

PRESS RELEASE**ECMPA**
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EURONEXT**Date: 4 November 2011**
Release: Before opening of Euronext Amsterdam**EUROCOMMERCIAL PROPERTIES N.V.**
FIRST QUARTER RESULTS 2011/2012

Direct investment result up 3.8%
Like for like annual rental growth continues at 3.2% but sales turnover slowing

Direct Investment Result

The direct investment result for the three month period to 30 September 2011 rose 3.8% to € 19.2 million from € 18.5 million for the previous corresponding period ended 30 September 2010. The direct investment result is defined as net property income less net interest expenses and company expenses after taxation and in the view of the Board more accurately represents the underlying profitability of the Company than the IFRS "result after tax" which must include unrealised capital gains and losses. The direct investment result per depositary receipt at 30 September 2011 was € 0.47, up 2.2% from € 0.46 at 30 September 2010.

The number of depositary receipts outstanding at 30 September 2011 was 40,813,650.

Rental Growth

Like for like (same floor area) rental growth in the Company's retail properties for the twelve months to 30 September 2011 was 3.2% overall.

	Overall like for like rental growth
All countries	+3.2%
France	+2.6%
Italy	+4.8%
Sweden	+1.5%

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Retail Sales Turnover Growth

Like for like retail sales turnover in Eurocommercial's shopping centres for the twelve months to 30 September 2011 compared with the previous corresponding period are set out below.

Turnover has slowed down in the last quarter, exacerbated by an unusually warm autumn in France, Italy and Sweden which significantly impacted sales of fashion and shoe retailers. The electrical sector, which represents a sizeable portion of Eurocommercial's turnover (although not rental income), also continues to struggle. Early signs indicate that turnovers improved somewhat in October.

	Gallery turnover growth Twelve months to 30 September 2011*
All countries	+0.3%
France	-1.8%
Italy	+1.8%
Sweden	0.0%

	Gallery turnover growth Twelve months to 30 September 2011*
Fashion	-0.5%
Shoes	+2.0%
Gifts and jewellery	+3.1%
Health and beauty	+4.9%
Restaurants	+1.0%
Home goods	-0.4%
Electricals	-0.6%

* Excluding hypermarkets and extensions

Occupancy Cost Ratios

The total occupancy cost ratio (rent plus marketing contributions, service charges and property taxes as a proportion of sales turnover including VAT) for Eurocommercial galleries excluding hypermarkets at the end of the period was 8.0% overall.

	Occupancy cost ratios
All countries	8.0%
France	7.8%
Italy	8.0%
Sweden	8.1%

Vacancy Levels and Rent Arrears

Despite unfavourable economic conditions, overall vacancies and rental arrears of more than 90 days both remain under 1% of rental income.

Adjusted Net Asset Value and IFRS Results

Property valuations were not undertaken at the end of the three month period in accordance with the Company's policy to only commission independent revaluations at the half year and year ends. The adjusted net asset value per depositary receipt therefore changed minimally since June 2011, reflecting only accrued income and currency movements. All properties will be externally valued at 31 December 2011.

The adjusted net asset value figure for 30 September 2011 was € 36.76 per depositary receipt compared with € 34.66 at 30 September 2010 and € 36.35 at 30 June 2011. Adjusted net asset values do not take into account contingent capital gains tax liabilities if all the properties were to be sold simultaneously nor do they take into account the fair value of financial derivatives (interest rate swaps) which are used to stabilise interest costs.

The IFRS net asset value at 30 September 2011, after allowing for contingent capital gains tax liabilities if all properties were to be sold simultaneously and the fair value of the interest rate swap contracts, was € 32.49 per depositary receipt compared with € 30.56 at 30 September 2010 and € 33.57 at 30 June 2011.

Funding

The net debt to adjusted net equity ratio at 30 September 2011 was 71% and the net loan to property value was 41%. Eurocommercial has been steadily lengthening its loan portfolio, securing € 33 million of further long term bank loans since 30 June 2011, so that the average tenure remains just under seven years. 85% of interest costs are fixed through swaps for an average term of nine years. The Company's average overall interest rate at 30 September 2011 was 4.5%, including margins averaging 72 bps.

Property Commentary

In France, the major internal refurbishment of Les Atlantes, Tours has been completed and work is commencing on the exterior. The Passage du Havre refurbishment continues and at Passy Plaza in Paris, Inditex brand Massimo Dutti opened in October 2011 following a restructuring and refurbishment of the GAP unit.

Eurocommercial completed its acquisition of the largest shopping centre in Cremona, Lombardy, on 30 September 2011. The total price, including purchase costs, was € 82.5 million which produces a net yield of 6.75% from January 2012. The property was income producing from 1 October 2011. The centre has a total lettable area of approximately 35,000m² comprising an Ipercoop hypermarket (not included in the purchase) and a 20,500m² gallery, in addition to 5,900m² of external units which were also purchased by Eurocommercial.

At I Gigli in Firenze, construction of the 4,000m² retail park on the site adjacent to the shopping centre is underway and will open in early summer 2012. Pre-leasing for the possible Centroluna extension in Sarzana is also progressing well. The Company will shortly make a decision whether to commit to the project which would have a total cost in the order of € 35 million.

In Sweden, the retail park adjoining Ingelsta Shopping in Norrköping is being redeveloped to accommodate a 1,500m² extension for El Giganten who have signed a 15 year lease for the 4,500m² unit. Two new lettings were completed during the period to Stadium, Sweden's number one sports retailer, at Elins Esplanad, Skövde and in Moraberg, Södertälje. Jysk – the Danish household retailer – are fitting out a new store at 421, Göteborg on a new 12 year lease. The average rental uplift on these three lettings is 16%.

Market Commentary

Speculation in the media on the collapse of the euro bears no relation to the facts – the euro is 25% stronger today against the US dollar and Sterling than it was at launch and has been stable for the last year.

The problems of Greek debt nonetheless occupy many minds but, with a budget deficit of only 4%, fear of Italian default is misplaced. Italian government debt is high at 119% of GDP but both the total debt and deficit were higher before the start of the euro era. There was no default then, nor is there expected to be today.

Eurocommercial believes that the North Italian fundamentals of high disposable income, low corporate and private debt and low shopping centre densities will continue to underpin the performance of good retail projects in the region. However, the difference in pricing and thus yields in Italy versus France and Sweden is marked at over 100 bps and will likely continue until political uncertainties are resolved.

Eurocommercial will monitor its markets carefully for properties offering a balance of initial yield and rental growth prospects but feels under no compulsion to grow the portfolio for the sake of it. All potential investments must be earnings enhancing, bearing in mind that growth is expected to be limited in European economies in 2012, therefore hampering rental growth prospects. In such a market, Eurocommercial's low occupancy cost ratios will continue, it is thought, to ensure limited vacancies and rental arrears.

Annual General Meeting Resolutions Adopted

All proposed resolutions were adopted at the Annual General Meeting of Shareholders held on 1 November 2011, including the proposed dividend of € 1.88 per depositary receipt in cash or in stock at a ratio of one new depositary receipt for every eighteen existing depositary receipts.

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STATEMENT OF CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS*

(€ '000)	First quarter ended 30-09-2011	First quarter ended 30-09-2010
Rental income	38,660	36,860
Service charges income	7,320	7,010
Service charges expenses	(8,205)	(7,916)
Property expenses	(4,603)	(4,358)
Net property income	33,172	31,596
Interest income	424	26
Interest expenses	(12,059)	(10,883)
Net financing expenses	(11,635)	(10,857)
Company expenses	(2,286)	(2,208)
Direct investment result before taxation	19,251	18,531
Corporate income tax	(79)	0
Direct investment result	19,172	18,531
Investment revaluation	718	(675)
Fair value movement derivative financial instruments	(65,540)	(11,360)
Investment expenses	(197)	(128)
Indirect investment result before taxation	(65,019)	(12,163)
Deferred tax	4,282	135
Indirect investment result	(60,737)	(12,028)
Total investment result	(41,565)	6,503
Per depositary receipt (€)**		
Direct investment result	0.47	0.46
Indirect investment result	(1.49)	(0.30)
Total investment result	(1.02)	0.16

STATEMENT OF ADJUSTED NET EQUITY*

(€ '000)	30-09-2011	30-06-2011	30-09-2010
IFRS net equity per balance sheet	1,326,225	1,370,150	1,232,850
Deferred tax liabilities	54,223	59,035	50,116
Derivative financial instruments	119,917	54,443	115,467
Adjusted net equity	1,500,365	1,483,628	1,398,433
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	40,813,650	40,813,650	40,346,461
Net asset value - € per depositary receipt (IFRS)	32.49	33.57	30.56
Adjusted net asset value - € per depositary receipt	36.76	36.35	34.66
Stock market prices - € per depositary receipt	28.73	34.30	34.00

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

** The average number of depositary receipts on issue over the first quarter was 40,813,650 (first quarter 30-09-2010: 40,316,823).

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(€ '000)	First quarter ended 30-09-2011	First quarter ended 30-09-2010
Rental income	38,660	36,860
Service charges income	7,320	7,010
Service charges expenses	(8,205)	(7,916)
Property expenses	(4,603)	(4,358)
Net property income	33,172	31,596
Investment revaluation	718	(675)
Interest income	424	26
Interest expenses	(12,059)	(10,883)
Fair value movement derivative financial instruments	(65,540)	(11,360)
Net financing cost	(77,175)	(22,217)
Company expenses	(2,286)	(2,208)
Investment expenses	(197)	(128)
Result before taxation	(45,768)	6,368
Corporate income tax	(79)	0
Deferred tax	4,282	135
Result after taxation	(41,565)	6,503
Per depositary receipt (€)*		
Result after taxation	(1.02)	0.16
Diluted result after taxation	(1.02)	0.16

* The average number of depositary receipts on issue over the first quarter was 40,813,650 (first quarter 30-09-2010: 40,316,823).

CONSOLIDATED BALANCE SHEET

(€ '000)	30-09-2011	30-06-2011	30-09-2010
Property investments	2,597,827	2,515,854	2,393,460
Property investments under development	7,070	6,200	4,076
Tangible fixed assets	1,209	1,194	1,363
Receivables	942	897	1,043
Derivative financial instruments	416	5,933	1,166
Total non-current assets	2,607,464	2,530,078	2,401,108
Receivables	46,249	28,197	29,361
Cash and deposits	74,389	112,976	79,188
Total current assets	120,638	141,173	108,549
Total assets	2,728,102	2,671,251	2,509,657
Creditors	81,764	62,514	60,437
Borrowings	76,674	71,724	104,938
Total current liabilities	158,438	134,238	165,375
Creditors	9,932	10,398	10,573
Borrowings	1,058,103	1,036,240	932,945
Derivative financial instruments	120,333	60,376	116,633
Deferred tax liabilities	54,223	59,035	50,116
Provision for pensions	848	814	1,165
Total non-current liabilities	1,243,439	1,166,863	1,111,432
Total liabilities	1,401,877	1,301,101	1,276,807
Net assets	1,326,225	1,370,150	1,232,850
Equity Eurocommercial Properties shareholders			
Issued share capital	204,283	204,283	202,167
Share premium reserve	396,256	395,990	400,148
Other reserves	565,974	568,600	530,292
Undistributed income	159,712	201,277	100,243
Net assets	1,326,225	1,370,150	1,232,850
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	40,813,650	40,813,650	40,346,461
Net asset value - € per depositary receipt	32.49	33.57	30.56

CONSOLIDATED CASH FLOW STATEMENT

(€ '000)	30-09-2011	30-09-2010
Cash flow from operating activities		
Result after taxation	(41,565)	6,503
Adjustments:		
Increase in receivables	(17,914)	(3,232)
Increase in creditors	18,612	5,500
Interest income	(424)	(26)
Interest expenses	12,059	10,882
Movement stock options	266	243
Derivative financial instruments	65,540	11,360
Deferred tax	(4,282)	(135)
Other movements	165	864
	32,457	31,959
Cash flow from operations		
Derivative financial instruments	0	(172)
Borrowing costs	0	(465)
Interest paid	(11,120)	(10,208)
Interest received	346	26
	21,683	21,140
Cash flow from investing activities		
Property acquisitions	(80,923)	0
Capital expenditure	(7,817)	(14,688)
Additions to tangible fixed assets	(64)	(139)
	(88,804)	(14,827)
Cash flow from financing activities		
Borrowings added	40,026	3,969
Repayment of borrowings	(10,817)	(48,251)
Stock options exercised	0	1,117
Increase in non-current creditors	(518)	(134)
	28,691	(43,299)
Net cash flow	(38,430)	(36,986)
Currency differences on cash and deposits	(157)	(44)
Decrease in cash and deposits	(38,587)	(37,030)
Cash and deposits at beginning of period	112,976	116,218
Cash and deposits at the end of period	74,389	79,188

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	First quarter ended 30-09-2011	First quarter ended 30-09-2010
Result after taxation	(41,565)	6,503
Foreign currency translation differences	(2,626)	10,664
Total other comprehensive income	(2,626)	10,664
Total comprehensive income	(44,191)	17,167

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The movements in shareholders' equity in the first quarter ended 30 September 2011 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2011	204,283	395,990	568,600	201,277	1,370,150
Result for the year				(41,565)	(41,565)
Other comprehensive income			(2,626)		(2,626)
Total comprehensive income			(2,626)	(41,565)	(44,191)
Stock options granted		266			266
30-09-2011	204,283	396,256	565,974	159,712	1,326,225

The movements in shareholders' equity in the previous first quarter ended 30 September 2010 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2010	202,167	399,905	518,511	93,740	1,214,323
Profit for the year				6,503	6,503
Other comprehensive income			10,664		10,664
Total comprehensive income			10,664	6,503	17,167
Stock options exercised			1,117		1,117
Stock options granted		243			243
30-09-2010	202,167	400,148	530,292	100,243	1,232,850

Property information: country spread (%)	30-09-2011	30-09-2010
France	35	36
Italy	41	39
Sweden	24	25
	100	100

Net property income by country (€ '000)	30-09-2011	30-09-2010
France	11,312	11,594
Italy	13,776	12,919
Sweden	8,084	7,083
	33,172	31,596

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