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**PRESS RELEASE**

**DATE: 9 NOVEMBER 2007**  
**RELEASE: BEFORE OPENING OF EURONEXT AMSTERDAM AND EURONEXT  
PARIS**

**EUROCOMMERCIAL PROPERTIES N.V.**  
**FIRST QUARTER RESULTS 2007/2008**

***Rent and turnover increases continue.  
Two French shopping centres acquired.***

**Rental Income**

Net property income for the three months to 30 September 2007, after allowing for property expenses including local offices, rose by € 2.90 million to € 26.04 million – an increase of 12.5% when compared with the same period in 2006. This increase resulted from property acquisitions of approximately € 255 million during the previous 12 months and like-for-like average rental growth of 5.4% from existing retail properties.

**Direct Investment Result and IFRS Profit after Taxation**

The increased net property income in the quarter of € 2.90 million was offset by the extra interest costs of € 2.73 million on loans financing the acquisition of the additional properties. The direct investment result (net property income less net interest expenses, company expenses and corporate income taxes) for the three month period ended 30 September 2007 rose by 1.3% to € 15.19 million from € 14.98 million in the previous corresponding period.

The direct investment result for the quarter represented € 0.43 per depositary receipt - the number outstanding of which has remained unchanged since 30 June 2007 at 35,277,619.

The IFRS profit after taxation (total investment result) for the period increased to € 7.75 million compared with € 4.58 million for the three month period ended 30 September 2006. The IFRS profit after taxation includes contributions from unrealised increases in property values less contingent nominal capital gains taxes and also includes fair value movements in derivatives.

**Adjusted and IFRS Net Asset Value**

Adjusted net asset value increased by 18.1% to € 39.46 per depositary receipt at 30 September 2007 from € 33.40 at 30 September 2006 and by 1.2% from € 38.99 at 30 June 2007. ECP does not revalue its properties on a quarterly basis so the current figures represent the underlying value of properties based on the 30 June 2007 independent valuations and do not take into account contingent capital gains tax liabilities if all the properties were to be sold simultaneously. Adjusted net asset value



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also does not take into account the fair value of financial derivatives (interest rate swaps). All properties will be externally revalued as usual at 31 December 2007.

The IFRS net asset value at 30 September 2007 after allowing for these items was € 35.47 per depositary receipt compared with € 29.53 at 30 September 2006 and € 35.21 at 30 June 2007.

### **Shopping Centre Performance**

Sales turnover growth in Eurocommercial Properties' shopping centre galleries for the 12 month period to 30 September 2007 was 4.1% overall, averaging 3.8% in France, 2.9% in Italy (excluding Carosello where major extension works are underway) and 9.4% in Sweden. The latest national twelve month sales growth figures were 2.7% in France, 0.8% in Italy and 6.8% in Sweden.

Like-for-like average rental income from ECP's retail properties for the twelve months to 30 September grew by 5.4% when compared with the same period in 2006. In France, the growth was 7.2%, in Italy 4.4% (excluding Centro Leonardo in Imola) and in Sweden 4.4%.

In France, shopping centre rents will rise by 5.1% from January 2008, compared to an increase of 7.1% in January 2007, as a result of the recently announced increase in the French construction cost index.

Vacancies continue to be effectively non-existent with overall occupancy levels above 99%.

### **Property Investments**

ECP has acquired two shopping centres in France, both of which are immediately income producing, for a total cost of € 76.5 million. The Company has also acquired "moyennes surfaces" adjacent to one of the centres for € 2.5 million, resulting in a total cost of € 79 million for both properties, including acquisition expenses.

In both cases ECP has acquired ownership of the hypermarket together with the gallery and the car park, thereby securing full management control.

The first centre is located at St. Doulichard, close to Bourges, the administrative centre of the Cher Department, not far from ECP's existing centre at Tours. The Bourges centre consists of a Géant Casino hypermarket with a lettable area of 15,780m<sup>2</sup> (sales area 9,940m<sup>2</sup>) and a gallery of 3,668m<sup>2</sup> with 1,200 parking spaces. Total rent from the property is € 2.2 million; an average of only € 113/m<sup>2</sup>.

The second centre is located in Chasse-sur-Rhône, close to Lyon in the Rhône Alpes region and about an hour's drive from Grenoble where ECP already owns a city centre retail property. The new centre consists of a Géant Casino hypermarket with a lettable



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area of 14,000m<sup>2</sup> (sales area 7,600m<sup>2</sup>) together with a gallery of 1,500 m<sup>2</sup>. Total rent from the hypermarket and gallery is € 1.45 million, an average of € 94/m<sup>2</sup>.

The properties will produce a net initial yield of 5.25%. With passing rents set at extremely low levels there is excellent reversionary potential. Furthermore both centres have the necessary zoning to carry out extensions of up to 5,000m<sup>2</sup> each subject to obtaining all required administrative consents.

### **Extension Programme**

The three extensions currently underway at Carosello in Milan, Italy and at the two MaxiHusetts in Sweden in Skövde and Norrköping are progressing on schedule. Media Market has signed a lease of 3,875m<sup>2</sup> for its Saturn electrical store at Carosello and both of the Swedish centres are over 70% pre-let. These extensions will have a cost in the order of € 130 million over the next 18 months, of which € 27.6 million has already been spent. Net initial yields on these extensions are expected to average 7.0%.

### **Market Commentary**

Despite the current credit crisis there is no evidence of any increase in yields for good quality investments in ECP's markets. Ungearred institutional investors continue to be aggressive buyers and now dominate the market which has been largely vacated by highly leveraged speculators whose sources of debt have virtually disappeared.

ECP nonetheless maintains the view that only in exceptional circumstances would it accept a dilution of earnings on the purchase of a property which effectively means that net initial yields must be over 5% unless there is an expectation of immediate rental growth.

ECP's borrowing costs remain in the region of 4.8% and the Company has not seen any adverse impact on its ability to obtain debt financing. 90% of loans are now fixed for an average period of eight years compared to just over 80% at the end of June. It is pleasing that, because of the simplicity and clarity of its loan requirements, the Company's banking margins remain very close to levels seen before the "sub-prime" crisis emerged.

The Board of ECP remains positive on the underlying fundamentals of its properties where turnover and rental growth prospects have to date been unaffected by the recent financial turmoil.

### **Annual General Meeting Resolutions Adopted**

All proposed resolutions were adopted at the Annual General Meeting of Shareholders held on 6 November 2007, including the proposed dividend of € 1.67 per depository receipt in cash or in stock at a ratio of one new depository receipt for every 26 existing depository receipts.



## **Eurocommercial Properties**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

(€ '000)

	<b>First quarter ended 30-09-07</b>	First quarter ended 30-09-06
Rental income	<b>30,448</b>	26,610
Service charges income	<b>3,699</b>	3,098
Service charges expenses	<b>(4,424)</b>	(3,565)
Property expenses	<b>(3,688)</b>	(3,007)
	-----	-----
Net property income	<b>26,035</b>	23,136
Investment revaluation	<b>(39)</b>	322
Interest income	<b>513</b>	174
Interest expenses	<b>(9,403)</b>	(6,676)
Fair value movement derivative financial instruments	<b>(8,757)</b>	(11,677)
	-----	-----
Net financing cost	<b>(17,647)</b>	(18,179)
Company expenses	<b>(1,960)</b>	(1,650)
Investment expenses	<b>(32)</b>	(41)
	-----	-----
Profit before taxation	<b>6,357</b>	3,588
Corporate income tax	<b>0</b>	0
Deferred tax	<b>1,389</b>	993
	-----	-----
<b>Profit after taxation</b>	<b>7,746</b>	4,581
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<b>Per depositary receipt (€)*</b>		
Profit after taxation	<b>0.22</b>	0.13
Diluted profit after taxation	<b>0.22</b>	0.13

\* the average number of depositary receipts on issue during the period was 35,277,619



**CONSOLIDATED DIRECT, INDIRECT AND TOTAL INVESTMENT RESULTS**

(€ '000)	First quarter ended 30-09-07	First quarter ended 30-09-06
Rental income	30,448	26,610
Service charges income	3,699	3,098
Service charges expenses	(4,424)	(3,565)
Property expenses	(3,688)	(3,007)
	-----	-----
Net property income	26,035	23,136
Interest income	513	174
Interest expenses	(9,403)	(6,676)
	-----	-----
Net financing expenses	(8,890)	(6,502)
Company expenses	(1,960)	(1,650)
	-----	-----
Direct investment result before taxation	15,185	14,984
Corporate income tax	0	0
	-----	-----
<b>DIRECT INVESTMENT RESULT</b>	<b>15,185</b>	<b>14,984</b>
Investment revaluation	(39)	322
Fair value movement derivative financial instruments	(8,757)	(11,677)
Investment expenses	(32)	(41)
	-----	-----
Indirect investment result before taxation	(8,828)	(11,396)
Deferred tax	1,389	993
	-----	-----
<b>INDIRECT INVESTMENT RESULT</b>	<b>(7,439)</b>	<b>(10,403)</b>
	-----	-----
<b>TOTAL INVESTMENT RESULT</b>	<b>7,746</b>	<b>4,581</b>
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<b>Per depositary receipt (€)*</b>		
Direct investment result	0.43	0.42
Indirect investment result	(0.21)	(0.29)
	-----	-----
Total investment result	0.22	0.13

\* the average number of depositary receipts on issue during the period was 35,277,619.



# Eurocommercial Properties

## CONSOLIDATED BALANCE SHEET

(before income appropriation) (€ '000)	30-06-07	30-09-07	30-09-06
Property investments	2,178,849	2,241,005	1,783,748
Property investments under development	18,221	21,986	0
Tangible fixed assets	941	998	729
Receivables	2,324	2,605	1,703
Derivative financial instruments	18,919	13,752	1,052
<b>Total non-current assets</b>	<b>2,219,254</b>	<b>2,280,346</b>	<b>1,787,232</b>
Receivables	30,636	30,162	28,279
Cash and deposits	18,044	12,884	11,269
<b>Total current assets</b>	<b>48,680</b>	<b>43,046</b>	<b>39,548</b>
<b>Total assets</b>	<b>2,267,934</b>	<b>2,323,392</b>	<b>1,826,780</b>
Corporate tax payable	8,106	8,113	8,183
Creditors	49,151	70,897	41,077
Borrowings	114,195	147,462	26,937
<b>Total current liabilities</b>	<b>171,452</b>	<b>226,472</b>	<b>76,197</b>
Creditors	17,942	22,659	31,118
Borrowings	684,107	668,257	539,827
Derivative financial instruments	1,221	4,788	21,481
Deferred tax liabilities	150,952	149,811	115,992
Provision for pensions	142	138	484
<b>Total non-current liabilities</b>	<b>854,364</b>	<b>845,653</b>	<b>708,902</b>
<b>Total liabilities</b>	<b>1,025,816</b>	<b>1,072,125</b>	<b>785,099</b>
<b>Net assets</b>	<b>1,242,118</b>	<b>1,251,267</b>	<b>1,041,681</b>
<b>Equity Eurocommercial Properties shareholders</b>			
Issued share capital	176,388	176,388	176,388
Share premium reserve	324,392	324,472	327,276
Other reserves	481,866	483,189	299,509
Undistributed income	259,472	267,218	238,508
	1,242,118	1,251,267	1,041,681
<b>Adjusted net equity</b>			
IFRS net equity	1,242,118	1,251,267	1,041,681
Deferred tax liabilities	150,952	149,811	115,992
Derivative financial instruments	(17,698)	(8,964)	20,429
<b>Adjusted net equity</b>	<b>1,375,372</b>	<b>1,392,114</b>	<b>1,178,102</b>
Number of depositary receipts representing shares in issue	35,277,619	35,277,619	35,277,619
Net asset value – € per depositary receipt (IFRS)	35.21	35.47	29.53
Adjusted net asset value - € per depositary receipt	38.99	39.46	33.40
Stock market prices - € per depositary receipt	38.32	39.00	37.25



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

The movements in shareholders' equity in the first quarter ended 30 September 2007 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undistributed income	Total
30/06/07	176,388	324,392	481,866	259,472	1,242,118
Profit for the period				7,746	7,746
Stock options granted		80			80
Foreign currency translation differences			1,323		1,323
30/09/07	176,388	324,472	483,189	267,218	1,251,267

The movements in shareholders' equity in the previous first quarter ended 30 September 2006 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undistributed income	Total
30/06/06	176,388	327,196	300,168	233,927	1,037,679
Profit for the period				4,581	4,581
Stock options granted		80			80
Foreign currency translation differences			(659)		(659)
30/09/06	176,388	327,276	299,509	238,508	1,041,681



# Eurocommercial Properties

## CONSOLIDATED CASH FLOW STATEMENT

(€ '000)

	First quarter ended 30-09-07	First quarter ended 30-09-06
<b>Cash flow from operating activities</b>		
Profit after taxation	7,746	4,581
<u>Adjustments:</u>		
Movement stock options	80	80
Derivative financial instruments	8,757	11,677
Deferred tax	(1,389)	(993)
Other movements	660	938
	-----	-----
	15,854	16,283
<b>Cash flow from operations</b>		
Increase in receivables	(427)	(3,752)
Increase in creditors	14,175	6,706
Interest paid	(11,338)	(5,304)
Interest received	513	169
	-----	-----
	2,923	(2,181)
<b>Cash flow from investment activities</b>		
Property acquisitions	(22,441)	0
Capital expenditure	(17,321)	(2,906)
Movement tangible fixed assets	(66)	(13)
	-----	-----
	(39,828)	(2,919)
<b>Cash flow from finance activities</b>		
Borrowings added	18,086	20,000
Repayment of borrowings	(1,827)	(96,552)
Decrease/increase non-current creditors	(425)	1
	-----	-----
	15,834	(76,551)
<b>Net cash flow</b>	(5,217)	(65,368)
Currency differences on cash and deposits	57	56
Decrease in cash and deposits	(5,160)	(65,312)
Cash and deposits at beginning of period	18,044	76,581
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Cash and deposits at end of period	12,884	11,269



## Eurocommercial Properties

	30-09-07	30-09-06
<b><u>Property information: sector spread (%)</u></b>		
Retail	93	91
Office	5	7
Warehouse	2	2
<b><u>Property information: country spread (%)</u></b>		
France	34	35
Italy	39	41
Sweden	22	18
The Netherlands	5	6
<b><u>Net property income by sector (€ '000)</u></b>		
Retail	22,969	20,223
Office	2,243	2,069
Warehouse	817	844
	-----	-----
	26,035	23,136
<b><u>Net property income by country (€ '000)</u></b>		
France	8,729	8,373
Italy	9,602	8,560
Sweden	5,912	4,421
The Netherlands	1,792	1,782
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	26,035	23,136

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