1,342
Disposals	(75,275)	-
Revaluation	129	4,294
Book value at end of year	14,160	87,234

3. INVESTMENTS IN SUBSIDIARIES

Movements in investments in subsidiaries for the financial year ended 30 June 2002 were as follows:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	196,996	169,126
Result from subsidiaries	20,200	12,475
Revaluation	32,590	15,395
Book value at end of year	249,786	196,996
Cost at end of year	27,456	27,456
Cumulative result from subsidiaries	48,066	27,866
Cumulative revaluation	174,264	141,674
Book value at end of year	249,786	196,996

4. DUE FROM SUBSIDIARIES

The balance at 30 June 2002 principally represents funds advanced to Boleto B.V., Holgura B.V., Kingsford Onroerend Goed Financiering B.V., Sentinel Holdings B.V., Eurocommercial Properties Caumartin S.N.C., Eurocommercial Properties France S.A., Eurocommercial Properties Midi S.N.C., Eurocommercial Properties Normandie S.N.C., Eurocommercial Properties Passy S.a.r.l., Eurocommercial Properties Picardie S.N.C., Eurocommercial Properties Seine S.N.C., Eurocommercial Properties St. Germain S.N.C., Eurocommercial Properties Taverny S.a.r.l., S.C.I. les Portes de Taverny, Estense S.r.l., Eurocommercial Properties Italia S.r.l. and Eurocommercial Properties Sweden A.B.

Most of these advances were made under long term loan facilities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
as at 30 June 2002

5. CASH AND DEPOSITS

Cash and deposits consist primarily of time deposits, with small amounts held as bank balances and other liquid assets.

6. OTHER ASSETS

Tangible fixed assets represent office equipment and inventory for the Company's head office at Herengracht 469, Amsterdam. These costs are depreciated over the expected useful lives of the assets concerned varying from 2 to 5 years. The movements in the current and the previous financial year were:

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	53	75
Additions	65	20
Depreciation	(34)	(42)
Book value at end of year	84	53
Cost at end of year	248	183
Accumulated depreciation	(164)	(130)
Book value at end of year	84	53

7. BORROWINGS

	30-06-02 (EUR '000)	30-06-01 (EUR '000)
Book value at beginning of year	-	39,411
Draw down of funds	52,600	-
Repayments	(52,600)	(39,411)
Book value at end of year	-	-

8. SHAREHOLDERS' EQUITY

Reference is made to the consolidated financial statements and the notes thereto for movements in the components of shareholders' equity.

9. COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

The Company has entered into guarantees in favour of IntesaBCI S.p.A. for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 125 million.

The Company has entered into guarantees in favour of UniCredito Italiano S.p.A. for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 41.8 million and for guarantees issued for Eurocommercial Properties Italia S.r.l. to an amount of EUR 9.3 million.

The Company has entered into a guarantee in favour of Banca di Roma S.p.A. for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 25 million.

The Company has entered into a guarantee in favour of Banca Antoniana Popolare Veneta S.C.A.R.L. for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 45 million.

The Company has entered into a guarantee in favour of Banca di Imola S.p.A. for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 10.3 million.

The Company has entered into guarantees in favour of ABN AMRO Bank N.V., Milan Branch, for guarantees issued for Eurocommercial Properties Italia S.r.l. to an amount of EUR 4.1 million.

The Company has entered into guarantees in favour of ING Bank N.V., Milan Branch, for debts incurred by Eurocommercial Properties Italia S.r.l. to an amount of EUR 70.5 million.

The Company has entered into a guarantee in favour of ING Bank N.V. and ING Vastgoed Financiering N.V. for debts incurred by Eurocommercial Properties Caumartin S.N.C., Eurocommercial Properties France S.A., Eurocommercial Properties Normandie S.N.C. and Eurocommercial Properties Seine S.N.C. to an amount of EUR 150 million.

The Company has entered into guarantees in favour of Westdeutsche ImmobilienBank for debts incurred by Eurocommercial Properties Midi S.N.C., Eurocommercial Properties Picardie S.N.C., Eurocommercial Properties Taverny S.a.r.l. and S.C.I. Les Portes de Taverny to an amount of EUR 40 million and for debts incurred by Bürlovs Center Fastighets A.B. to an amount of EUR 31 million.

The Company has entered into guarantees in favour of credit institutions for interest rate swap contracts hedging the exposure of subsidiaries to interest rate movements over a total notional amount of EUR 397.4 million (see also notes 8 and 19 to the consolidated financial statements).

The Company has issued guarantees for Kingsford Onroerend Goed Financiering B.V. and Kingsford Exploitiemaatschappij I B.V. in accordance with article 2:403 of the Netherlands Civil Code.

Amsterdam, 27 August 2002

Board of Management	Board of Supervisory Directors
J.P. Lewis, Chairman	W.G. van Hassel, Chairman
E.J. van Garderen	H.Th.M. Bevers
	H.W. Bolland
	J.H. Goris

Priority shares

All issued priority shares are held by Stichting Prioriteitsaandelen Eurocommercial Properties.

The holders of the priority shares are entitled to determine the number of members of the Company's Supervisory and Management Boards, to nominate the persons to be submitted to the vote of all shareholders for election to the Management Board and the Supervisory Board and to approve the appropriation of income of the Company.

For the period to 30 November 2004, they are empowered to authorise the issue of new shares and the terms of issue, including a power to limit or exclude the pre-emptive rights of existing shareholders. Mutatis mutandis the same applies to the granting of rights to subscribe for shares. The priority shares are in all other respects identical to the registered ordinary shares.

The Board of Stichting Prioriteitsaandelen Eurocommercial Properties at 30 June 2002 comprised:

J.P. Lewis, Chairman
H.J. van Lookeren Campagne
J.C. Pollock

Supervisory Board

W.G. van Hassel, Chairman, (55), of Dutch nationality, member of the Supervisory Board since 1997, was reappointed in 2000 for a period of three years. He is a former partner of a major Dutch lawfirm and former Dean of The Dutch Bar Association.

H.Th.M. Bevers, (69), of Dutch nationality, member of the Supervisory Board since 1996, was reappointed in 2001 for a period of three years. He is the former Agent of the Dutch Ministry of Finance (Director of the National Debt Management and Issuing Office).

J.H. Goris, (70), of Dutch nationality, member of the Supervisory Board since 1996, was reappointed in 1999 for a period of three years. He is a former member of the Executive Board of Philips N.V. and a former professor in corporate finance of the University of Tilburg, The Netherlands.

H.W. Bolland, (56), of British nationality, member of the Supervisory Board since 1998, was reappointed in 2001 for a period of three years. He was Vice Chairman of Schroder Investment Management Limited of London.

Provisions in the Articles of Association concerning the appropriation of income

The appropriation of income is subject to the Provisions of Article 44 of the Articles of Association of the Company of which the major provisions are as follows:

(a) Out of the profit as evidenced by the adopted annual accounts and after deduction of all taxes due by the Company, such amount may be reserved as the Board of Management shall determine, which reserve shall be at the exclusive disposal of the Board of Management.

(b) The remainder of the profit shall be at the disposal of the General Meeting of Shareholders for distribution of dividend, either in cash or in shares in the capital of the Company, or a combination of both, on the priority shares and ordinary shares, or for reserves or such other purposes covered by the objects of the Company, as the General Meeting of Shareholders shall decide after prior approval of the meeting of holders of priority shares. If it is decided to distribute dividends in full or in part, the distributable part of the profit shall be distributed amongst holders of priority shares and holders of ordinary shares pro rata to the nominal value of their shares.

(c) The distribution of profit shall take place after the adoption of the annual accounts showing that such distribution is permitted. (Interim) dividends may be distributed in cash or in shares in the capital of the Company or a combination thereof.

OTHER INFORMATION

OTHER INFORMATION

Dividend distribution

The Board of Management proposes to the Annual General Meeting of Shareholders to be held at the Amstel Inter Continental Hotel Prof. Tulpplein 1, Amsterdam on 5 November 2002 at 11.00 hours to distribute a cash dividend of EUR 1.40 per depositary receipt (10 ordinary shares) for the financial year ended 30 June 2002 (30 June 2001: EUR 1.33 per depositary receipt). Subject to its fiscal and other limitations, the Company will offer holders of depositary receipts the option of taking new depositary receipts from the Company's share premium reserve, instead of a cash dividend. The percentage of such scrip issue will be announced on 1 November 2002. The distribution will be payable as from 29 November 2002. In the case of the scrip issue, the depositary receipts would be issued from the share premium reserve and will therefore not be subject to Dutch dividend withholding tax which is charged at the rate of 25% and 15% for the Dutch and certain over-seas holders respectively. The depositary receipts will rank pari passu with the existing depositary receipts of the Company in respect of the financial year 2002/2003. Holders of depositary receipts are given the opportunity to make their choice known until and including 22 November 2002. If notification is not received by that date a cash dividend only will be payable. The part of the profit not distributed in cash will be added to shareholders' equity.

Financial calendar

- 5 November 2002: Annual General Meeting of Shareholders
- 7 November 2002: Ex-dividend date
- 8 November 2002: Announcement of first quarter results 2002/2003
- 29 November 2002: Dividend payment date
- 7 February 2003: Announcement of half year results 2002/2003
- 9 May 2003: Announcement of third quarter results 2002/2003
- August 2003: Announcement of annual results 2002/2003
- November 2003: Annual General Meeting of Shareholders

Statement pursuant to the Listing Rules (Fondsenreglement) of Euronext Amsterdam N.V.

The members of the Board of Stichting Administratiekantoor Eurocommercial Properties and the Company are together of the opinion that Stichting Administratiekantoor Eurocommercial Properties is independent from the Company as referred to in Annex X of the Listing Rules of Euronext Amsterdam N.V..

The members of the Board of Stichting Prioriteitsaandelen Eurocommercial Properties and the Company are together of the opinion that Stichting Prioriteitsaandelen Eurocommercial Properties is independent from the Company as referred to in Annex X of the Listing Rules of Euronext Amsterdam N.V..

Statements pursuant to the Investment Institutions Supervision Act

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 Eurocommercial Properties N.V. now nor at any time in the past year. The Company has no knowledge of property transactions taking place in the year under review with persons or institutions which can be considered to stand in a direct relationship to the Company. Stichting Prioriteitsaandelen Eurocommercial Properties and Stichting Administratiekantoor Eurocommercial Properties qualify as substantial investors as defined in article 21, section 2, of the Decree on the Supervision of Investment Institutions. No transactions as referred to in article 21, section 2, sub c of the Decree have taken place during the reporting period.

A Financial Information Leaflet has been prepared with information about the product (depositary receipts Eurocommercial Properties N.V.), the costs and the risks. Please obtain and read a copy prior to purchasing the product.

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

Under the Act on the Disclosure of Major Holdings in Listed Companies, Eurocommercial Properties N.V. has received notification from four holders of depositary receipts/ordinary shares with interests greater than 5% in the Company. According to the latest notifications these interests were as follows:

Stichting Administratiekantoor Eurocommercial Properties (66.7%), the Government of Singapore (12.59%), Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen (10.28%), The Equitable Life Assurance Society (9.10%) and ING Groep N.V. (5.13%).

The dates of the aforesaid notifications were 6 April 1994, 16 May 2002, 31 December 1999, 5 September 2000 and 13 August 1998 respectively .

Directors' and staff interests

Mr Lewis holds 129,766 depositary receipts and 6,210,000 ordinary registered shares indirectly, which shares are blocked until 31 December 2005, in total representing 2.63% of the issued share capital of the Company. Mr van Garderen purchased in September 2001 on Euronext Amsterdam 20,360 depositary receipts at an average price of EUR 17.67 and currently holds 22,500 depositary receipts and 400,000 ordinary registered shares, which shares are blocked until 31 December 2005, in total representing 0.22% of the issued share capital of the Company. Mr van Hassel indirectly holds 1,277 depositary receipts representing 0.004% of the issued share capital of the Company. None of the other members of the Board of Supervisory Directors has any holdings in the Company. The group staff holds 3,645 blocked depositary receipts and 740,000 ordinary registered shares, which shares are blocked until 31 December 2005, in total representing 0.27% of the issued share capital of the Company. To enable staff to purchase blocked shares loans have been granted for a total amount of EUR 0.6 million at an interest rate of 6%.

Stock market prices and turnover 2001/2002

The Company is listed on Euronext Amsterdam (the Amsterdam stock exchange) and admitted to the Next 150 index and the NextPrime market segment.

		High	Low	Average
Closing price 30 June 2002 (EUR; depositary receipts)	19.10	20.60	16.60	18.41
Average daily turnover (in depositary receipts)	23,675			
Average daily turnover (X EUR' 000,000)	0.4			
Total turnover over the past twelve months (X EUR' 000,000)	110.7			
Market capitalisation (X EUR' 000,000)	545.7			
Total turnover divided by market capitalisation	20%			

Liquidity providers:	ABN AMRO Bank Amsterdams Effectenkantoor Dexia Securities
----------------------	---

Depositary receipts listed on Euronext Amsterdam (the Amsterdam stock exchange) are registered with Centrum voor Fondsenadministratie B.V. under code: 28887

ISIN - Code: NL 0000288876

Stock market prices are followed by:

Bloomberg: SCHIP NA

Datastream: 307406 or H:SIPF

Reuters: SIPFc.AS

Valuers

The following independent firms have valued the Company's properties at 30 June 2002:

France	Cushman & Wakefield Healey & Baker, FPD Savills, Jones Lang LaSalle, Retail Consulting Group
Italy	CB Richard Ellis, Cushman & Wakefield Healey & Baker, Jones Lang LaSalle
Sweden	Cushman & Wakefield Healey & Baker
The Netherlands	Jones Lang LaSalle, Van Gool

REPORT OF THE AUDITORS

Introduction

We have audited the financial statements of Eurocommercial Properties N.V., Amsterdam, for the financial year ended 30 June 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in The Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of the Company as of 30 June 2002 and of the result for the financial year then ended in accordance with accounting principles generally accepted in The Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code and the Act on the Supervision of Investment Institutions.

Amsterdam, 27 August 2002
Ernst & Young Accountants

Supervisory Board

W.G. van Hassel, Chairman
H.Th.M. Bevers
H.W. Bolland
J.H. Goris

Management Board

J.P. Lewis, Chairman
E.J. van Garderen

Directors

J.P.C. Mills
T.R. Newton
T.G.M. Santini

Managers

V. Di Nisio
P.H. Le Goueff
M. Schiavi, (Economist)

Administration

J.M. Veldhuis, Group Controller
D.R.d.L. Albers, Assistant Controller
Ph. Astruc, Assistant Controller France
J.F. Dortland, IT Manager/Controller
R. Fraticelli, Finance Director Italy
J. Lanzino, Assistant Controller Italy
C.M.A. van Niel-Mangel, Controller France
D.C.P. von Pressentin, Assistant Accountant Italy

Board of Stichting Prioriteitsaandelen
Eurocommercial Properties

J.P. Lewis, Chairman
H.J. van Lookeren Campagne
J.C. Pollock

Board of Stichting Administratiekantoor
Eurocommercial Properties

J.P. Lewis, Chairman
A. Plomp
B.T.M. Steins Bisschop

Head Office

Eurocommercial Properties N.V.
Herengracht 469, 1017 BS Amsterdam
Tel: 31 (0) 20 530 6030
Fax: 31 (0) 20 530 6040

Email: info@eurocommercialproperties.com
Website: www.eurocommercialproperties.com

Eurocommercial Properties N.V. is registered
with the Amsterdam Trade Registry
under number: 33230134

Group Offices

4 Carlton Gardens
London, SW1Y 5AB
Tel: 44 (0) 20 7925 7860
Fax: 44 (0) 20 7925 7888

Piazza della Repubblica 30
20124 Milan
Tel: 39 02 63 28 14 227
Fax: 39 02 29 00 00 53

66 avenue des Champs-Élysées
75008 Paris
Tel: 33 (0) 1 4495 1447
Fax: 33 (0) 1 4495 1414

Larry Smith S.r.l

Piazza della Repubblica 30
20124 Milan
Tel: 39 02 63 28 14 1
Fax: 39 02 65 52 13 5