

## PRESS RELEASE



**Date: 29 August 2014**  
**Release: Before opening of Euronext Amsterdam**

## EUROCOMMERCIAL PROPERTIES N.V. YEAR END RESULTS 2013/2014

**Earnings (direct investment result) for the 12 month period to 30 June 2014 increased by 1.7%, enabling a proposed dividend increase to €1.94 per depositary receipt. Property values increased by 1.3% and vacancies remain under 1%. Property markets are strong but very low inflation has diminished indexed rental growth.**

### Summary of Results

**Net Property Income up 1.8%:** Net property income increased by 1.8% over the 12 month period to 30 June 2014 to €147.0 million from €144.4 million for the same period to 30 June 2013.

**Like for Like Rent up 1.5%:** Like for like rental growth (same floor area) for the 12 months to 30 June 2014 is outlined below per country. The main reason for the relatively modest growth was the flat overall indexation.

<b>Overall</b>	<b>1.5%</b>
France	1.6%
Italy	0.8%
Sweden	2.8%

**Retail Sales Turnover up 1.3%:** Overall like for like retail sales turnover for the 12 months to 30 June 2014 grew by 1.3% when compared with the same period of the previous year.

**Direct Investment Result up 1.7%:** The direct investment result increased by 1.7% over the year to 30 June 2014 to €82.9 million. The direct investment result per depositary receipt fell by €0.01 to €1.96 due to a greater number of depositary receipts in issue following the 39% take-up of the 2013 stock dividend.

**Dividend up 1.0%:** Proposed increase in annual dividend to €1.94 per depositary receipt compared with €1.92 in 2012/2013.

**Property Valuations up 1.3%:** Property values at 30 June 2014 increased by 1.3% over June 2013 and by 1.2% since December 2013. Over the year to 30 June 2014 the value of Eurocommercial's investment properties increased by 1.7% in France, 0.8% in Italy and 1.4% in Sweden. The changes since December 2013 were 1.7% in France, 0.6% in Italy and 1.3% in Sweden.

**Adjusted Net Asset Value up 0.7%:** Adjusted net asset value per depositary receipt at 30 June 2014 was €36.74 – an increase of 0.7% compared to €36.47 at 30 June 2013 and 3.6% compared to €35.45 at 31 December 2013.

**Property Transactions:** In October 2013, Eurocommercial completed the sale of Passy Plaza, Paris, at a price of €141 million (4.7% above its most recent valuation), the proceeds of which have already been reinvested in Centre Commercial Val Thoiry in the Greater Geneva area which was purchased for a gross cost of €111.5 million in June 2013. In August 2013 the Company also concluded its purchase of the newly-built retail park adjoining its centre in Chasse-sur-Rhône for a total cost of €24 million representing a net yield of 7%. Shortly after the June year end, two parcels of land were purchased next to Les Atlantes, Tours and Val Thoiry to facilitate future extensions of both properties. The total combined cost was €16 million.

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## Results in Detail

### **Rental Growth**

Like for like rental growth for Eurocommercial's retail portfolio for the year to 30 June 2014 was 1.5% with the best performance coming from Sweden at 2.8% followed by France and Italy with 1.6% and 0.8% respectively. These figures compare tenancy schedules (same floor area) used by the independent valuers at the balance dates to ensure consistency. In addition to renewals and relettings, rental growth components also include indexation and turnover rents but exclude entry premiums. Average indexation across all countries for calendar 2014 was flat, which has impacted rental growth and will continue to do so for the year ahead.

An overview of like for like rental growth and the number of relettings and renewals completed during the 12 month period to 30 June 2014 is set out in the table below.

	<b>Like for like rental growth</b>	<b>Number of relettings and renewals</b>	<b>% of total leases relet and renewed</b>	<b>Average rental uplift on relettings and renewals</b>
<b>Overall</b>	<b>1.5%</b>	<b>202</b>	<b>14%</b>	<b>+8%</b>
France	1.6%	27	6%	+30%
Italy	0.8%	113	16%	+6%
Sweden	2.8%	62	22%	+6%

### **Retail Sales Turnover**

Overall like for like (same floor area) retail sales turnover in Eurocommercial's shopping centres for the 12 months to 30 June 2014 increased by 1.3% compared with the same period in 2013. The strongest performance came from Sweden (4.0%) followed by France (1.7%) and Italy (-0.1%). The trend has generally improved over the year, as indicated by the six month turnover figures to June 2014 which averaged 1.5% across the group.

In the various sectors, the strongest performance was in Home Goods (5.6%) while the weakest came from Sport (-2.1%). Turnover in the Electrical sector is finally positive again at 1.3% for the 12 months to June 2014 after a considerable period of decline.

## Retail Sales Turnover by Country\*

	Twelve months to 30 June 2014	Six months to 30 June 2014
<b>Overall</b>	<b>1.3%</b>	<b>1.5%</b>
France	1.7%	1.8%
Italy	-0.1%	0.0%
Sweden	4.0%	4.4%

\* Excluding hypermarkets and extensions

## Retail Sales Turnover by Sector\*

	Twelve months to 30 June 2014	Six months to 30 June 2014
Fashion	1.2%	2.0%
Shoes	3.1%	6.3%
Gifts and jewellery	1.6%	3.6%
Health and beauty	2.7%	2.3%
Sport	-2.1%	-2.2%
Restaurants	-0.8%	-0.4%
Home goods	5.6%	6.4%
Electricals	1.3%	-0.1%
Hyper/supermarkets	0.1%	-0.1%

\* Excluding extensions

## Occupancy Cost Ratios (OCRs)

Total occupancy cost ratios (rent plus marketing contributions, service charges and tenant property taxes as a proportion of sales turnover including VAT) for Eurocommercial galleries excluding hypermarkets at the end of the year were 8.1% overall; 8.0% in France, 8.3% in Italy and 7.6% in Sweden. When VAT is excluded in the sale turnover, the figures were 9.7% overall; 9.6% in France, 9.9% in Italy and 9.5% in Sweden.

OCRs have been gradually increasing over recent years as turnovers have come under pressure during the economic downturn. However, Eurocommercial's long-term philosophy to maintain OCRs at a reasonable level to ensure that rents are sustainable for its tenants has meant that retailers in its centres have weathered the recession well.

## Vacancies and Arrears

Eurocommercial's retail vacancies represent less than 1% of rental income – a figure which has remained consistently low throughout the Company's history.

The Company remains cautious, as ever, in its approach so although vacancies are not expected to increase significantly in any of its markets in the near future, Eurocommercial continues to ensure that its occupancy cost ratios are reasonable and the rent is therefore affordable for tenants. This is also reflected in the arrears of more than 90 days which remain minimal, although slightly higher than in previous periods, at 1.2% of rental income.

Out of a total of 1,436 tenants, there are five tenants in administration - three in France, two in Italy but none in Sweden.

## Direct Investment Result

The direct investment result for the year to 30 June 2014 rose to €82.9 million from €81.5 million for the year ended 30 June 2013, an increase of 1.7%. The direct investment result per depositary receipt for the year to 30 June 2014, however, decreased slightly to €1.96 from €1.97 due to a greater number of depositary receipts in issue following the 39% take-up of the 2013 stock dividend.

The direct investment result is defined as net property income less net interest expenses and company expenses after taxation and in the view of the Board more accurately represents the underlying profitability of the Company than the IFRS “profit after tax” which must include unrealised capital gains and losses.

## Dividend

The Board proposes increasing the annual dividend to €1.94 per depositary receipt (10 ordinary shares) notwithstanding the direct investment result of €1.96 per depositary receipt. The Board believes that this continued cautious approach allows it to be confident that it can continue its unbroken record of at least maintaining dividends despite a reorganisation of the portfolio following recent sales and acquisitions and limited rental growth as a result of low indexation.

Holders of depositary receipts will again be offered the option of taking new depositary receipts from the Company’s share premium reserve, instead of the cash dividend payable, on 28 November 2014. The price of these depositary receipts will be announced on 31 October 2014.

## Property Valuations

As usual, all of Eurocommercial’s properties were independently valued at 30 June 2014 by major international firms in accordance with the standards set out in the “Red Book” of The Royal Institution of Chartered Surveyors. The change in values of the properties since December and June 2013 are set out in the table below, together with their net yields. The net yield figures are derived by dividing expected net income for the coming year by the valuation figure, to which has been added the relevant standardised market allowance for deemed purchaser’s costs (usually notional transfer taxes) in the particular country. The objective is to replicate the calculations of a professional institutional investor. In France, several départements increased their registration taxes this year from 6.2% to 6.9% which had a negative impact of €3.7 million on the French net valuations.

	Valuation changes		Net yield including purchase costs
	Twelve months to 30 June 2014	Six months to 30 June 2014	At 30 June 2014
<b>Overall</b>	<b>1.3%</b>	<b>1.2%</b>	<b>5.7%</b>
France	1.7%	1.7%	5.1%
Italy	0.8%	0.6%	6.3%
Sweden	1.4%	1.3%	5.6%

## Independent valuations by property

	Net value June 2014	Net value June 2013	Change June 2014 / June 2013	Net yield including purchase costs	Cost to date
<b>France (€ million)</b>					
Amiens Glisy, Amiens <sup>5</sup>	47.50	46.80	1.5%	5.6%	16.07
Les Grands Hommes, Bordeaux <sup>1</sup>	17.80	17.80	0.0%	4.3%	18.22
Saint Douillard, Bourges <sup>1</sup>	39.10	39.00	0.3%	6.0%	49.67
Chasse Sud, Chasse-sur-Rhône <sup>2</sup>	56.00	55.00	1.8%	6.1%	60.04
Les Allées de Cormeilles, Cormeilles <sup>5</sup>	40.50	41.00	-1.2%	5.9%	44.73
Les Trois Dauphins, Grenoble <sup>5</sup>	36.80	35.80	2.8%	5.7%	25.69
Centr'Azur, Hyères <sup>2</sup>	51.60	50.40	2.4%	5.5%	21.75
Plaine de France, Moisselles <sup>2</sup>	75.20	75.20	0.0%	5.5%	62.77
Passage du Havre, Paris <sup>1</sup>	324.10	306.60	5.7%	4.5%	189.26
74 rue de Rivoli, Paris <sup>5</sup>	56.30	53.60	5.0%	4.3%	20.64
Les Portes de Taverny, Taverny <sup>5</sup>	61.50	59.30	3.7%	5.2%	25.12
Val Thoiry, Thoiry <sup>2</sup>	107.70	111.40	-3.3%	5.5%	112.02
Les Atlantes, Tours <sup>5</sup>	129.40	127.80	1.3%	5.1%	56.83
<b>TOTAL FRANCE</b>	<b>1,043.50</b>	<b>1,019.70</b>		<b>5.1%</b>	<b>702.82</b>
<b>Italy (€ million)</b>					
Curno, Bergamo <sup>2</sup>	97.40	96.20	1.2%	6.3%	34.60
Centro Lama, Bologna <sup>4</sup>	36.20	36.20	0.0%	6.8%	29.71
Cremona Po, Cremona <sup>4</sup>	80.20	80.40	-0.2%	6.8%	84.00
Il Castello, Ferrara <sup>2</sup>	104.70	99.30	5.4%	6.3%	84.85
I Gigli, Firenze <sup>4</sup>	250.80	244.30	2.7%	6.4%	212.49
Centro Leonardo, Imola <sup>2</sup>	66.50	66.20	0.5%	6.4%	65.04
La Favorita, Mantova <sup>1</sup>	43.90	45.00	-2.4%	6.7%	34.07
Carosello, Carugate, Milano <sup>1</sup>	295.60	292.00	1.2%	5.7%	188.58
I Portali, Modena <sup>4</sup>	40.80	41.20	-1.0%	6.6%	42.56
Centroluna, Sarzana <sup>1</sup>	24.60	25.20	-2.4%	6.8%	14.92
<b>TOTAL ITALY</b>	<b>1,040.70</b>	<b>1,026.00</b>		<b>6.3%</b>	<b>790.82</b>
<b>Sweden (SEK million) *</b>					
421, Göteborg <sup>4</sup>	758.00	758.00	0.0%	5.6%	829.77
Eurostop, Halmstad <sup>2</sup>	594.00	580.00	2.4%	5.8%	581.64
Kronan, Karlskrona <sup>3</sup>	174.00	171.00	1.8%	6.1%	154.57
Bergvik, Karlstad <sup>3</sup>	670.00	659.00	1.7%	5.5%	345.90
Mellby Center, Laholm <sup>3</sup>	169.00	167.00	1.2%	6.0%	140.95
Ingelsta Shopping, Norrköping <sup>3</sup>	990.00	969.00	2.2%	5.8%	888.48
Elins Esplanad, Skövde <sup>3</sup>	720.00	705.00	2.1%	5.5%	549.47
Moraberg, Södertälje <sup>2</sup>	408.00	397.00	2.8%	6.1%	365.52
Hälla Shopping, Västerås <sup>4</sup>	153.00	151.00	1.3%	6.1%	197.46
Grand Samarkand, Växjö <sup>3</sup>	910.00	879.00	3.5%	5.2%	736.72
<b>TOTAL SWEDEN</b>	<b>5,546.00</b>	<b>5,436.00</b>		<b>5.6%</b>	<b>4,790.48</b>

\* 1 € = 9.176 SEK

Valuations by: <sup>1</sup> CBRE, <sup>2</sup> Cushman & Wakefield, <sup>3</sup> DTZ, <sup>4</sup> JLL, <sup>5</sup> Knight Frank

## **Adjusted Net Asset Value and IFRS Results**

The adjusted net asset value figure at 30 June 2014 was €36.74 per depositary receipt, up 0.7% compared with €36.47 at 30 June 2013 and 3.6% compared with €35.45 at 31 December 2013. Adjusted net asset values do not take into account contingent capital gains tax liabilities nor do they take into account the fair value of financial derivatives (interest rate swaps) which are used to stabilise interest costs.

The IFRS net asset value at 30 June 2014 was €32.77 per depositary receipt, compared with €32.73 at 30 June 2013 and €32.11 at 31 December 2013 and includes both contingent capital gains tax liabilities if all the properties were to be sold simultaneously and the fair value of financial derivatives (interest rate swaps).

Both adjusted and IFRS net asset values per depositary receipt at 30 June 2014 reflect the increased number of depositary receipts in issue following the 39% take-up of the 2013 stock dividend. The number of depositary receipts outstanding at the end of the period after deduction of the depositary receipts bought back was 42,319,567.

Despite an increase in property valuations of €33.1 million for the year ended 30 June 2014 compared with an increase of €6.6 million for the year ended 30 June 2013, the total investment result (IFRS profit after taxation) for the year decreased to €99.8 million from €123.3 million for the previous financial year, mainly due to the negative fair value movement of the derivative financial investments (interest rate swap contracts) of €12.6 million caused by lower interest rates (previous financial year positive €28.5 million) and a small negative deferred tax result of €1.7 million, which last year showed a positive result of €18.6 million due to the sale of Burlöv Center in Sweden. It is the view of the Board that this result, as it includes unrealised “capital” movements, does not properly represent continuing underlying earnings which are better defined by the direct investment result, the standard representation of operational profit for Dutch property companies.

## **Funding**

In June 2014 Eurocommercial extended the terms on a portfolio of loans for an amount of €93 million with one of its Swedish banks for a period of three years. During the last quarter of the financial year, the Company also positively renegotiated the margins on loans for an amount of €86 million granted by Italian banks, thereby reflecting the more favourable environment for obtaining bank financing for financially sound parties. A similar positive margin renegotiation was made on a Swedish loan for an amount of €46 million shortly after the end of the financial year.

Short term borrowings reduced by €161 million over the financial year, partly due to the repayment of the short term loans used to fund the acquisition of Val Thoiry and partly due to the aforementioned extension of some loans in Sweden. The ratio of short term borrowings to long term borrowings therefore improved significantly, with only 11% of total borrowings being short term at the balance sheet date. At 30 June 2014 the average term of the total borrowings was almost five years.

At 30 June 2014 the net debt to adjusted net equity ratio was 70% (30 June 2013: 81%) and the net loan to property value was 40% (30 June 2013: 44%). Both ratios have been reduced significantly since 30 June 2013 as the proceeds from the sale of Passy Plaza, Paris were used to repay the short term loans which funded the acquisition of Val Thoiry. At the end of the financial year 82% of interest costs were fixed for an average of more than seven years resulting in an average overall interest rate for the total loan portfolio of 3.95%, including margins averaging 91bps.

## **Buy Back Programme**

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

As at the date of this release, the Company has bought back 1,163,300 depositary receipts to cover possible exercises of both sets of stock options, thereby almost concluding the programme.

## Country Commentary

### **France**

Rental growth for the year was 1.6%, of which 0.9% derived from relettings and renewals, 0.5% from indexation and the balance from turnover rent and filling vacancies. 27 relettings and renewals were achieved during the year with relettings (15) providing an average uplift of 37% and renewals (12) 19%.

The portfolio in France remains resilient and sales growth for the year was 1.7%. Out of the 12 centres for which data is received, 11 showed sales growth, with the best performing centres being Amiens Glisy, Amiens (6.2%) and Centr'Azur, Hyères (4.3%) - both beneficiaries of a new pricing policy in the Géant Casino hypermarkets. The Passage du Havre, Paris and its anchor Fnac have returned to a positive trend and have unquestionably withstood new competition in the area. The Chasse Sud retail park in Chasse-sur-Rhône has traded well since opening last summer, and the small centre at St Douichard in Bourges has clearly benefited from its refurbishment and small extension.

Shortly after the end of the financial year, Eurocommercial acquired a 23,000m<sup>2</sup> block of land next to Les Atlantes, Tours for a price of €7 million. The site provides the land necessary for a major expansion of the gallery which is situated in the heart of the Tours agglomeration. The centre opened in 1992 and was refurbished in 2011 but has never been extended. Discussions with the authorities are well advanced and it is intended to submit a formal planning application shortly.

Refurbishment works have commenced at Val Thoiry in the Greater Geneva area and Eurocommercial has also signed a contract to acquire four hectares of land opposite the centre for a price of €9 million in order to extend the existing shopping centre. The land has outline planning consent for 12,500m<sup>2</sup> of GLA.

At Chasse Sud, Chasse-sur-Rhône the Company is finalising the necessary consents to extend the small service mall of the Géant hypermarket. Pre-letting is underway and once this has reached 70% construction works should commence. Project costs are likely to be in the order of €10 million and the yield on cost around 7%. Planning consent has been obtained for a 5,000m<sup>2</sup> extension at Amiens Glisy, Amiens and pre-letting is underway. Any extension will be accompanied by a major refurbishment programme.

In an increasingly competitive environment it is essential for centres to remain fresh and attractive to shoppers and with this in mind refurbishments are being planned at Les Portes de Taverny, Taverny and Plaine de France, Moisselles.

### **Italy**

Falling inflation in Italy has translated into lower rental indexation and subsequently a more subdued like for like rental growth figure for the year of just 0.8%. The biggest contributor to rental growth was the uplift achieved on new leases signed which compensated for the reduced turnover rent received and slightly higher vacancy.

113 new leases were signed across the portfolio during the year, producing a rental uplift on those leases of nearly 6%. The 30 new tenants which came into the centres contributed a greater than average increase of 11% and also helped refresh the retail offer.

Overall turnover was flat over the year with the unit shops (+1%) slightly outperforming the anchor stores (-1%). Interestingly the Electricals sector was the best performer amongst the unit shops, driven by mobile phone operators focusing as much on providing customer support and contract sales as the sale of new devices. The hypermarkets (which apart from at Carosello are not owned by Eurocommercial) saw a dip in performance but this is not related to e-commerce which is almost non-existent in the food sector in Italy. Hypermarkets remain an important driver of footfall, except in the largest centres which are less dependent on food.

At Cremona Po an 11,500m<sup>2</sup> parcel of land was purchased between the shopping centre and the retail park which will be used to shorten the access route to the main car park, add around 250 new surface car spaces, develop a large children's play area and create a pedestrian link between the retail park and the shopping centre. Work is scheduled to begin in late summer 2014 at a cost of around €2 million, including the purchase of the land.

At I Portali, Modena the refurbishment is underway at a cost in the region of €4.5 million. The aim is to improve the public spaces with increased natural light, better use of the piazzas, new entrances and customer toilets and taller shop fronts to increase the impact of the retail offer. At I Gigli, Firenze the final stages of negotiations are underway with the local authority to add further car parking. Consent is expected in autumn 2014. In late 2013 the pedestrian link between the retail park and the shopping centre was completed. This included the creation of a large children's play area with landscaping which is also used for events.

Eurocommercial intends to submit a planning application for a significant extension of Carosello, Milano in autumn 2014.

## **Sweden**

Despite negligible indexation, rental growth was strong at 2.8%, up from 1.2% last year. This performance was the result of a very successful lease renewal programme, some active tenant rotation and the reletting of the few vacancies in the portfolio. In total, the in-house leasing team completed a total of 62 negotiations producing an average uplift of over 6%. The most significant increases were achieved on 16 lease renewals completed at Elins Esplanad, Skövde which achieved an overall uplift of more than 14%.

Retail sales have been consistently strong in the galleries and were up 4% during the year. The outperformers included Grand Samarkand, Växjö at 10.5%, Eurostop, Halmstad at 6.3% and the retail park at Moraberg, Södertälje at 8.0%. It was particularly encouraging to see the rebound in the Electrical sector at 11.5%. Hypermarket sales were flat over the year.

No properties were acquired or sold during the year. The main focus continues to be the extension of Eurostop, a shopping centre acquired in August 2012 and located on the E6/E20 motorway outside Halmstad on Sweden's west coast. The existing centre comprises a 10,800m<sup>2</sup> Coop hypermarket and adjoining 13,600m<sup>2</sup> gallery with 34 retail tenants including Willys, H&M, KappAhl, Lindex and Systembolaget together with a hotel. A planning application for a 16,000m<sup>2</sup> (GLA) extension has received the support of the municipality and region and it is envisaged that a new zoning plan will be forthcoming imminently to permit a development to start in 2015 which will open in phases during the following two years. Ongoing discussions with existing and future anchors remain very encouraging and early terms have been agreed with Statoil who will vacate their existing petrol station and lorry park once their new petrol station is completed. This will release 14,000m<sup>2</sup> of land that they currently rent to allow for the future extension.

A thorough refurbishment of Bergvik, outside Karlstad, is also planned. This important regional shopping centre which adjoins a Coop and ICA Maxi hypermarket is now 10 years old. While it has performed very well, almost doubling in value since Eurocommercial acquired it in 2005 and still has the highest turnover per square metre in the portfolio, retail sales have levelled out over the last two years as external retail box competition has come on stream. A new external façade and entrances, new floors, ceilings and lighting will give the centre a much needed facelift and ensure that the gallery continues to be the main target for both domestic and international retailers wanting to establish a presence in the Värmland region in western Sweden.

## **Market Commentary and Outlook**

Despite some continuing economic difficulties, European countries, including our markets of France, Italy and Sweden, are displaying signs of increased consumer confidence and spending, as reflected in the turnover growth in our centres of 1.3% over the last year. Inflation is practically non-existent in our markets, which, because all rents are indexed, means that overall rental growth will continue to be quite modest for the next year. Market reviews should still achieve average uplifts of around 5-10% though, as they have done this year.

Demand for good investment property is at an all-time high because property yields are attractive against alternatives, particularly government bonds, where average European 10 year yields are below 2% and 10 year interest rate swaps below 1.5%.

Clearly, with the certainty of eventual interest rate rises, if not their timing, one should be careful not to get carried away, notwithstanding the current popularity and scarcity of good property. We will, therefore, continue to concentrate on the essentials of sustainable income in our three countries of choice which, despite current travails, are fundamentally stable, wealthy and accessible.



## Proposed Supervisory Board Appointments

At the Annual General Meeting to be held on 4 November 2014 it will be proposed to appoint Ms Brigitte Carrière, of French nationality, Mr Richard Foulkes, of British nationality, and Mr Bas Steins Bisschop, of Dutch nationality, as members of the Supervisory Board of Eurocommercial. They will succeed Mr Willem van Hassel, the Chairman of the Board, and Mr Andre Teeuw, who will retire by rotation and are not available for re-election. The Supervisory Board will then be composed of six Directors, with members from France, Italy, Sweden, the Netherlands and the United Kingdom, which is in line with the international profile of the Board as agreed by the shareholders meeting in November 2012. It is the intention of the Board to elect Mr Bas Steins Bisschop as the new Chairman. CVs and background information will be available on Friday 19 September 2014, when the official notice to convene the Annual General Meeting is published.

## Financial Calendar

19 September 2014	Annual report 2013/2014 published
31 October 2014	Announcement of scrip issue price
4 November 2014 at 14:00	Annual General Meeting at the Amstel InterContinental Hotel, Amsterdam
6 November 2014	Ex-dividend date
7 November 2014	First quarter results 2014/2015
28 November 2014	Dividend payment date
6 February 2015	Half year results 2014/2015
8 May 2015	Third quarter results 2014/2015
28 August 2015	Year end results 2014/2015

## Conference Call and Webcast

Eurocommercial will host a conference call and audio webcast today, Friday 29 August 2014, at 9:00 AM (UK) / 10:00 AM (CET) for investors and analysts.

To access the call, please dial **+44 (0)1452 555 566** approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial call using the conference ID number **75213580**. The call will also be audio webcast at [www.eurocommercialproperties.com/financial/webcast](http://www.eurocommercialproperties.com/financial/webcast).

An accompanying presentation will be available to download from the Company's website at [www.eurocommercialproperties.com/financial/presentations](http://www.eurocommercialproperties.com/financial/presentations) shortly before the start of the call.

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

## STATEMENT OF CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS\*

(€ '000)	Twelve months ended 30-06-2014	Twelve months ended 30-06-2013	Fourth quarter ended 30-06-2014	Fourth quarter ended 30-06-2013
Rental income	174,899	172,596	43,959	44,545
Service charges income	26,368	28,418	5,811	6,090
Service charges expenses	(29,229)	(31,325)	(6,663)	(6,578)
Property expenses	(25,060)	(25,321)	(6,844)	(7,605)
Net property income	146,978	144,368	36,263	36,452
Interest income	1,330	2,479	341	591
Interest expenses	(54,004)	(54,248)	(13,849)	(13,275)
Net financing expenses	(52,674)	(51,769)	(13,508)	(12,684)
Company expenses	(11,206)	(10,576)	(3,216)	(2,626)
Direct investment result before taxation	83,098	82,023	19,539	21,142
Current tax	(228)	(505)	(26)	(194)
<b>Direct investment result</b>	<b>82,870</b>	<b>81,518</b>	<b>19,513</b>	<b>20,948</b>
Investment revaluation and disposal of investment properties	33,084	4,867	30,338	17,001
Fair value movement derivative financial instruments	(12,592)	20,479	(13,031)	22,688
Investment expenses	(1,867)	(2,134)	(1,444)	(922)
Indirect investment result before taxation	18,625	23,212	15,863	38,767
Deferred tax	(1,705)	18,578	(1,110)	(1,192)
<b>Indirect investment result</b>	<b>16,920</b>	<b>41,790</b>	<b>14,753</b>	<b>37,575</b>
<b>Total investment result</b>	<b>99,790</b>	<b>123,308</b>	<b>34,266</b>	<b>58,523</b>
<b>Per depositary receipt (€)**</b>				
Direct investment result	1.96	1.97	0.46	0.50
Indirect investment result	0.40	1.01	0.34	0.92
Total investment result	2.36	2.98	0.80	1.42

## STATEMENT OF ADJUSTED NET EQUITY\*

(€ '000)	30-06-2014	30-06-2013
IFRS net equity per balance sheet	1,386,632	1,366,064
Derivative financial instruments	132,379	120,350
Deferred tax liabilities	36,795	36,192
Deferred tax assets	(800)	(284)
<b>Adjusted net equity</b>	<b>1,555,006</b>	<b>1,522,322</b>
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	42,319,567	41,740,054
Net asset value - € per depositary receipt (IFRS)	32.77	32.73
Adjusted net asset value - € per depositary receipt	36.74	36.47
Stock market prices - € per depositary receipt	36.02	28.20

\* These statements contain additional information which is not part of the IFRS financial statements. The comparative figures for June 2013 have been restated for the actuarial result on the pension scheme under IAS 19R.

\*\* The average number of depositary receipts on issue over the year was 42,311,667 compared with 41,410,071 for the previous financial year.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT\*

(€ '000)	Twelve months ended 30-06-2014	Twelve months ended 30-06-2013	Fourth quarter ended 30-06-2014	Fourth quarter ended 30-06-2013
Rental income	174,899	172,596	43,959	44,545
Service charges income	26,368	28,418	5,811	6,090
Service charges expenses	(29,229)	(31,325)	(6,663)	(6,578)
Property expenses	(25,060)	(25,321)	(6,844)	(7,605)
Net property income	146,978	144,368	36,263	36,452
Investment revaluation and disposal of investment properties	33,084	4,867	30,338	17,001
Interest income	1,330	2,479	341	591
Interest expenses	(54,004)	(54,248)	(13,849)	(13,275)
Fair value movement derivative financial instruments	(12,592)	20,479	(13,031)	22,688
Net financing cost	(65,266)	(31,290)	(26,539)	10,004
Company expenses	(11,120)	(10,261)	(3,130)	(2,311)
Investment expenses	(1,953)	(2,449)	(1,530)	(1,237)
Profit before taxation	101,723	105,235	35,402	59,909
Current tax	(228)	(505)	(26)	(194)
Deferred tax	(1,705)	18,578	(1,110)	(1,192)
Total tax	(1,933)	18,073	(1,136)	(1,386)
<b>Profit after taxation</b>	<b>99,790</b>	<b>123,308</b>	<b>34,266</b>	<b>58,523</b>
<b>Per depositary receipt (€)**</b>				
Profit after taxation	2.36	2.98	0.80	1.42
Diluted profit after taxation	2.28	2.87	0.78	1.36

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME\*

(€ '000)	Twelve months ended 30-06-2014	Twelve months ended 30-06-2013	Fourth quarter ended 30-06-2014	Fourth quarter ended 30-06-2013
Profit after taxation	99,790	123,308	34,266	58,523
Foreign currency translation differences (to be recycled through profit and loss account)	(14,291)	(3,573)	(8,009)	(16,084)
Actuarial result on pension scheme	55	(389)	55	(389)
Total other comprehensive income	(14,236)	(3,962)	(7,954)	(16,473)
<b>Total comprehensive income</b>	<b>85,554</b>	<b>119,346</b>	<b>26,312</b>	<b>42,050</b>
<b>Per depositary receipt (€)**</b>				
Total comprehensive income	2.03	2.87	0.62	1.01
Diluted total comprehensive income	1.97	2.77	0.60	0.97

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

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

## CONSOLIDATED BALANCE SHEET\*

(€ '000)	30-06-2014	30-06-2013
Property investments	2,688,603	2,640,423
Property investment under development	0	24,600
Tangible fixed assets	1,906	2,034
Receivables	234	245
Deferred tax assets	800	284
<b>Total non-current assets</b>	<b>2,691,543</b>	<b>2,667,586</b>
Receivables	30,168	29,019
Cash and deposits	85,372	51,422
<b>Total current assets</b>	<b>115,540</b>	<b>80,441</b>
Property investments held for sale	0	141,000
<b>Total assets</b>	<b>2,807,083</b>	<b>2,889,027</b>
Creditors	65,464	66,505
Borrowings	131,935	293,280
<b>Total current liabilities</b>	<b>197,399</b>	<b>359,785</b>
Creditors	10,733	11,137
Borrowings	1,041,301	993,643
Derivative financial instruments	132,379	120,350
Deferred tax liabilities	36,795	36,192
Provision for pensions	1,844	1,856
<b>Total non-current liabilities</b>	<b>1,223,052</b>	<b>1,163,178</b>
<b>Total liabilities</b>	<b>1,420,451</b>	<b>1,522,963</b>
<b>Net assets</b>	<b>1,386,632</b>	<b>1,366,064</b>
<b>Equity Eurocommercial Properties shareholders</b>		
Issued share capital	213,875	208,890
Share premium reserve	385,838	393,547
Other reserves	687,129	640,319
Undistributed income	99,790	123,308
<b>Net assets</b>	<b>1,386,632</b>	<b>1,366,064</b>
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	42,319,567	41,740,054

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

## CONSOLIDATED CASH FLOW STATEMENT\*

(€ '000)	Twelve months ended 30-06-2014	Twelve months ended 30-06-2013
<b>Cash flow from operating activities</b>		
Profit after taxation	99,790	123,308
Adjustments:		
Increase in receivables	(1,325)	(6,469)
Increase in creditors	7,444	211
Interest income	(1,330)	(2,479)
Interest expenses	54,004	54,248
Movement stock options and performance shares granted	(78)	1,117
Investment revaluation	(32,604)	2,985
Derivative financial instruments	12,592	(20,479)
Deferred tax	1,705	(18,578)
Current tax	228	505
Other movements	725	(3,483)
	<b>141,151</b>	<b>130,886</b>
<b>Cash flow from operations</b>		
Current tax paid	(390)	(254)
Derivative financial instruments	0	(8,038)
Borrowing costs	(599)	(980)
Interest paid	(54,426)	(54,194)
Interest received	1,205	2,866
	<b>86,941</b>	<b>70,286</b>
<b>Cash flow from investing activities</b>		
Property acquisitions	0	(196,404)
Capital expenditure	(24,593)	(50,598)
Property sales	141,000	125,301
Additions to tangible fixed assets	(591)	(2,008)
	<b>115,816</b>	<b>(123,709)</b>
<b>Cash flow from financing activities</b>		
Borrowings added	155,867	278,469
Repayment of borrowings	(259,178)	(243,909)
Dividends paid	(48,620)	(54,670)
Stock options exercised	4,796	124
Depository receipts bought back	(21,084)	0
Decrease/increase in non-current creditors	(27)	4,270
	<b>(168,246)</b>	<b>(15,716)</b>
<b>Net cash flow</b>		
Currency differences on cash and deposits	(561)	(393)
Increase/decrease in cash and deposits	33,950	(69,532)
Cash and deposits at beginning of year	51,422	120,954
Cash and deposits at end of year	<b>85,372</b>	<b>51,422</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY\*

The movements in shareholders' equity in the financial year ended 30 June 2014 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Total
30-06-2013	208,890	393,547	640,319	123,308	1,366,064
Profit after taxation				99,790	99,790
Other comprehensive income			(14,291)		(14,291)
Actuarial gain on pension scheme			55		55
Total comprehensive income			(14,236)	99,790	85,554
Issued shares	4,985	(4,985)			0
Profit previous financial year			74,749	(74,749)	0
Dividends paid		(61)		(48,559)	(48,620)
Depository receipts bought back			(21,084)		(21,084)
Stock options exercised			4,796		4,796
Stock options and performance shares granted		(78)			(78)
Stock options not vested		(2,585)	2,585		0
30-06-2014	213,875	385,838	687,129	99,790	1,386,632

The movements in shareholders' equity in the previous financial year ended 30 June 2013 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Total
30-06-2012	204,983	396,385	710,897	(12,118)	1,300,147
Profit after taxation				123,308	123,308
Other comprehensive income			(3,573)		(3,573)
Actuarial loss on pension scheme			(389)		(389)
Total comprehensive income			(3,962)	123,308	119,346
Issued shares	3,907	(3,907)			0
Result previous financial year			(12,118)	12,118	0
Dividends paid		(48)	(54,622)		(54,670)
Stock options exercised			124		124
Stock options and performance shares granted		1,117			1,117
30-06-2013	208,890	393,547	640,319	123,308	1,366,064

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

# EUROCOMMERCIAL

## SEGMENT INFORMATION

(€ '000)	France		Italy		Sweden		The Netherlands*		Total	
For the twelve months ended 30-06	<b>2014</b>	2013	<b>2014</b>	2013	<b>2014</b>	2013	<b>2014</b>	2013	<b>2014</b>	2013
Rental income	<b>61,939</b>	57,726	<b>74,647</b>	73,384	<b>38,313</b>	41,486	<b>0</b>	0	<b>174,899</b>	172,596
Service charge income	<b>7,065</b>	7,057	<b>8,197</b>	8,285	<b>11,106</b>	13,076	<b>0</b>	0	<b>26,368</b>	28,418
Service charge expenses	<b>(8,262)</b>	(8,394)	<b>(8,197)</b>	(8,285)	<b>(12,770)</b>	(14,646)	<b>0</b>	0	<b>(29,229)</b>	(31,325)
Property expenses	<b>(6,982)</b>	(7,256)	<b>(12,523)</b>	(12,265)	<b>(5,555)</b>	(5,800)	<b>0</b>	0	<b>(25,060)</b>	(25,321)
<b>Net property income</b>	<b>53,760</b>	49,133	<b>62,124</b>	61,119	<b>31,094</b>	34,116	<b>0</b>	0	<b>146,978</b>	144,368
Investment revaluation and disposal of investment properties	<b>17,463</b>	34,112	<b>8,092</b>	(25,000)	<b>7,651</b>	(6,656)	<b>(122)</b>	2,411	<b>33,084</b>	4,867
<b>Segment result</b>	<b>71,223</b>	83,245	<b>70,216</b>	36,119	<b>38,745</b>	27,460	<b>(122)</b>	2,411	<b>180,062</b>	149,235
Net financing cost									<b>(65,266)</b>	(31,290)
Company expenses									<b>(11,120)</b>	(10,261)
Investment expenses									<b>(1,953)</b>	(2,449)
<b>Profit before taxation</b>									<b>101,723</b>	105,235
Current tax									<b>(228)</b>	(505)
Deferred tax									<b>(1,705)</b>	18,578
<b>Profit after taxation</b>									<b>99,790</b>	123,308

As per 30-06-2014 (30-06-2013)

Property investments	<b>1,043,500</b>	995,100	<b>1,040,700</b>	1,026,000	<b>604,403</b>	619,323	<b>0</b>	0	<b>2,688,603</b>	2,640,423
Property investments under development	<b>0</b>	24,600	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	24,600
Tangible fixed assets	<b>351</b>	317	<b>1,278</b>	1,352	<b>141</b>	198	<b>136</b>	167	<b>1,906</b>	2,034
Receivables	<b>20,993</b>	20,486	<b>6,007</b>	5,600	<b>2,414</b>	2,446	<b>988</b>	732	<b>30,402</b>	29,264
Deferred tax assets	<b>0</b>	0	<b>800</b>	284	<b>0</b>	0	<b>0</b>	0	<b>800</b>	284
Cash and deposits	<b>2,288</b>	3,730	<b>746</b>	21,302	<b>15,704</b>	10,634	<b>66,634</b>	15,756	<b>85,372</b>	51,422
Property investments held for sale	<b>0</b>	141,000	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	141,000
<b>Total assets</b>	<b>1,067,132</b>	1,185,233	<b>1,049,531</b>	1,054,538	<b>622,662</b>	632,601	<b>67,758</b>	16,655	<b>2,807,083</b>	2,889,027

Creditors	<b>26,912</b>	33,058	<b>16,211</b>	16,682	<b>15,127</b>	14,658	<b>7,214</b>	2,107	<b>65,464</b>	66,505
Non-current creditors	<b>8,641</b>	9,332	<b>2,081</b>	1,792	<b>11</b>	13	<b>0</b>	0	<b>10,733</b>	11,137
Borrowings	<b>371,328</b>	395,021	<b>548,142</b>	590,360	<b>233,766</b>	246,542	<b>20,000</b>	55,000	<b>1,173,236</b>	1,286,923
Derivative financial instruments	<b>17,960</b>	23,441	<b>98,354</b>	84,405	<b>16,065</b>	12,504	<b>0</b>	0	<b>132,379</b>	120,350
Deferred tax liabilities	<b>0</b>	0	<b>0</b>	0	<b>36,795</b>	36,192	<b>0</b>	0	<b>36,795</b>	36,192
Provision for pensions	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>1,844</b>	1,856	<b>1,844</b>	1,856
<b>Total liabilities</b>	<b>424,841</b>	460,852	<b>664,788</b>	693,239	<b>301,764</b>	309,909	<b>29,058</b>	58,963	<b>1,420,451</b>	1,522,963
<b>Acquisitions, divestments and capital expenditure (including capitalised interest)</b>	<b>(134,695)</b>	169,443	<b>6,398</b>	11,034	<b>4,813</b>	(60,616)	<b>0</b>	0	<b>(123,484)</b>	119,861

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

## COUNTRY SPREAD

(%)	30-06-2014	30-06-2013
France	<b>39</b>	41
Italy	<b>39</b>	37
Sweden	<b>22</b>	22
	<b>100</b>	100

## PROPERTY EXPENSES

Property expenses in the current financial year were:

(€ '000)	30-06-2014	30-06-2013
<b>Direct property expenses</b>		
Bad debts	323	599
Centre marketing expenses	2,186	2,446
Insurance premiums	657	585
Managing agent fees	1,951	1,952
Property taxes	2,736	2,750
Repair and maintenance	1,345	1,310
Shortfall service charges	398	303
	<b>9,596</b>	<b>9,945</b>
<b>Indirect property expenses</b>		
Accounting fees	409	398
Audit fees	265	291
Depreciation fixed assets	528	380
Dispossession indemnities	581	993
Italian local tax (IRAP)	1,247	1,564
Legal and other advisory fees	1,467	1,728
Letting fees and relocation expenses	1,571	1,856
Local office and accommodation expenses	1,387	1,471
Pension contributions	136	97
Salaries, wages and bonuses	4,573	3,670
Social security charges	1,785	1,448
Stock options and performance shares granted (IFRS 2)	(89)	187
Travelling expenses	577	547
Other local taxes	772	562
Other expenses	255	184
	<b>15,464</b>	<b>15,376</b>
	<b>25,060</b>	<b>25,321</b>

The financial statements of the Company as per 30 June 2014 are in the process of being prepared and audited. The Annual Report enclosing these financial statements will be published on [www.eurocommercialproperties.com](http://www.eurocommercialproperties.com) on 19 September 2014. The figures in this press release have not been audited by an external auditor.