

PRESS RELEASE



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EUROCOMMERCIAL PROPERTIES N.V. YEAR END RESULTS 2014/2015

All key metrics were positive for the 2014/2015 year. Adjusted net asset value per depositary receipt rose by 6.8% following the increase in property values of 4.8%. The direct investment result per depositary receipt increased by 4.1% for the 12 months to June 2015 and retail sales turnover in our centres rose 2.9%. Property markets are very strong, with investor demand exceeding supply for good retail properties.

Summary of Results

Adjusted Net Asset Value up 6.8%: Adjusted net asset value per depositary receipt at 30 June 2015 was €39.24, an increase of 6.8% compared to €36.74 at 30 June 2014 and 7.7% compared to €36.45 at 31 December 2014.

Property Valuations up 4.8%: Property values at 30 June 2015 increased by 4.8% over June 2014 and by 3.2% since December 2014. Values increased by 5.1% in France, 4.4% in Italy and 4.8% in Sweden. The changes since December 2014 were 3.0% in France, 3.3% in Italy and 3.3% in Sweden.

Direct Investment Result up 5.5%: The direct investment result increased by 5.5% over the year to 30 June 2015 to €87.4 million. The direct investment result per depositary receipt increased by 4.1% to €2.04, reflecting the increase in share capital over the year.

Retail Sales up 2.9%: Overall like for like retail sales in Eurocommercial's centres for the 12 months to 30 June 2015 grew by 2.9% when compared with the same period of the previous year. Retail sales for the six months to 30 June 2015 increased by 4.4%.

Like for Like Rent up 1.0%: Like for like rental growth (same floor area) for the 12 months to 30 June 2015 was 1.0% overall. The main reason for the relatively modest growth was the flat indexation, reflecting overall zero inflation in our countries.

Dividend up 2.1%: Proposed increase in annual dividend to €1.98 per depositary receipt compared with €1.94 in 2013/2014.

Property Transactions: In January 2015 the Company entered into a joint venture partnership with AXA Real Estate through the acquisition of a 50% stake in Shopping Etrembières on the outskirts of Geneva for €43.3 million. Eurocommercial also signed agreements to acquire 50% of a major shopping centre in Milan – Centro Commerciale Fiordaliso – from Gruppo Finiper for €135 million, as well as the hypermarket and adjoining gallery shops at I Gigli in Florence from Gruppo PAM for €82 million. The two transactions are expected to complete by the end of October 2015 and April 2016 respectively.

Equity Raising: To fund the property transactions, Eurocommercial raised €164.5 million through an accelerated equity offering in May 2015 at a price of €38.00 per depositary receipt.

Results in Detail

Rental Growth

Like for like rental growth for Eurocommercial's retail portfolio for the 12 months to 30 June 2015 was 1.0%. The figures outlined below compare tenancy schedules (same floor area) at the balance dates. 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 2015 was flat, which has impacted rental growth and will continue to do so for the year ahead.

	Like for like rental growth	Number of relettings and renewals	% of total leases relet and renewed	Average rental uplift on relettings and renewals
Overall	1.0%	176	12%	6%
France	0.5%	22	4%	15%
Italy	1.1%	115	17%	6%
Sweden	1.5%	39	17%	4%

Retail Sales Growth

Overall like for like (same floor area) retail sales in Eurocommercial's shopping centres for the 12 months to 30 June 2015 increased by 2.9% compared with the same period to June 2014. Retail sales growth was particularly strong in both Italy and Sweden, increasing 3.9% and 3.6% respectively. French retail sales improved by 1.0% over the year. The trend has gradually improved over the year, as indicated by the six and three month figures to June 2015 set out below.

Retail sales growth was positive across all sectors over the year, with the electrical sector in particular bouncing back strongly to show its best ever performance in Eurocommercial's portfolio.

Retail Sales Growth by Country*

	Twelve months to 30 June 2015	Six months to 30 June 2015	Three months to 30 June 2015
Overall	2.9%	4.4%	4.9%
France	1.0%	2.2%	2.6%
Italy	3.9%	6.0%	7.1%
Sweden	3.6%	4.6%	4.3%

* Excluding hypermarkets, Systembolaget and extensions

Retail Sales Growth by Sector*

	Twelve months to 30 June 2015	Six months to 30 June 2015	Three months to 30 June 2015
Fashion	0.8%	2.3%	3.5%
Shoes	2.4%	4.1%	5.7%
Gifts and jewellery	6.6%	6.9%	7.2%
Health and beauty	3.6%	4.4%	3.5%
Sport	1.6%	7.2%	8.5%
Restaurants	1.3%	1.0%	1.2%
Home goods	4.8%	5.7%	6.6%
Electricals	5.0%	6.9%	6.9%
Hyper/supermarkets	1.3%	0.5%	-1.6%

* Excluding extensions

Occupancy Cost Ratios (OCRs)

Total occupancy cost ratios (rent plus marketing contributions, service charges and tenant property taxes as a proportion of retail sales including VAT) for Eurocommercial galleries excluding hypermarkets and Systembolaget at the end of the year were 8.1% overall; 8.1% in France, 8.0% in Italy and 8.1% in Sweden. When VAT is excluded in the retail sales, the figures were 9.7% overall; 9.8% in France, 9.6% in Italy and 10.1% in Sweden.

Vacancies and Arrears

Eurocommercial's retail vacancies represent just 0.4% of rental income at June 2015, one of the lowest levels in the Company's history; the average over the last 15 years being around 1%.

Eurocommercial will continue to ensure that its occupancy cost ratios are reasonable and that rents are therefore affordable for its tenants. This is reflected in the arrears of more than 90 days which remain minimal, although slightly higher than in previous periods, at 1.5% of rental income.

Out of a total of 1,469 tenants, there are 12 tenants in administration, seven of which are still paying rent.

Net Property Income

Net property income, including joint ventures, for the 12 month period to 30 June 2015 decreased by 1.0% to €145.5 million from €147.0 million for the same period to 30 June 2014. The fall in income was predominantly due to the sales of Passy Plaza in October 2013 and Hälla Shopping in March 2015, as well as the weakening of the Swedish krona against the euro.

Direct Investment Result

The direct investment result for the year to 30 June 2015 rose 5.5% to €87.4 million from €82.9 million for the year ended 30 June 2014, mainly due to lower interest expenses. The direct investment result per depositary receipt for the year to 30 June 2015 increased by 4.1% to €2.04 from €1.96 for the year to 30 June 2014 in spite of a greater number of depositary receipts in issue following the 25.7% take-up of the 2014 stock dividend and the May 2015 equity placement of 9.9% of the issued share capital.

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 €1.98 per depositary receipt (10 ordinary shares) from €1.94 per depositary receipt for the previous financial year.

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 30 November 2015. The price of these depositary receipts will be announced on 30 October 2015.

Property Valuation Growth

As usual, all of Eurocommercial's properties were independently valued at 30 June 2015 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 June and December 2014 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.

	Valuation growth		Net yield including purchase costs
	Twelve months to 30 June 2015	Six months to 30 June 2015	At 30 June 2015
Overall	4.8%	3.2%	5.4%
France	5.1%	3.0%	4.8%
Italy	4.4%	3.3%	6.0%
Sweden	4.8%	3.3%	5.4%

Independent Valuations by Property

	Net value June 2015	Net value June 2014	Net yield including purchase costs	Cost to date
France (€ million)				
Passage du Havre, Paris ¹	366.50	324.10	4.1%	189.44
Les Atlantes, Tours ⁴	*139.30	129.40	4.9%	64.71
Val Thoiry, Thoiry ²	*122.80	107.70	5.1%	131.59
Plaine de France, Moisselles ²	76.10	75.20	5.6%	63.29
Chasse Sud, Chasse-sur-Rhône ²	**65.90	56.00	5.5%	66.65
74 rue de Rivoli, Paris ⁴	64.50	56.30	3.7%	20.72
Les Portes de Taverny, Taverny ⁴	62.60	61.50	5.0%	25.78
Centr'Azur, Hyères ²	53.70	51.60	5.1%	21.69
Amiens Glisy, Amiens ⁴	48.90	47.50	5.5%	16.17
Shopping Etrembières, Etrembières ³	*46.80	-	5.1%	49.97
Les Allées de Cormeilles, Cormeilles ⁴	43.50	40.50	5.5%	44.68
Saint Doulchard, Bourges ¹	39.70	39.10	6.0%	49.69
Les Trois Dauphins, Grenoble ⁴	39.70	36.80	5.3%	26.62
Les Grands Hommes, Bordeaux ¹	18.00	17.80	4.3%	18.26
TOTAL FRANCE	1,188.00	1,043.50	4.8%	789.26
Italy (€ million)				
Carosello, Carugate, Milano ¹	302.30	295.60	5.6%	189.58
I Gigli, Firenze ⁴	280.20	250.80	6.0%	215.89
Il Castello, Ferrara ⁴	106.90	104.70	6.2%	84.92
Curno, Bergamo ²	103.30	97.40	6.1%	34.78
Cremona Po, Cremona ⁴	83.10	80.20	6.5%	86.25
Centro Leonardo, Imola ²	67.90	66.50	6.1%	64.97
I Portali, Modena ⁴	47.50	40.80	5.9%	46.78
La Favorita, Mantova ¹	44.60	43.90	6.5%	34.22
Centro Lame, Bologna ¹	38.60	36.20	6.4%	30.04
Centroluna, Sarzana ²	24.70	24.60	6.4%	14.92
TOTAL ITALY	1,099.10	1,040.70	6.0%	802.35
Sweden (SEK million) ***				
Ingelsta Shopping, Norrköping ⁴	1,044.00	990.00	5.5%	891.05
Grand Samarkand, Växjö ³	996.00	910.00	4.9%	736.87
421, Göteborg ⁴	762.00	758.00	5.5%	831.60
Elins Esplanad, Skövde ³	758.00	720.00	5.3%	549.78
Bergvik, Karlstad ³	689.00	670.00	5.3%	364.45
Eurostop, Halmstad ²	666.00	594.00	5.5%	615.89
Moraberg, Södertälje ²	440.00	408.00	5.7%	365.52
Kronan, Karlskrona ³	186.00	174.00	5.6%	162.20
Mellby Center, Laholm ³	178.00	169.00	5.7%	141.37
TOTAL SWEDEN	5,719.00	5,393.00	5.4%	4,658.73

* Including land acquisitions

** Including retail park development and acquisition of retail warehouse

*** 1€ = 9.2149 SEK

¹ CBRE, ² Cushman & Wakefield, ³ DTZ, ⁴ JLL

Adjusted Net Asset Value and IFRS Results

The adjusted net asset value figure at 30 June 2015 was €39.24 per depositary receipt, up 6.8% compared with €36.74 at 30 June 2014 and 7.7% compared with €36.45 at 31 December 2014. 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 2015 was €34.99 per depositary receipt, compared with €32.77 at 30 June 2014 and €31.91 at 31 December 2014 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 2015 reflect the increased number of depositary receipts in issue following the 25.7% take-up of the 2014 stock dividend and the 9.9% placement of shares in May 2015. The number of depositary receipts outstanding at the end of the period, excluding the 282,105 depositary receipts held in treasury, was 47,388,471.

The total investment result (IFRS profit after taxation) for the year rose to €167.8 million from €99.8 million for the previous financial year, mainly due to an increase in the investment revaluation and disposal of investment properties from €33.1 million for the 12 months ended 30 June 2014 to €129.8 million for the 12 months to 30 June 2015 caused by higher property valuations, a less negative fair value movement of the derivative financial investments (interest rate swap contracts) of €1.4 million caused by higher interest rates (previous financial year negative €12.6 million), and lower interest expenses of €46.2 million (previous financial year €54.0 million). These three items offset the adverse impact of the increase in deferred tax from €1.7 million to €33.5 million, caused by rising property values in Italy and Sweden, and debt extinguishment costs of €8.7 million. It is the view of the Board that the total investment 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

Eurocommercial took advantage of the favourable market conditions to raise, or refinance, substantial amounts of both equity and debt during the year. The Company closed nine debt (re)financing transactions over the past 12 months for a total amount of €540 million, representing approximately half of the Company's total debt. An equity placement was also successfully completed in May 2015, issuing 4.33 million new depositary receipts at a price of €38.00, raising €164.5 million. At 30 June 2015 net debt consequently totalled €991 million.

As a result of renegotiating a number of loans, agreeing new loans under very favourable terms and undertaking a “blend and extend” and unwinding programme on soon to be expiring swaps, the Company was able to reduce its interest expense for the financial year by 14.5% to €46.2 million compared to the previous financial year. A total of €8.7 million in debt breakage costs were incurred during the period but the revised terms of the affected long term loans will result in significant future annual savings in interest expenses. The average length of the loan portfolio has been extended to six years and, at the end of the financial year, 80% of interest costs were fixed for an average of more than eight years.

The proceeds of the equity raising were used to repay short term loans which has resulted in a fall in the net debt to adjusted net equity ratio at year end to 53% (30 June 2014: 70%) and the net loan to property value to 34% (30 June 2014: 40%). This reduction in short term loans has also resulted, however, in a temporary uplift in the average overall interest rate for the total loan portfolio to 3.6%, including margins averaging 91 bps (30 June 2014: 89 bps), from 3.4% at 31 March 2015 (30 June 2014: 3.9%).

Eurocommercial initiated a share buy-back programme in June 2014 to cover anticipated exercises of employee stock options. During the 12 months ended 30 June 2015, the Company bought back 728,098 depositary receipts, in addition to the 577,000 depositary receipts bought back during the previous financial year. Employees exercised a total of 901,398 of stock options during the financial year, leaving 282,105 depositary receipts still held in treasury at 30 June 2015.

EPRA Performance Measures

Eurocommercial is an active member of the European Public Real Estate Association (EPRA), a body which aims to promote, develop and represent the listed real estate sector. The Company has adopted the EPRA Performance Measures to assist in improving the transparency, comparability and relevance of the published results of listed real estate companies. Further information on the calculation of these metrics can be found on page 11.

	2014/2015	2013/2014
EPRA earnings per depositary receipt	€2.04	€1.96
EPRA NAV per depositary receipt	€38.95	€35.71
EPRA NNNAV per depositary receipt	€35.24	€32.13
EPRA net initial yield (NIY)	5.4%	5.7%
EPRA 'topped-up' NIY	5.4%	5.7%
EPRA vacancy rate	0.4%	0.7%

Country Commentary

France

Rental growth this year was a modest 0.5% on account of practically zero inflation. In a relatively flat trading environment retailers have been cautious in renewing existing leases at higher rents so transaction times have become longer. Nonetheless lease renewals in Eurocommercial's properties produced an average uplift in rent of 4% while lettings to new tenants generated an uplift of almost 20%. In addition, pre-lettings have been signed for 70% of the 5,500m² retail park extension at Chasse Sud. Principal retailers include a Beaumanoir multistore of 1,020m², Armand Thierry, Picard Surgelés and restaurant operators Memphis Coffee and Buffalo Grill.

Gallery retail sales in Eurocommercial's centres were up 1.0% for the financial year, with an improving trend. Retail sales growth for the six and three month figures to 30 June 2015 was 2.2% and 2.6% respectively, comparing favourably to the Conseil National des Centres Commerciaux (CNCC) index for the six months to June 2015 of 0.8%. The three centres located in the Rhône-Alpes region have performed particularly well. In spite of major building works underway at both Val Thoiry and Chasse Sud, these centres, together with Shopping Etrembières, have seen average increases in retail sales of 11% for the six month period to June 2015. Vacancies in Eurocommercial's French centres total just 0.6% of rental income.

In January 2015, the Company established a joint venture partnership with AXA Real Estate through the purchase of a 50% interest in Shopping Etrembières for €43.3 million representing a net initial yield of 5.2%. Shopping Etrembières is a well-established centre situated on the eastern edge of Geneva with exceptional visibility to the autoroute which runs from Lyon to Chamonix and the Alps. It is anchored by a 5,500m² Migros hypermarket which did not form part of the acquisition. Since acquiring the shopping centre a 3,600m² block of land has been purchased directly in front of the property to facilitate an extension.

During the year the Company acquired three further strategic parcels of land next to its shopping centres. In Les Atlantes and Val Thoiry they were purchased to accommodate extensions which are expected to begin within the next three years. At Chasse Sud a logistics warehouse of 5,650m² was acquired in May 2015 alongside the Company's existing investment, which will be used to improve the visibility of this growing retail zone from the A7 autoroute.

Italy

Eurocommercial achieved overall rental growth over the twelve months to June 2015 of 1.1%. Uplifts on relettings and renewals were the biggest contributor and helped to offset the negative impact of a slight reduction in turnover rent. 115 new leases were signed across the portfolio during the year, producing a rental uplift on those deals of around 6%. The best overall results came from I Gigli, Cremona Po and I Portali. The Italian vacancy rate has improved once again over the year and stands at just 0.2% at June 2015. Of particular note this year was the arrival of retailers Vans, America Graffiti, Liu Jo and O bag, all of which are performing well.

Retail sales growth has improved considerably over the period, totalling 3.9% for the 12 months to June 2015 with performance improving steadily throughout the year with six and three month figures to 30 June 2015 at 6.0% and 7.1% respectively. The gifts & jewellery sector was the best performer, helped largely by the arrival of Pandora. The hypermarkets (which apart from at Carosello are not owned by Eurocommercial) saw a dip in performance but remain

important footfall generators, although less so in the largest centres which are driven more by the overall attraction of the destination.

In December 2014 an agreement was reached with Gruppo PAM for Eurocommercial to acquire their 15,800m² hypermarket and 9,000m² of gallery shops at I Gigli in Florence for €82 million, which will increase our ownership of the property to 100%. When the transaction completes in April 2016, the hypermarket will be reduced to around 10,000m² GLA and leased back to PAM. Eurocommercial will then convert the former hypermarket space into gallery shops and discussions are at an advanced stage with major international retailers to lease the new space.

The Company also reached agreement during the year to acquire from the major hyper and supermarket chain Gruppo Finiper a 50% share of Centro Commerciale Fiordaliso in southern Milan, together with an adjoining retail park, for a total price of €135 million reflecting a net initial yield in the order of 5.8%. The centre opened in 1992 and was extended in 2010 to reach its current size of 55,800m² which includes an 11,800m² Iper hypermarket (which does not form part of the acquisition) and 12,000m² of external retail units. The purchase is expected to be finalised by the end of October 2015.

Fiordaliso is one of the best shopping centres in the Milan region and, together with our existing ownership of Carosello, further strengthens our position in Italy's second largest city and most important business centre. Fiordaliso is well connected to the city centre by public transport and also to the suburbs due to its direct access from the ring road (Tangenziale). The centre has over 125 shops, 8.6 million annual visitors and is anchored by Iper, Media World, Scarpe & Scarpe, H&M, Leroy Merlin, Decathlon, OVS, Zara, Apple, GAP and McDonalds. Eurocommercial will be responsible for the rent collection and leasing. Plans are already progressing to refurbish the centre and improve the merchandising.

Sweden

Despite negligible indexation, rental growth remained positive at 1.5%. 39 lease renewals and re-lettings were completed producing an average uplift of approximately 4%. Turnover rent was marginally up on the year, with the main contributors being the ICA Maxi hypermarket at 421 and the gallery at Grand Samarkand where 20 tenants are paying turnover rent in only the third year of trading since its redevelopment.

Retail sales have been very strong in the galleries and were up 3.6% over the year with six and three month figures to 30 June 2015 at 4.6% and 4.3% respectively. The outperformers were again Grand Samarkand at 9.5% with a notable contribution also from Ingelsta Shopping which is clearly increasing its market share at the expense of weaker external competitors with retail sales up 9% over the six months to June. The four owned ICA Maxi hypermarkets increased their sales by 3.6% over the year, further illustrating ICA's dominant position in the Swedish food market.

The main focus over the past 12 months has been the Eurostop project along the E6/E20 motorway outside Halmstad where a new zoning plan was granted last year for a 16,000m² gallery extension. The existing 13,600m² gallery including Willys, H&M, KappAhl, Lindex and Systembolaget will be refurbished simultaneously. Tenant demand is strong for what will be the only external shopping centre serving a catchment of some 200,000 people and with the first signed leases already secured, the pre-leasing targets are expected to be met later in 2015 to allow the €75 million project to open towards the end of 2017.

The €5 million refurbishment of Bergvik outside Karlstad commenced in May with completion expected during the autumn. The works will include a new façade and entrances, as well as new floors and ceilings. During the year units were taken back from underperforming tenants and re-let to Clas Ohlson and Cubus which will improve the tenant mix. With the adjoining (not owned) Coop hypermarket downsizing, their gallery will be enlarged to accommodate brands currently missing at Bergvik which will emerge much stronger and maintain its position as the dominant regional shopping centre in Värmland.

Eurocommercial's development programme has seen seven of its Swedish shopping centres refurbished and/or extended since 2006. Three of those centres at Växjö, Norrköping and Skövde are now starting to present opportunities for a second round of extensions of up to a total of approximately 25,000m² and will ensure that the portfolio continues to provide a steady pipeline in the medium term.

Hälla Shopping in Västerås was sold in March 2015. With little potential for future rental growth, especially after the move of Ikea away from the zone, it was decided to sell the property for SEK 118.4 million (c. €13 million) while it was still fully income producing.

Market and Portfolio Commentary

Market

European investment markets generally have remained strong with demand for good quality assets, particularly in the retail sector, exceeding supply. Yields have therefore dropped by varying degrees with competition for large portfolios particularly fierce as sovereign wealth funds and large asset managers work to meet their investment quotas.

The Greek debt crisis has had no effect on the institutional property investment market in Europe, nor should it have, given the small size of the Greek economy. The so-called “contagion” failed to materialise because, unlike Greece, Ireland, Portugal and Spain had taken the painful but necessary steps to restore economic security. Italy, of course, was never in the category of countries needing external assistance with a deficit of only 3% of GDP, notwithstanding high government debt levels.

Previous antipathy towards smaller shopping centres has evaporated with few of any quality available above a 5% yield in France and Sweden. Smaller Italian centres can still be acquired at around 6% but the market is heading in the same direction as France and Sweden.

Very few long-term investors need debt finance, except for tax purposes, so the market is not being driven by highly geared buyers relying on cheap finance. Rather, investors are reacting to the lower yields available elsewhere whether in bond or equity markets.

Eurocommercial's Portfolio

This has been, overall, a good year for Eurocommercial. Our rents have risen, despite almost zero indexation, due to market rent reviews which have reflected retail sales growth in our shops of almost 3% for the year from successful tenants whose sales growth is well above inflation. Our occupancy levels have never been higher at over 99.5%, considerably above the industry average, for the fifteenth year running.

We think that we can attribute this record to a number of factors – sound property selection, good centre management and a strong rapport with the national, regional and local retailers who give our centres life and variety. Both we and they are united in our dedication to giving our customers the goods and services they want in a safe, pleasant and convenient setting.

We have been active this year in negotiating the purchase of additional high quality properties that will stand the test of time despite increasing competition, not only from other centres but of course the internet and changing consumer tastes. Investment markets are very strong, driven by low interest rates and improving GDP growth. Quite unremarkable properties in Europe have sold at record price levels so investment selection is more important than ever. We have, and will continue to, study with considerable care the fundamentals of every property we buy through, amongst other things, assessing demographics, access, rent and retail sales levels, tenant mix, lease terms and competition.

Our equity raising in May this year was highly successful at a price above net asset value. The proceeds were earmarked for new investment properties, the purchases of which are progressing as planned. We are taking advantage of the current low interest rates to not only reduce our cost of debt but also to significantly lengthen maturities and guard against future interest rate rises.

Outlook

It seems likely that European interest rates will remain low for some time but are eventually likely to follow the US and UK whose economies are currently seeing greater growth. We doubt that eurozone 10 year interest swap rates will rise significantly over the next year, nor yields on government bonds. We think it would take a rise in German bunds to over 3% to have any effect on prime property investment yields providing there is no recession. If these expectations are correct, we think that European property investment markets will remain strong but further significant yield reductions are unlikely, except perhaps in Italy where prices are recovering from the euro concerns of the last few years.

Financial Calendar

18 September 2015	Annual report 2014/2015 published
30 October 2015	Announcement of scrip issue price
3 November 2015 at 09:00	Annual General Meeting at the Hotel Schiphol A4, Rijksweg A4 3, Hoofddorp
5 November 2015	Ex-dividend date
6 November 2015	First quarter results 2015/2016
30 November 2015	Dividend payment date
12 February 2016	Half year results 2015/2016
13 May 2016	Third quarter results 2015/2016
26 August 2016	Year end results 2015/2016

Conference Call and Webcast

Eurocommercial will host a conference call and audio webcast today, Friday 28 August 2015, 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 **90612393**. The call will also be audio webcast at www.eurocommercialproperties.com/financial/webcast.

An accompanying presentation will be available to download from the Company's website at 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 30-06-2015	Twelve months ended 30-06-2014	Fourth quarter ended 30-06-2015	Fourth quarter ended 30-06-2014
Rental income	172,753	174,899	43,874	43,959
Service charges income	25,520	26,368	5,191	5,811
Service charges expenses	(28,168)	(29,229)	(5,913)	(6,663)
Property expenses	(25,697)	(25,060)	(6,692)	(6,844)
Interest income	420	1,330	86	341
Interest expenses	(46,200)	(54,004)	(11,539)	(13,849)
Company expenses	(12,297)	(11,206)	(3,727)	(3,216)
Current tax	(51)	(228)	468	(26)
Direct investment result 100% ownership	86,280	82,870	21,748	19,513
Direct investment result joint ventures	1,120	0	592	0
Total direct investment result	87,400	82,870	22,340	19,513
Investment revaluation and disposal of investment properties	129,835	33,084	92,399	30,338
Fair value movement derivative financial instruments	(1,448)	(12,592)	43,605	(13,031)
Debt extinguishment	(8,721)	0	0	0
Investment expenses	(3,982)	(1,867)	(3,608)	(1,444)
Deferred tax	(33,459)	(1,705)	(31,824)	(1,110)
Indirect investment result 100% ownership	82,225	16,920	100,572	14,753
Indirect investment result joint ventures	(1,851)	0	(1,913)	0
Total indirect investment result	80,374	16,920	98,659	14,753
Total investment result	167,774	99,790	120,999	34,266
Per depositary receipt (€)**				
Total direct investment result	2.04	1.96	0.50	0.46
Total indirect investment result	1.87	0.40	2.30	0.34
Total investment result	3.91	2.36	2.80	0.80

STATEMENT OF ADJUSTED NET EQUITY*

(€ '000)	30-06-2015	30-06-2014
IFRS net equity per balance sheet	1,658,245	1,386,632
Derivative financial instruments	131,723	132,379
Deferred tax liabilities	69,369	36,795
Deferred tax assets	0	(800)
Adjusted net equity	1,859,337	1,555,006
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	47,388,471	42,319,567
Net asset value - € per depositary receipt (IFRS)	34.99	32.77
Adjusted net asset value - € per depositary receipt	39.24	36.74
Stock market prices - € per depositary receipt	37.41	36.02

* This statement contains additional information which is not part of the IFRS condensed financial statements.

** The average number of depositary receipts on issue over the year was 42,916,246 compared with 42,311,667 for the previous financial year.

EPRA PERFORMANCE MEASURES*

	Total (€'000)		Per depositary receipt (€)	
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
EPRA earnings**	87,400	82,870	2.04	1.96
EPRA NAV***	1,859,337	1,555,006	38.95	35.71
EPRA NNNAV***	1,682,177	1,398,739	35.24	32.13

RECONCILIATION NAV, EPRA NAV AND EPRA NNNAV*

	Total (€'000)		Per depositary receipt (€)	
	30-06-2015	30-06-2014	30-06-2015	30-06-2014
Equity balance sheet	1,658,245	1,386,632	34.99	32.77
Derivative financial instruments	131,723	132,379		
Deferred tax liabilities	69,369	36,795		
Deferred tax assets	0	(800)		
EPRA NAV***	1,859,337	1,555,006	38.95	35.71
Derivative financial instruments	(131,723)	(132,379)		
Deferred tax liabilities****	(34,608)	(11,039)		
Deferred tax assets	0	800		
Fair value borrowings*****	(10,829)	(13,649)		
EPRA NNNAV***	1,682,177	1,398,739	35.24	32.13

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

** The average number of depositary receipts on issue over the year was 42,916,246 compared with 42,311,667 for the previous financial year.

*** EPRA NAV and EPRA NNNAV per depositary receipt are based on the diluted number of depositary receipts. The diluted number of depositary receipts on issue at 30 June 2015 was 47,736,252 compared with 43,539,813 at 30 June 2014.

**** The calculation of the deferred tax liabilities takes into account the likelihood that the Company can recover the deferred tax in the case of a possible sale.

***** The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on the confirmations received from the bank.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(€ '000)	Twelve months ended 30-06-2015	Twelve months ended 30-06-2014	Fourth quarter ended 30-06-2015	Fourth quarter ended 30-06-2014
Rental income	172,753	174,899	43,874	43,959
Service charges income	25,520	26,368	5,191	5,811
Service charges expenses	(28,168)	(29,229)	(5,913)	(6,663)
Property expenses	(25,697)	(25,060)	(6,692)	(6,844)
Net property income	144,408	146,978	36,460	36,263
Result joint ventures	(731)	0	(1,321)	0
Investment revaluation and disposal of investment properties	129,835	33,084	92,399	30,338
Interest income	420	1,330	86	341
Interest expenses	(46,200)	(54,004)	(11,539)	(13,849)
Fair value movement derivative financial instruments	(1,448)	(12,592)	43,605	(13,031)
Debt extinguishment	(8,721)	0	0	0
Net financing cost	(55,949)	(65,266)	32,152	(26,539)
Company expenses	(11,918)	(11,120)	(3,384)	(3,130)
Investment expenses	(4,361)	(1,953)	(3,951)	(1,530)
Profit before taxation	201,284	101,723	152,355	35,402
Current tax	(51)	(228)	468	(26)
Deferred tax	(33,459)	(1,705)	(31,824)	(1,110)
Total tax	(33,510)	(1,933)	(31,356)	(1,136)
Profit after taxation	167,774	99,790	120,999	34,266
Per depositary receipt (€)*				
Profit after taxation	3.91	2.36	2.80	0.80
Diluted profit after taxation	3.83	2.28	2.75	0.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	Twelve months ended 30-06-2015	Twelve months ended 30-06-2014	Fourth quarter ended 30-06-2015	Fourth quarter ended 30-06-2014
Profit after taxation	167,774	99,790	120,999	34,266
Foreign currency translation differences (to be recycled through profit and loss account)	(1,603)	(14,291)	2,624	(8,009)
Actuarial result on pension scheme (not to be recycled through profit and loss account)	(1,045)	55	114	55
Total other comprehensive income	(2,648)	(14,236)	2,738	(7,954)
Total comprehensive income	165,126	85,554	123,737	26,312
Per depositary receipt (€)*				
Total comprehensive income	3.85	2.03	2.87	0.62
Diluted total comprehensive income	3.78	1.97	2.82	0.60

* 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)	30-06-2015	30-06-2014
Property investments	2,821,226	2,688,603
Property investments under development	4,800	0
Investment in joint ventures	42,598	0
Tangible fixed assets	1,865	1,906
Receivables	237	234
Derivative financial instruments	353	0
Deferred tax assets	0	800
Total non-current assets	2,871,079	2,691,543
Receivables	31,875	30,168
Cash and deposits	169,133	85,372
Total current assets	201,008	115,540
Property investments held for sale	39,700	0
Total assets	3,111,787	2,807,083
Creditors	78,712	65,464
Borrowings	58,162	131,935
Total current liabilities	136,874	197,399
Creditors	10,312	10,733
Borrowings	1,102,060	1,041,301
Derivative financial instruments	132,076	132,379
Deferred tax liabilities	69,369	36,795
Provision for pensions	2,851	1,844
Total non-current liabilities	1,316,668	1,223,052
Total liabilities	1,453,542	1,420,451
Net assets	1,658,245	1,386,632
Equity Eurocommercial Properties shareholders		
Issued share capital	238,353	213,875
Share premium reserve	524,098	385,838
Other reserves	728,020	687,129
Undistributed income	167,774	99,790
Net assets	1,658,245	1,386,632

CONSOLIDATED CASH FLOW STATEMENT

For the twelve months ended (€ '000)	30-06-2015	30-06-2014
Cash flow from operating activities		
Profit after taxation	167,774	99,790
Adjustments:		
Increase in receivables	(1,980)	(1,325)
Increase in creditors	1,471	7,444
Interest income	(420)	(1,330)
Interest expenses	46,200	54,004
Movement stock options and performance shares granted	459	(78)
Investment revaluation and disposal of investment properties	(129,825)	(32,604)
Derivative financial instruments	1,448	12,592
Debt extinguishment	8,721	0
Deferred tax	33,459	1,705
Current tax	51	228
Other movements	716	725
Result joint ventures	731	0
	128,805	141,151
Cash flow from operations		
Current tax paid	(232)	(390)
Derivative financial instruments	(2,035)	0
Borrowing costs	(1,833)	(599)
Interest paid	(46,286)	(54,426)
Interest received	738	1,205
	79,157	86,941
Cash flow from investing activities		
Acquisitions	(25,576)	0
Capital expenditure	(23,850)	(24,593)
Property sales	12,902	141,000
Investment in joint ventures	(43,329)	0
Additions to tangible fixed assets	(719)	(591)
	(80,572)	115,816
Cash flow from financing activities		
Net proceeds issued shares	162,299	0
Borrowings added	291,830	155,867
Repayment of borrowings	(303,546)	(259,178)
Stock options exercised	30,925	4,796
Debt extinguishment	(8,721)	0
Depository receipts bought back	(26,766)	(21,084)
Dividends paid	(60,429)	(48,620)
Decrease in non-current creditors	(418)	(27)
	85,174	(168,246)
Net cash flow	83,759	34,511
Currency differences on cash and deposits	2	(561)
Increase in cash and deposits	83,761	33,950
Cash and deposits at beginning of year	85,372	51,422
Cash and deposits at end of year	169,133	85,372

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The movements in shareholders' equity in the financial year ended 30 June 2015 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2014	213,875	385,838	687,129	99,790	1,386,632
Profit after taxation				167,774	167,774
Foreign currency translation difference (to be recycled through profit and loss)			(1,603)		(1,603)
Actuarial loss on pension scheme (not to be recycled through profit and loss)			(1,045)		(1,045)
Total comprehensive income			(2,648)	167,774	165,126
Issued shares	24,478	137,820			162,298
Profit previous financial year			39,380	(39,380)	0
Depository receipts bought back			(26,766)		(26,766)
Dividends paid		(19)		(60,410)	(60,429)
Performance shares granted		459			459
Stock options exercised			30,925		30,925
30-06-2015	238,353	524,098	728,020	167,774	1,658,245

The movements in shareholders' equity in the previous 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
Foreign currency translation difference (to be recycled through profit and loss)			(14,291)		(14,291)
Actuarial gain on pension scheme (not to be recycled through profit and loss)			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
Depository receipts bought back			(21,084)		(21,084)
Dividends paid		(61)		(48,559)	(48,620)
Stock options and performance shares granted		(78)			(78)
Stock options exercised			4,796		4,796
Stock options not vested		(2,585)	2,585		0
30-06-2014	213,875	385,838	687,129	99,790	1,386,632

PROPERTY EXPENSES

Property expenses in the current financial year were:

(€ '000)	30-06-2015	30-06-2014
Direct property expenses		
Bad debts	406	323
Centre marketing expenses	2,108	2,186
Insurance premiums	662	657
Managing agent fees	1,911	1,951
Property taxes	2,794	2,736
Repair and maintenance	1,424	1,345
Shortfall service charges	392	398
	9,697	9,596
Indirect property expenses		
Accounting fees	384	409
Audit fees	286	265
Depreciation fixed assets	621	528
Dispossession indemnities	477	581
Italian local tax (IRAP)	1,269	1,247
Legal and other advisory fees	1,593	1,467
Letting fees and relocation expenses	1,710	1,571
Local office and accommodation expenses	1,480	1,387
Pension contributions	157	136
Salaries, wages and bonuses	4,589	4,573
Social security charges	1,847	1,785
Stock options and performance shares granted (IFRS 2)	102	(89)
Travelling expenses	668	577
Other local taxes	536	772
Other expenses	281	255
	16,000	15,464
	25,697	25,060

COUNTRY SPREAD TOTAL PROPERTY INVESTMENTS (incl. joint ventures)

(%)	30-06-2015	30-06-2014
France	41	39
Italy	38	39
Sweden	21	22
	100	100

SEGMENT INFORMATION

2015

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements joint ventures	Total IFRS
For the twelve months ended 30-06-2015							
Rental income	62,062	75,253	36,621	0	173,936	(1,183)	172,753
Service charge income	7,240	8,003	10,609	0	25,852	(332)	25,520
Service charge expenses	(8,441)	(8,003)	(12,056)	0	(28,500)	332	(28,168)
Property expenses	(7,436)	(13,129)	(5,195)	0	(25,760)	63	(25,697)
Net property income	53,425	62,124	29,979	0	145,528	(1,120)	144,408
Result joint ventures	0	0	0	0	0	(731)	(731)
Investment revaluation and disposal of investment properties	57,791	46,667	23,909	(384)	127,983	1,852	129,835
Segment result	111,216	108,791	53,888	(384)	273,511	1	273,512
Net financing cost					(55,949)	0	(55,949)
Company expenses					(11,918)	0	(11,918)
Investment expenses					(4,360)	(1)	(4,361)
Profit before taxation					201,284	0	201,284
Current tax					(51)	0	(51)
Deferred tax					(33,459)	0	(33,459)
Profit after taxation					167,774	0	167,774

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements joint ventures	Total IFRS
As per 30-06-2015							
Property investments	1,143,500	1,099,100	620,626	0	2,863,226	(42,000)	2,821,226
Property investments under development	4,800	0	0	0	4,800	0	4,800
Investment in joint ventures	0	0	0	0	0	42,598	42,598
Tangible fixed assets	513	1,106	96	150	1,865	0	1,865
Receivables	23,224	5,229	3,045	719	32,217	(105)	32,112
Derivative financial instruments	307	0	46	0	353	0	353
Cash and deposits	3,414	11,225	17,343	138,267	170,249	(1,116)	169,133
Property investments held for sale	39,700	0	0	0	39,700	0	39,700
Total assets	1,215,458	1,116,660	641,156	139,136	3,112,410	(623)	3,111,787
Creditors	38,798	15,823	20,114	4,140	78,875	(163)	78,712
Non-current creditors	9,094	1,653	25	0	10,772	(460)	10,312
Borrowings	398,558	541,898	219,766	0	1,160,222	0	1,160,222
Derivative financial instruments	13,222	102,328	16,526	0	132,076	0	132,076
Deferred tax liabilities	0	19,710	49,659	0	69,369	0	69,369
Provision for pensions	0	0	0	2,851	2,851	0	2,851
Total liabilities	459,672	681,412	306,090	6,991	1,454,165	(623)	1,453,542

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements joint ventures	Total IFRS
For the twelve months ended 30-06-2015							
Acquisitions, divestments and capital expenditure (including capitalised interest)	86,460	11,541	(9,617)	0	88,384	(43,908)	44,476

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

SEGMENT INFORMATION continued

2014

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements joint ventures	Total IFRS
For the twelve months ended 30-06-2014							
Rental income	61,939	74,647	38,313	0	174,899	0	174,899
Service charge income	7,065	8,197	11,106	0	26,368	0	26,368
Service charge expenses	(8,262)	(8,197)	(12,770)	0	(29,229)	0	(29,229)
Property expenses	(6,982)	(12,523)	(5,555)	0	(25,060)	0	(25,060)
Net property income	53,760	62,124	31,094	0	146,978	0	146,978
Result joint ventures	0	0	0	0	0	0	0
Investment revaluation and disposal of investment properties	17,463	8,092	7,651	(122)	33,084		33,084
Segment result	71,223	70,216	38,745	(122)	180,062	0	180,062
Net financing cost					(65,266)	0	(65,266)
Company expenses					(11,120)	0	(11,120)
Investment expenses					(1,953)	0	(1,953)
Profit before taxation					101,723	0	101,723
Current tax					(228)	0	(228)
Deferred tax					(1,705)	0	(1,705)
Profit after taxation					99,790	0	99,790

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements joint ventures	Total IFRS
As per 30-06-2014							
Property investments	1,043,500	1,040,700	604,403	0	2,688,603	0	2,688,603
Property investments under development	0	0	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0	0	0
Tangible fixed assets	351	1,278	141	136	1,906	0	1,906
Receivables	20,993	6,007	2,414	988	30,402	0	30,402
Deferred tax assets	0	800	0	0	800	0	800
Cash and deposits	2,288	746	15,704	66,634	85,372	0	85,372
Total assets	1,067,132	1,049,531	622,662	67,758	2,807,083	0	2,807,083
Creditors	26,912	16,211	15,127	7,214	65,464	0	65,464
Non-current creditors	8,641	2,081	11	0	10,733	0	10,733
Borrowings	371,328	548,142	233,766	20,000	1,173,236	0	1,173,236
Derivative financial instruments	17,960	98,354	16,065	0	132,379	0	132,379
Deferred tax liabilities	0	0	36,795	0	36,795	0	36,795
Provision for pensions	0	0	0	1,844	1,844	0	1,844
Total liabilities	424,841	664,788	301,764	29,058	1,420,451	0	1,420,451

(€ '000)	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Movements Joint ventures	Total IFRS
For the twelve months ended 30-06-2014							
Acquisitions, divestments and capital expenditure (including capitalised interest)	(134,695)	6,398	4,813	0	(123,484)	0	(123,484)

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

The financial statements of the Company as per 30 June 2015 are in the process of being prepared and audited. The Annual Report enclosing these financial statements will be published on www.eurocommercialproperties.com on 18 September 2015. The figures in this press release have not been audited by an external auditor.