

PRESS RELEASE

Date: 31 August 2018
Release: Before opening of Euronext



EUROCOMMERCIAL PROPERTIES N.V. YEAR END RESULTS 2017/18

Highlights

- A strategically important year for Eurocommercial, with major acquisitions and disposals
- Strong operational and financial performance generating a proposed dividend of €2.15
- Major refinancing programme completed to lengthen the loan book and secure favourable rates
- Important additions to Company Boards

Key results

- Net property income increased 5.4%
- Direct investment result increased 7.1%, and per depositary receipt increased 5.8% to €2.36
- Like-for-like rental growth was 1.4%
- Average uplift of 11.3% on renewals and relettings
- Retail sales increased 1.1%
- Adjusted net asset value per depositary receipt of €45.08

Chief Executive's commentary

"This has been a year of considerable strategic importance for Eurocommercial. A new country, Belgium, has been added with the acquisition of Woluwe - the best-known shopping centre in Brussels in a prime location, with excellent transport links and significant development potential. We have also added Valbo, another well-located and dominant regional shopping centre, to our Swedish assets. The result is an improvement in the overall quality of our portfolio, and a focus on properties with potential for future growth.

"In addition to the sales of Rue de Rivoli, Mellby and 421 for almost €177 million in 2017, we have now sold centres in Bologna, Imola, Mantova and Sarzana in Italy for a price of €187 million and we are in discussions regarding further disposals.

"Operational and financial performance for the year was strong, resulting in a significant year-on-year increase in earnings. This was further enhanced by the timing of acquisitions and disposals, hence a moderate increase in the proposed dividend, rising 2.4% to €2.15 per depositary receipt (10 ordinary shares) this year.

"Our leasing teams have been working hard to secure an average uplift of over 11% in relettings and renewals and have negotiated over 200 new leases in the last twelve months. There was some softening of rental growth, particularly in France where the positive impact of indexation has been affected by short-term vacancies in Passage du Havre and Les Atlantes, but overall rental growth was steady at 1.4% on a like-for-like basis.

"The ability to develop and organically grow our portfolio is fundamental to Eurocommercial's investment strategy and work has continued apace with our major projects. Having completed the major phases of development at Hallarna in Sweden, most recently with the opening of the 4,000m² XXL store, the remaining shorter northern mall and hotel are on track to be completed during 2019. At Kristianstad, the C4 development is on course to open officially in September 2018 and is already 96% pre-let to major Scandinavian, international and local retailers. In Belgium, we are progressing our planning application for the 11,600m² retail extension and around 150 residential apartments which will be ideally located for those working at the European Union headquarters a short distance away. In France, we have submitted a new application for a 20,000m² extension at Val Thoiry and, in Italy, we have received an initial positive response from the local municipality for our proposed extension at Collestrada. At Curno, the pre-leasing of the food court is proceeding very well with head of terms for the bigger units already agreed.

"Generally, in our markets the retail space supply and demand dynamics are in balance but retail chains are being more selective in the location of their physical stores, given their alternative internet-based sales channels. Physical and online sales are mutually supportive and fundamental to the profitability of many retailers but they are being constantly re-examined, with secondary or surplus physical stores being closed and often larger stores being opened in more favoured locations.

“Demand from institutions for European property investments was extremely strong for the majority of 2017 with yields lower than for many years. It seems that the European Central Bank, while slowing its bond purchasing programme, is not yet ready to start raising interest rates per se but some investors are anticipating higher rates over the next year or so. Yields in the retail property sector have stopped falling and, in the case of more mundane properties, even started to rise slightly, thus reducing some prices. How much of this is directly related to official interest rates and how much to a reflection of concerns for US and UK retail markets which are suffering from structural problems, oversupply, internet competition and Brexit fears, it is impossible to say but the trend is evident in France, although not in Belgium, Italy or Sweden.

“We completed a busy year with our listing on Euronext Brussels, complementing our existing listing in Amsterdam. Brussels is a core market for Eurocommercial’s investment strategy in the coming years and we welcomed the opportunity to signal our long-term commitment to the Belgian real estate market.”

Proposed additions to Company Boards

The Supervisory Board of Eurocommercial will propose the following appointments at the upcoming AGM, which takes place on Tuesday 6 November 2018:

Supervisory Board

The appointment of Ms E. Attout, of Belgian nationality and previously senior audit partner for PwC Brussels, as member of the Supervisory Board effective 6 November 2018 for a period of four years. In addition, the reappointments of Mrs Carrière and Mr Steins Bisschop as Supervisory Directors will be proposed. Mr Foulkes unfortunately cannot be available for re-election.

Board of Management

The appointment of Mr R. Fraticelli, Country Director Italy, and Mr J.P.C. Mills, Country Director Sweden, as members of the Board of Management effective 6 November 2018 for a period of four years.

Mr T.R. Newton, currently Country Director for France and having reached the age of 60, has decided to retire from full-time employment with effect from January 2019 but will continue to offer his services to Eurocommercial as a consultant, primarily focussed on the Woluwe project and Belgium.

Jeremy Lewis said:

“Tom has been fundamental to the success of Eurocommercial over the past 26 years, particularly in France and more recently Belgium. Tom’s knowledge and understanding of the retail landscape and its impact on our tenants and the requirements for shopping centres has been invaluable over the years. As such, we are grateful that he will remain involved with the Company through his role in one of Eurocommercial’s most important investment projects in the coming years.”

Mr P. Le Goueff, currently Property Director France having joined Eurocommercial in 2000, will be appointed Country Director for France. He will lead a team of 24 people, responsible for 12 shopping centres in France.

Jeremy Lewis said:

“Pascal has been a core member of the management team for several years and his knowledge of the French market made him a clear choice as Tom’s replacement. We are delighted he has chosen to accept the position and look forward to working with him in his new role.”

Changes to Boards Stichting Administratiekantoor and Stichting Prioriteitsaandelen

The board of Stichting Administratiekantoor Eurocommercial Properties has proposed to appoint Mr C.A. Schwarz as a third independent member to the board. Mr Schwarz is a Dutch national with extensive experience as a professor of corporate law at the Erasmus School of Law. His appointment would take effect as per 6 November 2018. Eurocommercial’s Board of Management intends to grant its approval for the proposed appointment of Mr C.A.Schwarz.

In addition, the board of Stichting Prioriteitsaandelen Eurocommercial Properties informed Eurocommercial that it had resolved to increase the number of board members to three. Mr J. Willeumier will be appointed as an independent board member effective 1 October 2018. Mr J. Willeumier is a Dutch national with extensive experience in financial and corporate law and was previously a partner of law firm Stibbe.

Detailed biographies for Ms. Attout, Mr Schwarz and Mr Willeumier will be available with the agenda for the AGM, which will be published on Eurocommercial’s website on 21 September 2018, found on the Company’s website.

2017/18 Operational and financial review

Rental growth

Over 200 leases were renewed or re-let in Eurocommercial's centres during the twelve-month period, resulting in an average uplift in minimum guaranteed rent for those shops of 11.3%. The like-for-like (same floor area) rents of all Eurocommercial's galleries increased by 1.4% overall at 30 June 2018, when compared with 30 June 2017, driven mainly by indexation and relettings/renewals.

Rental growth for the year in Italy and Sweden was strong at 1.5% and 3.8% respectively. In France, growth from indexation was diminished by an increase in vacancies following the departure of H&M from Les Atlantes and Passage du Havre where we were unable to provide the larger units they required. Søstrene Grene has subsequently opened in one of the ex-H&M units at Passage du Havre, terms agreed for another unit and the third, smaller store is currently under negotiation. At Les Atlantes, a significant reconfiguration of the centre is planned and Eurocommercial will be submitting a planning application for an adjoining 8,000m² retail park, contingent on pre-letting.

	Average rental uplift on relettings and renewals	% of total leases relet and renewed	Number of relettings and renewals	Like-for-like rental growth
Overall	11.3%	14%	202	1.4%
France	4.7%	10%	50	0.2%
Italy	11.4%	15%	109	1.5%
Sweden	20.3%	18%	43	3.8%

Retail sales growth

Overall like-for-like (same floor area) retail sales in Eurocommercial's shopping centres for the 12 months to 30 June 2018 increased 1.1% year-on-year, largely led by retailers in Italy and Sweden. Retail sales in France were impacted by transport strikes and wet weather, having displayed strong growth in the first half of the financial year.

Retail sales growth by country*

	Twelve months to 30 June 2018	Six months to 30 June 2018
Overall	+1.1%	-0.5%
France	+0.1%	-2.8%
Italy	+1.5%	+0.9%
Sweden	+1.4%	+0.0%

* Excluding hypermarkets, Systembolaget, extensions/redevelopments and Woluwe shopping centre.

Retail sales growth by sector*

	Twelve months to 30 June 2018	Six months to 30 June 2018
Fashion	-1.7%	-5.6%
Shoes	+3.2%	-1.0%
Gifts and jewellery	+5.7%	+6.2%
Health and beauty	+3.1%	+2.7%
Sport	+4.8%	+2.5%
Restaurants	+9.6%	+7.4%
Home goods	+0.9%	-0.6%
Telecoms and electricals	-1.4%	+0.2%
Books and toys	+2.3%	+1.1%
Services	+0.9%	+2.2%
Hyper/supermarkets	-1.8%	-0.2%

* Excluding extensions/redevelopments and Woluwe shopping centre.

Occupancy cost ratio

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 8.5% overall; 8.9% in France, 8.2% in Italy and 8.7% in Sweden.

Vacancies & arrears

Eurocommercial's retail vacancies for its entire portfolio represented 0.5% of rental income at June 2018, excluding strategic vacancies and development projects. Eurocommercial will continue to ensure that its occupancy cost ratios are reasonable and that rents are, therefore, affordable for its tenants. Arrears of more than 90 days represented 1.1% of Eurocommercial's rental income at 30 June 2018, excluding Belgium which has operated on a different invoicing cycle. Out of a total of nearly 1,800 units, there are eight tenants in administration, occupying 14 units, of which 11 stores are still paying rent.

Net property income

Rental income, including joint ventures (based on proportional consolidation), for the twelve months to 30 June 2018, after deducting net service charges and direct and indirect property expenses (branch overheads), increased by 5.4% to €171.8 million compared with €163.0 million for the twelve months to 30 June 2017. This was primarily due to higher income received from an enlarged portfolio during the year, reflecting contributions from Woluwe and Valbo following acquisition, plus income from the four Italian properties prior to their respective sales.

Direct investment result

The direct investment result for the twelve months to 30 June 2018 rose 7.1% to €115.7 million from €108.0 million for the same period in 2016/17. The direct investment result is defined as net property income less net interest expenses and company expenses after taxation. In the view of the Board this more accurately represents the underlying profitability of the Company than IFRS "profit after tax", which must include unrealised capital gains and losses.

The direct investment result per depositary receipt rose 5.8% to €2.36 at 30 June 2018, from €2.23 at 30 June 2017, despite the 1.5% increase in the average number of depositary receipts in issue over the 12-month period.

Dividend

The Board proposes increasing the annual dividend to €2.15 per depositary receipt (10 ordinary shares) from €2.10 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 2018. The price of these depositary receipts will be announced on 2 November 2018.

Property valuations

Eurocommercial's properties were independently valued at 30 June 2018 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 2017 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.

The valuation for Woluwe shopping is lower than the purchase price due to registration taxes paid during acquisition, which has a negative effect on the valuation in the first year.

	Valuation growth		Net initial yield including purchase costs	
	12 months to 30 June 2018	6 months to 30 June 2018	At 30 June 2018	At 30 June 2017
Overall*	-0.3%	-0.6%	4.7%	4.9%
Belgium	-	-	4.0%	-
France	-2.2%	-1.8%	4.4%	4.3%
Italy	0.8%	0.3%	5.1%	5.3%
Sweden	3.1%	1.7%	4.9%	4.8%

* Valuation growth excludes Belgium, as Woluwe Shopping was acquired in March 2018, and excludes Valbo acquired in January 2018. Net initial yield includes Woluwe and Valbo, excludes C4 which is under development.

Independent valuations by property

	Net value June 2018	Net value June 2017	Net initial yield including purchase costs	Cost to date
Belgium (€ million)				
Woluwe, Brussels ²	452.8	-	4.0%	470.5
TOTAL BELGIUM	452.8	-	4.0%	470.5
France (€ million)				
Passage du Havre, Paris ⁴	412.0	410.3	3.6%	190.8
Val Thoiry, Greater Geneva ³	150.8	147.8	4.6%	137.0
Les Atlantes, Tours ²	130.8	152.8	5.0%	65.5
Centr'Azur, Hyères ⁴	94.4	93.1	4.7%	62.2
Chasse Sud, Chasse-sur-Rhône ³	93.2	89.1	4.7%	73.2
MoDo, Moisselles ⁴	74.8	79.4	5.4%	67.7
Les Portes de Taverny, Taverny ²	68.9	71.8	4.8%	26.4
Grand A, Amiens ²	66.9	69.0	5.2%	37.8
Shopping Etrembières, Greater Geneva ²	52.6	53.0	4.6%	52.2
Les Allées de Cormeilles, Cormeilles ²	48.8	48.3	5.0%	44.8
Les Trois Dauphins, Grenoble ²	42.0	38.6	4.8%	27.2
Les Grands Hommes, Bordeaux ³	20.6	19.8	4.1%	18.5
74 rue de Rivoli, Paris***	-	79.1	-	-
TOTAL FRANCE	1,255.8	1,352.1	4.4%	803.3
Italy (€ million)				
I Gigli, Florence ²	446.0	439.0	4.8%	328.5
Carosello, Carugate, Milan ³	368.2	353.8	4.9%	209.1
Fiordaliso, Rozzano, Milan ⁵	152.1	153.2	4.9%	144.8
Collestrada, Perugia ³	138.2	130.1	5.3%	128.7
Il Castello, Ferrara ²	133.3	128.0	5.4%	86.8
Curno, Bergamo ¹	112.5	112.8	5.7%	36.9
Cremona Po, Cremona ¹	100.3	89.7	6.2%	107.1
I Portali, Modena ¹	51.2	50.2	5.7%	47.7
Centro Leonardo, Imola***	-	72.5	-	-
La Favorita, Mantova***	-	48.6	-	-
Centro Lama, Bologna***	-	40.8	-	-
Centroluna, Sarzana***	-	26.1	-	-
TOTAL ITALY	1,501.8	1,644.8	5.1%	1,089.6
Sweden (SEK million) *				
Bergvik, Karlstad ²	1,534.7	1,505.0	4.7%	1,026.5
Hallarna, Halmstad ³	1,460.0	1,086.0	4.8%	1,216.5
Ingelsta Shopping, Norrköping ²	1,219.8	1,204.0	4.9%	894.9
Grand Samarkand, Växjö ²	1,198.0	1,168.0	4.5%	740.9
C4 Project, Kristianstad** ³	1,170.0	769.0	-	1,078.2
Valbo, Gävle ²	1,148.5	-	5.2%	1,056.4
Elins Esplanad, Skövde ³	878.0	837.0	4.9%	593.4
Moraberg, Södertälje ³	463.0	463.0	5.6%	367.6
421, Göteborg***	-	865.0	-	-
Mellby Center, Laholm***	-	184.0	-	-
TOTAL SWEDEN	9,072.0	8,081.0	4.9%	6,974.4

* 1€ = 10.453 SEK

** Yield figures are not provided as this property is under development

*** Properties sold during the financial year

¹ CBRE, ² Cushman & Wakefield, ³ JLL, ⁴ Knight Frank ⁵ Savills

Adjusted Net Asset Value and IFRS Results

Adjusted net asset value at 30 June 2018 increased from €44.87 at 31 December 2017 to €45.08 per depositary receipt and decreased by 2.9% compared with 30 June 2017.

The IFRS net asset value, which (unlike the adjusted net asset value) includes the negative fair value of financial derivatives (interest rate swaps) and contingent capital gains tax liabilities, was €39.30 per depositary receipt at 30 June 2018, compared with €40.58 at 30 June 2017 and €39.20 at 31 December 2017.

The IFRS profit after taxation for the twelve months to 30 June 2018 decreased to €72.1 million from €260.8 million for the same period in 2016/17. This was largely due to the negative investment revaluation and disposal of investment properties figure, which amounted to minus €22.4 million, compared with a positive contribution of €173.0 million for the previous corresponding period. It also reflects a lower gain on the fair value movement for derivative financial instruments of €7.8 million, compared with €52.5 million for the previous corresponding period.

The weakening of the Swedish Krona during the year had an unrealised negative impact of €37.0 million on the Euro value of Eurocommercial's Swedish assets and liabilities at 30 June 2018, as recorded in the consolidated statement of comprehensive income.

Funding

Since 30 June 2017, Eurocommercial has completed nine finance and refinance transactions for a total amount of €1.6 billion. The average term of the loan book after the closing of the long-term financing of Carosello (completed in July 2018) is more than six years, an improvement compared with the third quarter. After the aforementioned closing, the refinancing requirement for the 2018/19 financial year was only €80 million for the remaining part of the bridge facility granted by ABN AMRO and ING on Woluwe Shopping, which had reduced to €35 million as of the reporting date.

On 30 June 2018, the Net Debt of the group on the basis of proportional consolidation was €1.8 billion compared to an Adjusted Net Equity for the group of just over €2.2 billion. This translates into a Net Debt to Equity ratio of 81% and a Loan to Value ratio of 44% (compared to 81% and 45% respectively at 31 March 2018).

As a result of agreeing new loans listed under favourable terms, the Company was able to keep its interest expense for the financial year stable at €40.9 million. At the end of the financial year, 78% of interest costs were fixed for an average of six and a half years. The average overall interest rate (including margin) for the total loan portfolio was 2.2%, compared to 2.0% at 31 March 2018 (30 June 2017: 2.5%).

Details of new & refinanced loans

Date financing completed	Value amount	Term	Type of loan	Bank / partner	Secured against
July 2017	SEK 880 million	Six years	Fixed rate	Nordea	Ingelsta shopping Elins Esplanad
January 2018	SEK 442 million	Seven years	Bullet loan	Aareal Bank	Valbo
January 2018*	€472 million	Facility to 2018/19	Bridge facility	ABN Amro & ING	Woluwe Shopping
March 2018	€20 million	Seven years	Loan	UBI	I Gigli retail park & cinema
May 2018	€234 million	Eight years	Loan	Unicredit & Bayerische Landesbank	I Gigli gallery and hypermarket
June 2018	SEK 700 million	Six years	Loan	SEB	Hallarna
June 2018*	€236 million	Seven years	Bullet loan	ABN Amro & ING	Woluwe Shopping
June 2018	€170 million	Five years	Loan extension	BNP Paribas & ING	Fiordaliso
July 2018	€248 million	Eight years	Loan	Intesa SanPaolo, BNP Paribas & UBI	Carosello

* 50 per cent of the bridge facility was converted in a seven year fixed loan; the other half was partially repaid and only €80 million was outstanding at 30 June 2018.

In November 2017 672,380 depositary receipts were issued to shareholders who opted to take up the stock dividend. Therefore, at 30 June 2018, 49,358,734 depositary receipts were outstanding, after the deduction of the 207,834 depositary receipts bought back.

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 13.

Eurocommercial will publish the full set of EPRA performance measures in its 2017/18 Annual Report.

	2017/18	2016/17
EPRA earnings (per depositary receipt, €)	2.29	2.15
EPRA NAV (per depositary receipt, €)	44.79	45.99
EPRA NNNNAV (per depositary receipt, €)	39.21	40.11

Country commentary

Belgium

Performance

Eurocommercial acquired the Woluwe shopping centre on 1 March 2018 and has subsequently invested significant time in reviewing the leasing, asset management and development of the shopping centre. Several new initiatives have been launched, including tenant and customer surveys, and the leasing team has introduced a new tenant, Calzedonia, to the centre, with other leasing negotiations in progress.

The acquisition of Woluwe Shopping has coincided with the culmination of a complete reorganisation of road access around and into the shopping centre and this has impacted sales which are down 3.4% for the twelve-month period to June 2018. These road works will be completed in September 2018 when Eurocommercial will launch a major marketing campaign to celebrate the opening of the new Woluwe Shopping tram stop and the 50th anniversary of the centre.

Refurbishment and extension

Plans are already underway for a major, mixed-use retail and residential extension over and above the open-air car park in the north. It is currently envisaged to provide 11,600m² of additional retail floor area and car parking, plus around 150 residential apartments across the site. Eurocommercial is actively consulting the municipality of Woluwe, the region of Brussels, shopping centre tenants, visitors and neighbours to establish how to improve the centre in a way that meets the needs of all its stakeholders. A planning application will be submitted shortly and is expected to take between two and three years to approve.

More immediately, Eurocommercial is currently planning a refreshed brand for the centre alongside an internal and external cosmetic refurbishment, which is expected to be completed in early 2019.

France

Performance

Our leasing team has secured an average uplift of 4.7% on 50 negotiated leases this year, 90% of which have produced higher rents. Unfortunately, growth from indexation has been counterbalanced by an increase in vacancy to 1.7% following the departure of H&M from Les Atlantes and Passage du Havre as we were unable to offer them larger stores at this property. The net result is that French rental growth overall is marginal at 0.2%. The best performing centre has been Chasse Sud, up 6%, and rental growth at the two Geneva centres Val Thoiry and Shopping Etrembières was 2.8%.

The positive uplift at the start of the year, following the election of President Macron, has ebbed away in the face of a wet spring and the effect of transport sector strikes, which have had a particularly negative effect on Paris, plus increased petrol prices. Fashion retail sales in Eurocommercial's centres was down 4.6% (-1.2% excluding H&M), while Sport and Food & Beverage have shown good results over 12 months with +11.1% and +7.1% respectively. The increase in Food & Beverage turnover reflects the impact of initiatives we have undertaken to improve quality and quantity. Chasse Sud has been the best performer at +5.5 %, propelled by the performance of electrical powerhouse Boulanger. Les Atlantes has surprised on the upside by recovering customers tempted away by a new competing retail park, and its boutique stores benefitted from a transfer of spending when H&M closed in December 2017. Retail sales at Shopping Etrembières were hit by major road works, which, on completion, will improve the access to the centre significantly.

Portfolio development

Eurocommercial has filed a new application for an extension of 20,000m² at Val Thoiry, compared with 28,000m² for the previous application which, while granted CDAC (local) zoning consent, was considered too large by the CNAC (national). A new application is being prepared for Les Atlantes for an extension of 8,000m² and we are also considering extending Shopping Etrembières to improve its restaurant offer.

In Bordeaux, the municipality has granted Eurocommercial authorisation to proceed with a much-needed renovation of Les Grands Hommes, with works expected to start in early 2019.

Property sales

The sale of 74 rue de Rivoli, Paris was completed in September 2017 for a net price of €79.6 million reflecting a net yield of 3%. Further sales could be expected depending on the market conditions and Eurocommercial is engaged in discussion with potential investors.

Italy

Performance

Like-for-like rental growth for the 12 months to June 2018 was 1.5% and the main drivers were the 109 renewals and relettings which generated an average rental uplift of around 11.4%. The best overall rental growth came from Il Castello, Collestrada and Cremona Po.

Retail sales in Italy for the year to June 2018 were positive at 1.5%, with boutiques contributing to this positive performance. Medium units recorded a slightly negative performance, mainly due to the poor performance of Telecoms & Electrical. Sales of the hypermarkets, which are excluded from the overall retail sales numbers, were also negative on average due to increased competition among food retailers. The best performing centres were I Gigli (due to the opening of Primark and Mercato Centrale), Collestrada and Cremona Po.

Portfolio development

The ongoing refurbishment works at Collestrada, including a refreshed food court, improvements to the gallery and car parking have led to an increase in footfall and turnover. Furthermore, in August 2018 we received preliminary approval from local authorities for a 19,500m² extension.

Eurocommercial has obtained the necessary business licences to start a significant refurbishment at Fiordaliso which will introduce major new retailers to the centre, with leasing terms already agreed. Meanwhile, preparation has started for a project at Curno, which will include a new food court of 3,000m² of lettable area plus an extension of the existing car park and better access to the centre. Pending a final contract with the selected construction partner, works will commence in autumn 2018.

At I Gigli, following the successful refurbishment of the space acquired from the hypermarket and the opening of Mercato Centrale, we are currently seeking approval from the local authorities for the construction of a walkway to connect the two piazzas on the first floor and the possibility of building a leisure and entertainment complex next to the existing cinema.

At Carosello, working with local stakeholders, Eurocommercial is revising the extension project in order to improve accessibility and to limit its environmental impact. At Cremona Po, following a successful negotiation to reduce the space of the existing hypermarket a new H&M store will open before the end of 2018, while designs for a new retail park of around 10,000m² are currently being finalised.

Property sales

In April 2018 Eurocommercial completed the sale of four Italian properties: Centro Lame (Bologna), La Favorita (Mantova), Centroluna (Sarzana) and Centro Leonardo (Imola) in a single transaction for €187 million. The price was in line with the latest independent property valuations in June and December 2017.

Sweden

Performance

Like-for-like rental growth increased by 3.8%, up from 3.2% last year. While inflation provided some indexation, by far the largest contribution to this growth came from the 43 relettings and renewals negotiated during the period producing an average uplift of 20% on those transactions (up from 12% last year).

With retail sentiment generally remaining optimistic amongst both consumers and retailers, like-for-like annual sales growth in the galleries was positive, up 1.4% with most shopping centres and sectors showing positive figures.

Portfolio development

The rebranded, refurbished and extended Hallarna (formerly known as Eurostop) opened fully-let in October 2017. Since then, the main focus has been to complete the shorter northern mall (11 shops), together with an external 4,000m² unit for the Norwegian sport retailer XXL which opened in June 2018. The 120-room hotel is also in the course of being fully-refurbished. Once all work is completed in 2019, Hallarna will provide 44,000m² of new or fully refurbished space for around 90 tenants.

Meanwhile, progress continues at the 31,600m² C4 shopping centre located outside Kristianstad on the E22 motorway which will open on time and on budget at the end of September 2018. The centre is 96% pre-let and tenants include all the major Scandinavian retailers such as H&M, Kappahl, Lindex, Stadium and the Varner Group and Bestseller brands. Recent lettings have included stores for Clas Ohlson and Afound, the latest H&M concept. Food retail in C4 will be provided by Lidl (2,200m²) to complement the neighbouring City Gross hypermarket which opened last September. The purchase had been structured as a forward financing and the final price will be calculated on the actual net operating income achieved capitalised at 6%, a significant discount to current yields for established regional shopping centres.

Property acquisitions and sales

In January 2018, Eurocommercial completed the purchase of Valbo shopping centre located on the E16 motorway outside Gävle. An established regional centre, Valbo serves a catchment of 250,000 people and is let to 70 tenants and adjoins and is partly let to IKEA. At the acquisition price of €116 million, the property yields around 5.3% and provides opportunities for growth through further refurbishment, tenant rotation and active asset management, which may in the future include an extension. The sales of two properties, Mellby and 421 generated just over €100 million, the give up yield being almost identical to the ingoing yield at Valbo.

Future projects

We work continually to ensure that our centres are fresh and modern through regular refurbishments that are designed to increase footfall in a time of increased competition.

Current and committed projects

Property	Project	Expected cost (€m)	Cost to date (€m)	Expected net return on cost	Expected completion
Hallarna, Halmstad	16,000m ² extension and refurbishment	75	61	6.75%	Spring 2019
C4 Shopping, Kristianstad	31,500m ² shopping centre and 9,000m ² hyper-anchored retail park	121	109	6%	End of 2018
Fiordaliso (Galleria Verde 50% joint venture)	Refurbishment	4	0.9	-	2019
Collestrada	Light refurbishment	3.6	2.5	-	Early 2019

Potential projects (uncommitted)

Eurocommercial has identified several potential projects in its current portfolio which would create additional income and improve the performance of each property. Before committing to any of these projects, Eurocommercial applies a rigorous assessment criteria to ensure that any commercial risk is minimised. The following projects fall within a ten-year horizon, none have yet received the required planning authorisations to proceed and are subject to the allocation of available funds.

Property	Project	Status	Potential timing
Woluwe Shopping, Brussels	Mixed use 11,600m ² retail and residential extension	Planning application being prepared	Tbc
Les Atlantes, Tours	8,000m ²	Planning application being prepared	Tbc
Val Thoiry, Greater Geneva	20,000m ²	Planning submitted	Tbc
Elins, Skövde	Up to 5,000m ²	Planning secured, pre-letting underway	Start 2019
Samarkand, Växjö	Up to 10,000m ²	Discussions with municipality	Start 2020
Ingelsta, Norrköping	Up to 10,000m ²	Discussions with municipality	Start 2021
Valbo, Gävle	Refurbishment and extension	Plans under development	Start 2019
Cremona Po, Cremona	10,000m ² retail park and 2,500m ² extension	Designs being finalised	2019
Curno, Bergamo	3,000m ² extension	Preparation works underway	2020
Collestrada, Perugia	19,500m ² extension	Planning submitted	2022
I Portali, Modena	20,000m ² extension	Discussions with municipality	2022
Carosello, Carugate, Milan	23,000m ² extension	Plans under development	2022

Financial calendar

21/09/2018	Notice of AGM and agenda
21/09/2018	Publication of 2017/18 Annual Report
02/11/2018	Announcement of scrip issue price
06/11/2018	Annual General Meeting of Shareholders
08/11/2018	Ex-dividend date
09/11/2018	First quarter results 2018/19
30/11/2018	Dividend payment date

Conference call & webcast

The Company will host a conference call and audio webcast for investors and analysts starting at 9:00 AM (BST) / 10:00 AM (CEST).

To access the call, please dial +44 (0) 20 3003 2666 approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial call using the conference ID number 3491865.

The call will also be audio webcast at <https://www.eurocommercialproperties.com/webcast>

Shortly before the start of the call, an accompanying presentation will be available to download from the Company's website at: www.eurocommercialproperties.com/financial/presentations

Contact

Jeremy Lewis	Chief Executive	+44 20 7925 7860
Evert Jan van Garderen	Finance Director	+31 20 530 6030
Roberto Fraticelli	Director	+39 02 760 759 1
Peter Mills	Director	+44 20 7925 7860
Tom Newton	Director	+33 1 48 78 06 66
Anna Davies	Director Investor Relations	+44 20 7925 7860

STATEMENT OF CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS*

(€ '000)	Twelve months ended 30-06-2018	Twelve months ended 30-06-2017	Fourth quarter ended 30-06-2018	Fourth quarter ended 30-06-2017
Rental income	197,051	186,020	51,177	48,562
Service charge income	28,263	26,477	5,984	5,005
Service charge expenses	(30,739)	(29,693)	(6,358)	(6,069)
Property expenses	(33,766)	(30,520)	(10,417)	(9,092)
Interest income	86	45	36	15
Interest expenses	(40,855)	(39,859)	(11,956)	(9,862)
Company expenses	(13,743)	(12,434)	(4,256)	(3,176)
Other income	1,874	1,117	902	203
Current tax	(95)	(597)	299	(211)
Direct investment result properties 100% owned	108,076	100,556	25,411	25,375
Direct investment result joint ventures	7,653	7,488	1,827	1,732
Total direct investment result	115,729	108,044	27,238	27,107
Investment revaluation and disposal of investment properties	(22,355)	173,033	(10,972)	117,710
Fair value movement derivative financial instruments	7,810	52,495	(1,652)	9,645
Investment expenses	(3,481)	(4,282)	(2,517)	(3,538)
Deferred tax	(24,033)	(77,006)	(7,597)	(43,627)
Indirect investment result properties 100% owned	(42,059)	144,240	(22,738)	80,190
Indirect investment result joint ventures	(1,606)	8,469	(3,508)	7,304
Total indirect investment result	(43,665)	152,709	(26,246)	87,494
Total investment result	72,064	260,753	992	114,601
Per depositary receipt (€)**				
Total direct investment result	2.36	2.23	0.55	0.55
Total indirect investment result	(0.89)	3.16	(0.53)	1.81
Total investment result	1.47	5.39	0.02	2.36

STATEMENT OF ADJUSTED NET EQUITY*

(€ '000)	30-06-2018	30-06-2017
IFRS net equity per consolidated statement of financial position	1,939,784	1,973,694
Derivative financial instruments	99,934	111,815
Deferred tax liabilities	177,171	165,086
Derivative financial instruments and deferred tax liabilities joint ventures	8,048	7,131
Adjusted net equity	2,224,937	2,257,726
Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back	49,358,734	48,631,957
Net asset value - € per depositary receipt (IFRS)	39.30	40.58
Adjusted net asset value - € per depositary receipt	45.08	46.42
Stock market prices - € per depositary receipt	36.36	34.99

* 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 49,046,502 compared with 48,364,199 for the previous financial year.

EPRA PERFORMANCE MEASURES*

	Total (€ '000)		Per depositary receipt (€)	
	30-06-2018	30-06-2017	30-06-2018	30-06-2017
EPRA earnings**	112,235	103,743	2.29	2.15
EPRA NAV***	2,224,937	2,257,726	44.79	45.99
EPRA NNNAV***	1,947,437	1,969,053	39.21	40.11

RECONCILIATION NAV, EPRA NAV AND EPRA NNNAV*

	Total (€ '000)		Per depositary receipt (€)	
	30-06-2018	30-06-2017	30-06-2018	30-06-2017
Equity as per consolidated statement of financial position	1,939,784	1,973,694	39.30	40.58
Derivative financial instruments	99,934	111,815		
Deferred tax liabilities	177,171	165,086		
Derivative financial instruments and deferred tax liabilities joint ventures	8,048	7,131		
EPRA NAV***	2,224,937	2,257,726	44.79	45.99
Derivative financial instruments	(99,934)	(111,815)		
Deferred tax liabilities****	(149,135)	(157,717)		
Derivative financial instruments and deferred tax liabilities joint ventures	(8,048)	(7,131)		
Fair value borrowings	(20,383)	(12,010)		
EPRA NNNAV***	1,947,437	1,969,053	39.21	40.11

* 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 49,046,502 compared with 48,364,199 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 2018 was 49,669,696 compared with 49,090,171 at 30 June 2017.

**** 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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€ '000)	Twelve months ended 30-06-2018	Twelve months ended 30-06-2017	Fourth quarter ended 30-06-2018	Fourth quarter ended 30-06-2017
Rental income	197,051	186,020	51,177	48,562
Service charge income	28,263	26,477	5,984	5,005
Total revenue	225,314	212,497	57,161	53,567
Service charge expenses	(30,739)	(29,693)	(6,358)	(6,069)
Property expenses	(33,766)	(30,520)	(10,417)	(9,092)
Net property income	160,809	152,284	40,386	38,406
Share of result of joint ventures	6,047	15,957	(1,681)	9,036
Investment revaluation and disposal of investment properties	(22,355)	173,033	(10,972)	117,710
Company expenses	(13,766)	(12,427)	(4,260)	(3,174)
Investment expenses	(3,458)	(4,289)	(2,513)	(3,540)
Other income	1,874	1,117	902	203
Operating result	129,151	325,675	21,862	158,641
Interest income	86	45	36	15
Interest expenses	(40,855)	(39,859)	(11,956)	(9,862)
Fair value movement derivative financial instruments	7,810	52,495	(1,652)	9,645
Net financing result	(32,959)	12,681	(13,572)	(202)
Profit before taxation	96,192	338,356	8,290	158,439
Current tax	(95)	(597)	299	(211)
Deferred tax	(24,033)	(77,006)	(7,597)	(43,627)
Total tax	(24,128)	(77,603)	(7,298)	(43,838)
Profit after taxation	72,064	260,753	992	114,601
Per depositary receipt (€)*				
Profit after taxation	1.47	5.39	0.02	2.36
Diluted profit after taxation	1.46	5.35	0.02	2.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ '000)	Twelve months ended 30-06-2018	Twelve months ended 30-06-2017	Fourth quarter ended 30-06-2018	Fourth quarter ended 30-06-2017
Profit after taxation	72,064	260,753	992	114,601
Unrealised foreign currency translation differences (to be recycled through profit or loss)	(36,980)	(8,305)	(7,164)	(3,610)
Realised foreign currency translation result (recycled through profit or loss)	3,512	88	0	0
Actuarial result on pension scheme (not to be recycled through profit or loss)	(207)	(844)	(234)	(420)
Total other comprehensive income	(33,675)	(9,061)	(7,398)	(4,030)
Total comprehensive income	38,389	251,692	(6,406)	110,571
Per depositary receipt (€)*				
Total comprehensive income	0.78	5.20	(0.14)	2.27
Diluted total comprehensive income	0.78	5.16	(0.13)	2.26

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ '000)	30-06-2018	30-06-2017
Property investments	3,761,655	3,451,034
Property investments under development	113,930	85,373
Investment in joint ventures	108,853	107,306
Tangible fixed assets	1,717	1,818
Receivables	303	246
Derivative financial instruments	276	230
Total non-current assets	3,986,734	3,646,007
Receivables	39,780	34,960
Cash and deposits	34,038	78,078
Total current assets	73,818	113,038
Property investments held for sale	0	98,188
Total assets	4,060,552	3,857,233
Creditors	79,112	75,649
Borrowings	175,417	284,652
Total current liabilities	254,529	360,301
Creditors	15,473	24,471
Borrowings	1,572,337	1,220,810
Derivative financial instruments	100,210	112,045
Deferred tax liabilities	177,171	165,086
Provision for pensions	1,048	826
Total non-current liabilities	1,866,239	1,523,238
Total liabilities	2,120,768	1,883,539
Net assets	1,939,784	1,973,694
Equity Eurocommercial Properties shareholders		
Issued share capital	247,833	244,471
Share premium reserve	518,812	520,692
Other reserves	1,101,075	947,778
Undistributed income	72,064	260,753
Total equity	1,939,784	1,973,694

CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended (€ '000)	30-06-2018	30-06-2017
Profit after taxation	72,064	260,753
Adjustments:		
Movement performance shares granted	2,327	1,632
Investment revaluation and disposal of investment properties	22,167	(172,289)
Derivative financial instruments	(7,810)	(52,495)
Share of result of joint ventures	(6,047)	(15,957)
Interest income	(86)	(45)
Interest expenses	40,855	39,859
Deferred tax	24,033	77,006
Current tax	95	597
Depreciation tangible fixed assets	1,120	892
Other movements	658	(420)
Cash flow from operating activities after adjustments	149,376	139,533
Increase in receivables	(3,135)	(2,112)
Increase in creditors	6,630	1,962
	152,871	139,383
Dividends received from joint ventures	4,500	0
Current tax paid	(1,084)	(15)
Derivative financial instruments settled	(4,045)	(10,708)
Borrowing costs	(5,552)	(3,065)
Interest paid	(38,935)	(40,084)
Interest received	103	29
Cash flow from operating activities	107,858	85,540
Property acquisitions	(485,942)	(88,769)
Acquisition of investment	(64,124)	0
Capital expenditure	(102,224)	(96,586)
Sale of investment*	89,155	18,450
Sale of property	175,761	0
Investment in joint ventures	0	(800)
Additions to tangible fixed assets	(1,038)	(813)
Cash flow from investing activities	(388,412)	(168,518)
Borrowings added	1,178,526	523,372
Repayment of borrowings*	(866,953)	(415,466)
Stock options exercised	742	649
Cost of performance shares settled	(65)	(59)
Dividends paid	(75,303)	(71,890)
Increase in non-current creditors	385	645
Cash flow from financing activities	237,332	37,251
Net cash flow	(43,222)	(45,727)
Currency differences on cash and deposits	(818)	(647)
Decrease in cash and deposits	(44,040)	(46,374)
Cash and deposits at beginning of year	78,078	124,452
Cash and deposits at end of year	34,038	78,078

* These figures have been restated for the previous year with regard to the sale of investment and the repayment of borrowings.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The movements in shareholders' equity in the financial year ended 30 June 2018 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2017	244,471	520,692	947,778	260,753	1,973,694
Profit after taxation				72,064	72,064
Other comprehensive income			(33,675)		(33,675)
Total comprehensive income	0	0	(33,675)	72,064	38,389
Profit previous financial year			185,454	(185,454)	0
Issued shares	3,362	(3,362)			0
Dividends paid		(4)		(75,299)	(75,303)
Performance shares granted		2,327			2,327
Performance shares settled			(65)		(65)
Performance shares vested		(841)	841		0
Stock options exercised			742		742
30-06-2018	247,833	518,812	1,101,075	72,064	1,939,784

The movements in shareholders' equity in the previous financial year ended 30 June 2017 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Total
30-06-2016	241,291	522,063	820,917	207,399	1,791,670
Profit after taxation				260,753	260,753
Other comprehensive income			(9,061)		(9,061)
Total comprehensive income	0	0	(9,061)	260,753	251,692
Profit previous financial year			135,527	(135,527)	0
Issued shares	3,080	(3,080)			0
Dividends paid		(18)		(71,872)	(71,890)
Performance shares granted		1,632			1,632
Performance shares settled – shares issued	100	586	(745)		(59)
Performance shares vested		(491)	491		0
Stock options exercised			649		649
30-06-2017	244,471	520,692	947,778	260,753	1,973,694

PROPERTY EXPENSES

Property expenses in the current financial year were:

(€ '000)	30-06-2018	30-06-2017
Direct property expenses		
Bad debts	646	402
Centre marketing expenses	2,360	2,199
Insurance premiums	786	763
Managing agent fees	2,723	2,070
Property taxes	3,806	3,786
Repair and maintenance	918	1,160
Shortfall service charges	840	714
	12,079	11,094
Indirect property expenses		
Accounting fees	442	384
Audit fees	366	351
Depreciation fixed assets	934	679
Dispossession indemnities	219	109
Italian local tax (IRAP)	1,771	1,970
Legal and other advisory fees	1,344	1,511
Letting fees and relocation expenses	1,712	1,889
Local office and accommodation expenses	1,819	1,723
Pension contributions	172	160
Salaries, wages and bonuses	7,374	6,356
Social security charges	2,801	2,387
Performance shares granted (IFRS 2)	642	435
Travelling expenses	790	736
Other local taxes	1,192	548
Other expenses	109	188
	21,687	19,426
	33,766	30,520

COMPANY EXPENSES

Company expenses in the current financial year were:

(€ '000)	30-06-2018	30-06-2017
Audit fees	300	304
Depreciation fixed assets	186	212
Directors' fees	2,076	1,738
IT expenses	834	932
Legal and other advisory fees	893	471
Marketing expenses	578	636
Office and accommodation expenses	2,029	1,961
Pension costs	333	506
Salaries, wages and bonuses	4,046	3,406
Social security charges	475	448
Statutory costs	422	369
Performance shares granted (IFRS 2)	521	381
Travelling expenses	478	456
Other expenses	595	607
	13,766	12,427

COUNTRY SPREAD TOTAL PROPERTY INVESTMENTS (incl. joint ventures)

(%)	30-06-2018	30-06-2017
Belgium	11	0
France	31	35
Italy	37	43
Sweden	21	22
	100	100

SEGMENT INFORMATION 2018

(€ '000) For the twelve months ended 30/06/2018	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	6,306	63,782	98,868	39,880	0	208,836	(11,785)	197,051
Service charge income	0	9,558	10,473	11,407	0	31,438	(3,175)	28,263
Service charge expenses	0	(10,981)	(10,435)	(12,313)	0	(33,729)	2,990	(30,739)
Property expenses	(609)	(9,773)	(18,619)	(5,716)	0	(34,717)	951	(33,766)
Net property income	5,697	52,586	80,287	33,258	0	171,828	(11,019)	160,809
Share of result of joint ventures	0	0	0	0	0	0	6,047	6,047
Investment revaluation and disposal of investment properties	(17,580)	(28,307)	7,565	14,758	535	(23,029)	674	(22,355)
Segment result	(11,883)	24,279	87,852	48,016	535	148,799	(4,298)	144,501
Net financing result						(35,014)	2,055	(32,959)
Company expenses						(13,766)	0	(13,766)
Investment expenses						(3,471)	13	(3,458)
Other income						576	1,298	1,874
Profit before taxation						97,124	(932)	96,192
Current tax						(606)	511	(95)
Deferred tax						(24,454)	421	(24,033)
Profit after taxation						72,064	0	72,064

(€ '000) As per 30/06/2018	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	452,800	1,253,800	1,501,800	755,955	0	3,964,355	(202,700)	3,761,655
Property investments under development	0	2,000	0	111,930	0	113,930	0	113,930
Investment in joint ventures	0	0	0	0	0	0	108,853	108,853
Tangible fixed assets	0	771	493	176	277	1,717	0	1,717
Receivables	2,750	23,785	8,561	4,957	771	40,824	(741)	40,083
Derivative financial instruments	0	0	59	275	0	334	(58)	276
Cash and deposits	5,314	3,996	20,274	12,140	2,554	44,278	(10,240)	34,038
Property investments held for sale	0	0	0	0	0	0	0	0
Total assets	460,864	1,284,352	1,531,187	885,433	3,602	4,165,438	(104,886)	4,060,552
Creditors	2,828	27,387	26,164	27,049	4,205	87,633	(8,521)	79,112
Non-current creditors	591	9,103	1,510	4,932	0	16,136	(663)	15,473
Borrowings	315,056	375,808	838,475	306,010	0	1,835,349	(87,595)	1,747,754
Derivative financial instruments	3,619	4,896	91,062	729	0	100,306	(96)	100,210
Deferred tax liabilities	0	0	115,092	70,090	0	185,182	(8,011)	177,171
Provisions for pensions	0	0	0	0	1,048	1,048	0	1,048
Total liabilities	322,094	417,194	1,072,303	408,810	5,253	2,225,654	(104,886)	2,120,768

(€ '000) For the twelve months ended 30/06/2018	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	470,451	(67,730)	(155,396)	65,504	0	312,829	(2,748)	310,081

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

SEGMENT INFORMATION 2017

(€ '000) For the twelve months ended 30/06/2017	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	63,650	97,314	36,733	0	197,697	(11,677)	186,020
Service charge income	8,620	10,560	10,415	0	29,595	(3,118)	26,477
Service charge expenses	(9,925)	(10,538)	(12,239)	0	(32,702)	3,009	(29,693)
Property expenses	(8,675)	(17,297)	(5,582)	0	(31,554)	1,034	(30,520)
Net property income	53,670	80,039	29,327	0	163,036	(10,752)	152,284
Share of result of joint ventures	0	0	0	0	0	15,957	15,957
Investment revaluation and disposal of investment properties	36,584	102,880	43,834	65	183,363	(10,330)	173,033
Segment result	90,254	182,919	73,161	65	346,399	(5,125)	341,274
Net financing result					13,214	(533)	12,681
Company expenses					(12,427)	0	(12,427)
Investment expenses					(4,307)	18	(4,289)
Other income					30	1,087	1,117
Profit before taxation					342,909	(4,553)	338,356
Current tax					(1,329)	732	(597)
Deferred tax					(80,827)	3,821	(77,006)
Profit after taxation					260,753	0	260,753

(€ '000) As per 30/06/2017	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	1,267,400	1,644,800	739,434	0	3,651,634	(200,600)	3,451,034
Property investments under development	5,600	0	79,773	0	85,373	0	85,373
Investment in joint ventures	0	0	0	0	0	107,306	107,306
Tangible fixed assets	949	526	58	285	1,818	0	1,818
Receivables	21,627	7,373	5,355	1,152	35,507	(301)	35,206
Derivative financial instruments	0	461	230	0	691	(461)	230
Cash and deposits	6,352	71,740	11,379	953	90,424	(12,346)	78,078
Property investments held for sale	79,100	0	19,088	0	98,188	0	98,188
Total assets	1,381,028	1,724,900	855,317	2,390	3,963,635	(106,402)	3,857,233
Creditors	30,378	29,662	19,525	4,364	83,929	(8,280)	75,649
Non-current creditors	9,501	2,455	13,244	0	25,200	(729)	24,471
Borrowings	400,414	905,730	274,119	15,000	1,595,263	(89,801)	1,505,462
Derivative financial instruments	8,237	103,075	733	0	112,045	0	112,045
Deferred tax liabilities	0	98,975	73,703	0	172,678	(7,592)	165,086
Provision for pensions	0	0	0	826	826	0	826
Total liabilities	448,530	1,139,897	381,324	20,190	1,989,941	(106,402)	1,883,539

(€ '000) For the twelve months ended 30/06/2017	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	52,669	41,506	81,916	0	176,091	(1,381)	174,710

* 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 2018 are in the process of being prepared and audited. The Annual Report enclosing these financial statements will be published on www.eurocommercialproperties.com on 21 September 2018. The figures in this press release have not been audited by an external auditor.