



Eurocommercial Properties N.V.



Press release

Half Year Report 31 December 2006

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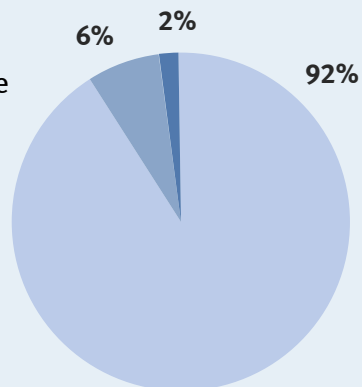
One of Europe's most experienced owners of shopping centres, Eurocommercial Properties (ECP) has a continuous record of rising asset values and income since 1991.

ECP focuses on retail properties in France, Northern Italy and Sweden, wealthy countries with the common thread of turnover rents which provide market transparency and management efficiency. It has experienced national teams with the specialist management and research skills to match the retail mix of shopping centres to local spending patterns. ECP has been present in France for 15 years, Italy 13 years and Sweden for 6 years.

Overall portfolio balance

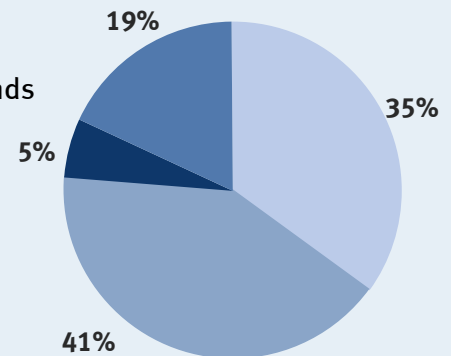
By sector

- Retail
- Office
- Warehouse



By country

- France
- Italy
- Sweden
- Netherlands



Report of the Board of Management

Net asset value

+6.7%

since 30 June 2006

to €35.19

The adjusted net asset value rose by 6.7% to € 35.19 per depositary receipt at 31 December 2006 from € 32.98 at 30 June 2006 and by 18.6% from € 29.68 at 31 December 2005. These figures represent the underlying property values based on independent appraisals carried out in December 2006 and do not take into account the fair value of financial derivatives (interest rate swaps) or contingent capital gains tax liabilities if all properties were to be sold simultaneously. The IFRS net asset value at 31 December 2006 was € 31.33 per depositary receipt compared with € 29.41 at 30 June 2006 and € 25.61 at 31 December 2005.

Direct investment result

+6.5%

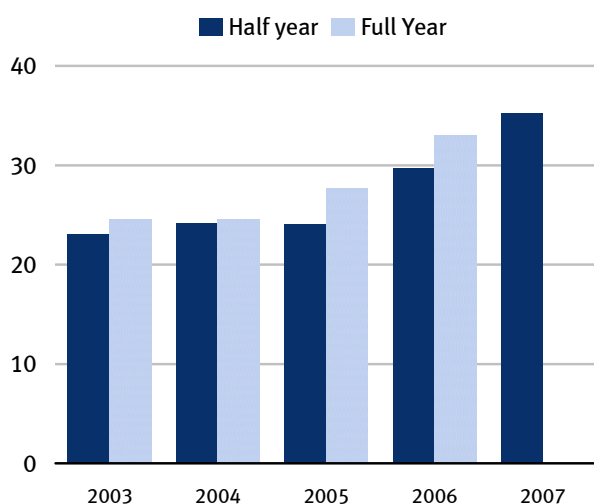
compared to 31 December 2005

to €28.84 million

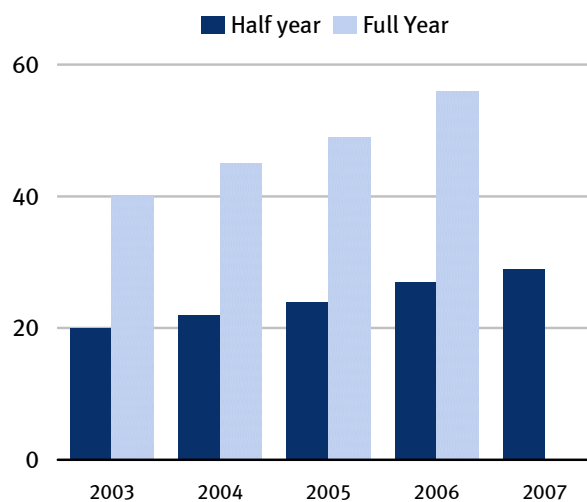
The direct investment result for the six months to 31 December 2006 was € 28.84 million, an increase of 6.5% over the result of € 27.07 million for the same period in 2005. The direct investment result per depositary receipt was € 0.82 for the six months to 31 December 2006 compared with € 0.78 for the six months to 31 December 2005. The annual cash dividend payable in November 2007 is, under current circumstances, expected to be at least that paid in 2006 at the rate of € 1.60 per depositary receipt.

Direct investment result is defined as net property income less net interest expenses, currency movements and company expenses. The number of depositary receipts outstanding remained unchanged since 31 December 2005 at 35,277,619.

Adjusted net asset value (€)



Direct investment result (€ million)



Property values

+5.8%

since 30 June 2006

to €1.95 billion

Property book values for the Group increased by € 106.9 million, or 5.8%, to € 1.95 billion at 31 December 2006 compared with 30 June 2006 after allowing for capital expenditure during the period and in particular the € 44 million cost of the Imola extension (see note 7 of the Consolidated Financial Statements). The net valuation yield on the portfolio reduced by twenty basis points to 5.20% compared with the overall yield on the same properties at 30 June 2006. Values increased by 9.2% in France, 3.8% in Italy, 5.5% in Sweden and 0.6% in The Netherlands (office and warehouses only).

Net property income

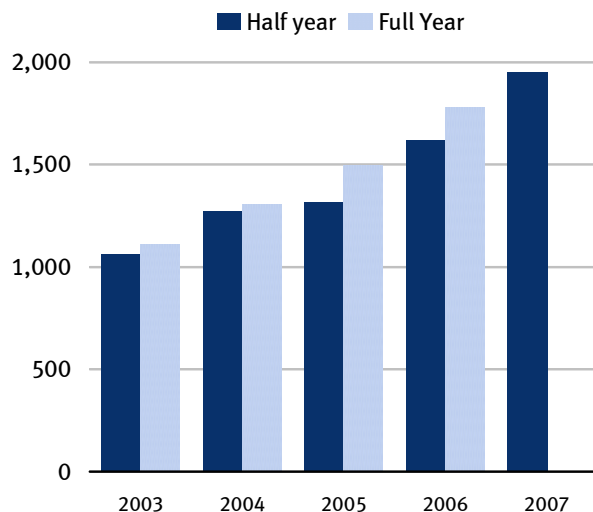
+10%

compared to 31 December 2005

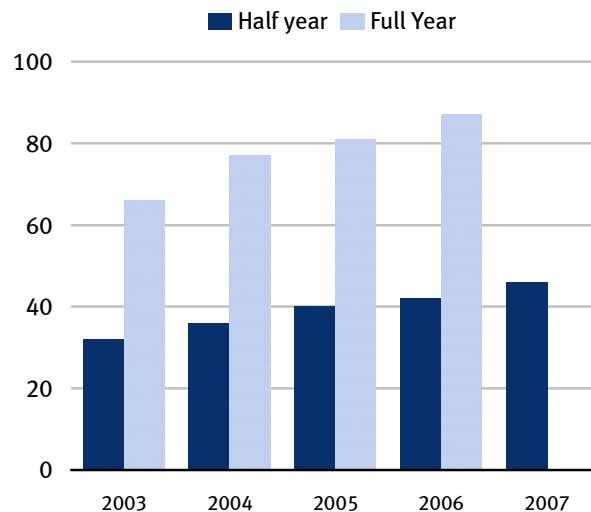
to €46.1 million

Net property income after regional overheads and other expenses for the six months ended 31 December 2006 was € 46.1 million, compared with € 41.9 million for the prior year period.

Property values (€ million)



Net property income (€ million)



Property valuations

The Company has a portfolio of 27 retail properties, six warehouses and one office building. ECP properties were independently valued at € 1.95 billion at 31 December 2006, an increase of 5.8% over the six month period, due to higher rental income and lower yields as a result of continued strong demand for retail properties across Western Europe.

The overall net yield used by the independent valuers for the ECP property portfolio at the end of 2006 was 5.20%. Values rose strongly in France by 9.2%, partly due to the high rent indexation for 2007 of 7%. Sweden also showed healthy growth of 5.5%, with a net yield of 5.30%, now more in line with the rest of Western Europe. Valuations in the Italian properties increased 3.8%. The overall net yield for the retail portfolio was 5.06%, with France at 4.95%, Italy at 5.05% and Sweden at 5.30%. The overall warehouse yield was 7.50% and 6.90% was used for the Company's only office building.

Address	Net value 30/06/2006 € million	Net value 31/12/2006 € million	Increase %	Net yield %
France retail				
Centre Commercial Amiens Glisy, Amiens (Somme)	36.00	38.18	6.1%	5.50%
Buchelay Retail Park (Yvelines)	6.68	6.87	2.8%	6.00%
Les Trois Dauphins, Grenoble (Isère)	30.00	32.43	8.1%	5.60%
Noyelles Godault Retail Park (Pas de Calais)	-	4.86	-	6.20%
Centr'Azur, Hyères (Var)	35.12	39.45	12.3%	5.40%
Passage du Havre, Paris (includes 10 rue du Havre)	229.40	250.26	9.1%	4.50%
Passy Plaza, Paris	106.00	114.92	8.4%	4.90%
74 rue de Rivoli, 1-3 rue du Renard, Paris	16.90	17.80	5.3%	3.50%
Les Portes de Taverny, Taverny (Val d'Oise)	38.89	43.32	11.4%	5.50%
Centre les Atlantiques, Tours (Indre et Loire)	93.00	103.80	11.6%	5.30%
Tourville la Rivière (Seine-Maritime)	2.04	2.40	17.6%	6.40%
France warehouses				
Parisud, Sénart (Seine et Marne)	10.70	11.05	3.3%	6.90%
Rue des Béthunes, Saint-Ouen l'Aumone (Val d'Oise)	17.00	18.10	6.5%	8.05%
Italy retail				
Curno, Bergamo (Lombardia)	89.74	93.85	4.6%	5.20%
Centro Lame, Bologna (Emilia Romagna)	34.62	36.44	5.3%	5.30%
Il Castello, Ferrara (Emilia Romagna)	86.35	88.27	2.2%	5.10%
I Gigli, Firenze (Toscana)	229.30	238.33	3.9%	4.95%
Centro Leonardo, Imola (Emilia Romagna)	69.65*	75.00	7.7%	5.30%
La Favorita, Mantova (Lombardia)	47.56	49.14	3.3%	5.75%
Carosello, Carugate, Milano (Lombardia)	192.10	199.09	3.6%	4.90%
Centroluna, Sarzana (Liguria)	17.98	19.71	9.6%	3.80%
Sweden retail				
Bergvik, Karlstad (Värmland)	46.82	50.96	8.8%	5.00%
Mellby Centre, Laholm (Halland)	16.06	17.64	9.8%	5.75%
Burlöv Centre, Malmö (Skåne)	104.67	114.46	9.4%	5.10%
Maxihuset, Norrköping (Östergötland)	36.86	40.62	10.2%	5.25%
Maxihuset, Skövde (Västergötland)	33.54	35.83	6.9%	5.35%
Moraberg, Södertälje (Södermanland)	39.72	41.95	5.6%	5.50%
Hälla Shopping Centre, Västerås (Västmanland)	23.50	25.60	8.9%	5.40%
Samarkand, Växjö (Småland)	36.07	38.45	6.6%	5.75%
The Netherlands office				
Kingsfordweg 1, Amsterdam Sloterdijk (Noord-Holland)	87.00	87.40	0.5%	6.90%
The Netherlands warehouses				
Horsterweg 20, Maastricht-Airport (Limburg)	4.27	4.37	2.3%	6.50%
Galvanibaas 5, Nieuwegein (Utrecht)	4.02	4.04	0.5%	7.40%
Standaardruiter 8, Veenendaal (Utrecht)	3.64	3.67	0.8%	7.40%
Koeweistraat 10, Waardenburg (Gelderland)	2.12	2.13	0.5%	7.80%
TOTAL	1,827.32*	1,950.40	6.7%	5.20%

* includes cost of extension

Rental income and sales turnovers

The like-for-like (same floor area) rental income from ECP's retail properties increased by 3.9% at 31 December 2006 compared with 31 December 2005. In Italy the rental income increased by 4.2%, in France by 3.9% and in Sweden by 3.6%. The rental income figures compare tenancy schedules at the relevant dates and include indexation and turnover rents.

Sales turnovers at ECP's centres increased by 4.6% for the year to 31 December 2006 compared with the year to 31 December 2005. Sales at ECP centres were up 4.2% in France, 3.3% in Italy and 9.1% in Sweden, all outperforming the national averages.

	ECP gallery sales turnover increase*	National retail sales increase**
France	4.2%	2.7%
Italy †	3.3%	1.4%
Sweden	9.1%	7.4%
	-----	-----
Money weighted average	4.6%	3.1%
	=====	=====

* Excludes hypermarkets

** Source: National Statistics Offices

† Excludes Imola

Rent to sales ratios at ECP's centres remain below the national averages, a sign of our continuing commitment to maintain rents at sustainable levels, ensuring minimal vacancies and a well balanced tenant mix.

	ECP gallery* rent to retail sales	ECP gallery* total occupancy costs to retail sales
France	5.0%	6.1%
Italy	5.4%	7.4%
Sweden	4.8%	5.7%
	-----	-----
Average	5.1%	6.4%
	=====	=====

*Excludes hypermarkets

Share capital and funding

The Company's share capital remained unchanged during the period. Although 611,839 depositary receipts were issued under the stock dividend plan at € 40 per depositary receipt, in order to remove unnecessary dilution, the same number of depositary receipts was bought back by the Company at an average price of € 38 per depositary receipt during November and December 2006. Total depositary receipts outstanding at 31 December 2006 therefore remained at 35,277,619.

Borrowings now represent 61% of net shareholders equity and the average term of the loans is more than nine years with a large proportion (85.9%) of interest rates fixed, through swaps, for an average similar term. The Company has recently entered into a further long-term borrowing facility for an amount of € 50 million with a term of 10 years. This change to the loan portfolio provides the Company with additional long-term flexible access to bank borrowings for the financing of its current extension programme and future acquisitions.

Acquisitions

In October 2006 ECP purchased a 2,800m² property at a retail park in Noyelles Godault near Lille in Northern France. Noyelles Godault is the dominant retail zone for the Pas de Calais region and is anchored by Auchan. The acquisition costs are € 5.2 million at a net yield of 6.2%. Stringent development policies and the scarcity of quality shopping centres on the market at reasonable yields in France at present means that acquisitions such as this, though small, do add to earnings and are very simple to manage.

Extensions

Since the beginning of 2006, ECP has spent approximately € 80 million on upgrading and developing existing centres to strengthen our positions in increasingly competitive marketplaces. By the end of 2009 a further € 220 million is budgeted to be spent on additional extensions and refurbishments of ECP centres.

Italy

The 9,000m² extension of Centro Leonardo in Imola was completed on schedule in November 2006. The total cost of the project was € 47 million, including the refurbishment of the existing gallery where improvements included the installation of double-height shop fronts, underground parking and a new food court. The completed 15,300m² gallery with 70 shops anchored by Media World and Oviessa has been trading well since November, with approximately 95,000 people visiting the centre in the first three days following its opening. The net return on cost at the time of the opening was slightly above 6.5% and the centre was independently valued at a yield of 5.30% at 31 December 2006.

Work on the extension and refurbishment of Carosello in Carugate, Milan is progressing well. Initial planning approvals have been received for new access routes to the centre, and the final planning permit is expected to be granted imminently. Construction is due to start by April 2007 and will take place in two phases. The first phase is the 11,400m² addition to the gallery which is expected to be completed by the end of 2008. The consequent refurbishment of the existing mall and development of a new two-storey food court is expected to be completed by mid 2009. The total project, including the addition of 800 underground car parking spaces, is anticipated to cost € 60-65 million and is expected to yield approximately 7%.

France

Discussions continue with the relevant municipalities regarding extensions of the Centre Les Atlantes at Tours and Centre Glisy at Amiens.

Sweden

Construction on the extensions at the MaxiHuset centres in Norrköping and Skövde are scheduled to begin later this year. Planning was granted in September 2006 for the 8,000m² Norrköping extension. Stadium and Intersport have already signed new 10-year leases for stores of 1,500m² and 1,200m² respectively. Letting activity is also progressing well for other anchor stores with very strong tenant interest.

Planning was granted in December 2005 for the 8,500m² extension at Skövde, which includes an enlargement of the existing hypermarket and anchor tenants have already been secured. The combined cost of both projects, including refurbishment of the existing galleries, is estimated at € 60 million with return on costs of approximately 7%. Both centres are scheduled for completion by the end of 2008.

Occupancy

At 31 December 2006 the occupancy level for the total ECP portfolio was over 99%, unchanged compared with 31 December 2005.

Market commentary and investment plans

European property markets continue to react to the imbalance of supply and demand with ever rising prices. Yields – the measure of the initial return on an investment – have reduced in the institutional retail and office sectors by around 20 basis points over the last six months as prices have risen.

Our view, nevertheless, is that because the underlying occupational market remains sound, especially in the retail sector, yields around current levels are likely to persist for a while. This likelihood is enhanced by legislation to create REITs in a number of countries, including Italy – although the final details there are not known. Clearly the Italian “SIIQs” should be of value to ECP and other investors as the SIIC was in France.

History tells us that should markets eventually soften as at some point they always do, the yields for prime properties will change least and those for secondary properties -either because of their country, location or design- will change most; as indeed their yields have changed most as markets have risen.

We prefer, therefore, if we have to pay high prices, to pay them for the best properties in well established markets rather than secondary ones, notwithstanding that they may appear to offer an initial yield advantage. To decide to buy or not, even prime properties in well known proven markets, is extremely difficult today with initial yields at or around borrowing or equity costs. The only justification can be a well-judged expectation of rental growth. This requires a large database of comparable rents and the legal ability to actually achieve the expected increases.

We, as well as being very careful with new investments, are of course concentrating on our extension programme. The enlarged Centro Leonardo in Imola opened on time and is operating well. The next projects will be Carosello in Italy and Skövde and Norrköping in Sweden, all starting this year. Altogether, we are likely to invest a further €220 million on these and other extension projects over the next three or four years, at expected yields well above market rates.

ECP continues to keep an eye on neighbouring Western European states but is currently focusing its efforts on the markets we know best – Italy, France and Sweden, where we have the greatest chance of securing attractive investments. The emphasis is currently on Sweden, where we would like to increase our exposure, the current balance being 19% Sweden, 35% France and 41% Italy. Negotiations are proceeding but, as yet, no firm acquisitions can be reported.

The last six months have been good ones in our shops with sales up overall by 4.6% at 31 December compared with the same twelve month period last year. These results are significantly better than the respective national sales growth averages and are a credit to the attention to detail and a profound knowledge of local markets on the part of our national teams.

The year ahead, although apparently benign in economic terms, with an unprecedented ability to raise money because of the popularity of property stocks, could in fact be a risky one either because of unwise investments at the top of the market or because of the potential instability of capital markets after the creation of huge amounts of new paper money through hedge funds and other opaque, highly geared structures. Our economic and demographic research capability, therefore, will be more than ever fundamental to our decisions.

Amsterdam, 9 February 2007

Board of Management

J.P. Lewis, Chairman

E.J. van Garderen

Conference call

ECP will host a conference call today, Friday 9 February 2007, at 2:00 PM (UK) / 3:00 PM (CET) for investors and analysts. To access the call, **please dial +44 (0)1452 586 513** approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial Properties call using the **conference ID number of 7526989**.

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

Website: www.eurocommercialproperties.com



Consolidated profit and loss account

(€ '000)	Note	Six months ended 31-12-06	Six months ended 31-12-05	Second quarter ended 31-12-06	Second quarter ended 31-12-05
Rental income		53,885	49,844	27,275	25,292
Service charges income		7,978	6,402	4,880	3,899
Service charges expenses		(9,263)	(8,167)	(5,698)	(4,978)
Property expenses	4	(6,538)	(6,220)	(3,531)	(3,080)
Net property income	2	46,062	41,859	22,926	21,133
Investment revaluation	5	105,256	94,936	104,934	95,249
Interest income		340	328	166	179
Interest expenses		(13,813)	(11,744)	(7,137)	(5,949)
Foreign currency translation result		0	203	0	28
Fair value movement derivative financial instruments		(2,528)	11,366	9,149	10,768
Net financing income/cost		(16,001)	153	2,178	5,026
Company expenses	6	(3,750)	(3,557)	(2,100)	(1,914)
Investment expenses		(688)	(972)	(647)	(963)
Profit before taxation		130,879	132,419	127,291	118,531
Corporate income tax		0	(16)	0	(16)
Deferred tax		(11,283)	(29,124)	(12,276)	(26,447)
Profit after taxation		119,596	103,279	115,015	92,068
Per depositary receipt (€)*					
Profit after taxation		3.39	2.98	3.26	2.65
Diluted profit after taxation		3.33	2.91	3.20	2.60

* the average number of depositary receipts on issue during the period was 35,277,619 (six months to 31/12/2005: 34,604,240).

Consolidated direct, indirect and total investment results

(€ '000)	Note	Six months ended 31-12-06	Six months ended 31-12-05	Second quarter ended 31-12-06	Second quarter ended 31-12-05
Rental income		53,885	49,844	27,275	25,292
Services charges income		7,978	6,402	4,880	3,899
Service charges expenses		(9,263)	(8,167)	(5,698)	(4,978)
Property expenses	4	(6,538)	(6,220)	(3,531)	(3,080)
Net property income	2	46,062	41,859	22,926	21,133
Interest income		340	328	166	179
Interest expenses		(13,813)	(11,744)	(7,137)	(5,949)
Foreign currency translation result		0	203	0	28
Net financing expenses		(13,473)	(11,213)	(6,971)	(5,742)
Company expenses	6	(3,750)	(3,557)	(2,100)	(1,914)
Direct investment result before taxation		28,839	27,089	13,855	13,477
Corporate income tax		0	(16)	0	(16)
DIRECT INVESTMENT RESULT		28,839	27,073	13,855	13,461
Investment revaluation	5	105,256	94,936	104,934	95,249
Fair value movement derivative financial instruments		(2,528)	11,366	9,149	10,768
Investment expenses		(688)	(972)	(647)	(963)
Indirect investment result before taxation		102,040	105,330	113,436	105,054
Deferred tax		(11,283)	(29,124)	(12,276)	(26,447)
INDIRECT INVESTMENT RESULT		90,757	76,206	101,160	78,607
TOTAL INVESTMENT RESULT		119,596	103,279	115,015	92,068
Per depositary receipt (€)*					
Direct investment result		0.82	0.78	0.39	0.39
Indirect investment result		2.57	2.20	2.87	2.26
Total investment result		3.39	2.98	3.26	2.65

* the average number of depositary receipts on issue during the period was 35,277,619 (six months to 31/12/2005: 34,604,240).



Consolidated balance sheet

(before income appropriation) (€ '000)	Note	30-06-06	31-12-06	31-12-05
Property investments	7	1,782,338	1,950,404	1,618,095
Tangible fixed assets		788	800	857
Receivables	8	1,767	1,637	1,900
Derivative financial instruments		4,677	2,472	0
Total noncurrent assets		1,789,570	1,955,313	1,620,852
Receivables	8	25,279	29,681	30,112
Cash and deposits		76,581	12,140	6,427
Total current assets		101,860	41,821	36,539
Total assets		1,891,430	1,997,134	1,657,391
Creditors	9	47,857	55,205	45,001
Borrowings	10	71,030	93,844	86,072
Total current liabilities		118,887	149,049	131,073
Creditors	9	31,255	18,131	32,954
Borrowings	10	572,507	585,590	446,006
Derivative financial instruments		13,421	13,771	40,853
Deferred tax liabilities		117,207	124,815	102,675
Provision for pensions		474	488	465
Total noncurrent liabilities		734,864	742,795	622,953
Total liabilities		853,751	891,844	754,026
Net equity		1,037,679	1,105,290	903,365
Equity Eurocommercial Properties shareholders	11			
Issued share capital		176,388	176,388	176,388
Share premium reserve		327,196	324,235	327,040
Other reserves		300,168	485,071	296,658
Undistributed income		233,927	119,596	103,279
		1,037,679	1,105,290	903,365
Adjusted net equity				
IFRS net equity per balance sheet		1,037,679	1,105,290	903,365
Deferred tax liabilities		117,207	124,815	102,675
Derivative financial instruments		8,744	11,299	40,853
Adjusted net equity		1,163,630	1,241,404	1,046,893
Number of depositary receipts representing shares in issue		35,277,619	35,277,619	35,277,619
Net asset value - € per depositary receipt (IFRS)		29.41	31.33	25.61
Adjusted net asset value - € per depositary receipt		32.98	35.19	29.68

Consolidated cash flow statement

For the six months ended (€ '000)	Note	31-12-06	31-12-05
Cash flow from operating activities			
Profit after taxation		119,596	103,279
Adjustments:			
Movement stock options		159	160
Investment revaluation	5	(107,167)	(96,118)
Derivative financial instruments		2,528	(13,651)
Deferred tax		11,283	29,124
Other movements		2,015	795
Cash flow from operations		28,414	23,589
Increase in receivables	8	(10,635)	(7,325)
Increase in creditors	9	6,901	28,649
Capital gains tax		(7,175)	(7,987)
Derivative financial instruments		0	(3,694)
Interest paid		(12,363)	(11,964)
Interest received		335	327
		5,477	21,595
Cash flow from investment activities			
Property acquisitions	7	(42,058)	0
Capital expenditure	7	(5,748)	(22,912)
Movement tangible fixed assets		(154)	2
		(47,960)	(22,910)
Cash flow from finance activities			
Proceeds issued shares		0	143
Borrowings added	10	130,591	94,808
Repayment of borrowings	10	(97,766)	(129,437)
Dividends paid	11	(32,031)	(28,446)
Depositary receipts bought back		(23,278)	0
Increase/decrease in noncurrent creditors		408	(2,196)
		(22,076)	(65,128)
Net cash flow			
Currency differences on cash and deposits		118	(141)
Decrease in cash and deposits		(64,441)	(66,584)
Cash and deposits at beginning of period		76,581	73,011
Cash and deposits at end of period		12,140	6,427

Consolidated statement of changes in shareholders' equity

The movements in shareholders' equity in the six months period ended 31 December 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 previous financial year			201,957	(201,957)	0
Profit for the period				119,596	119,596
Dividends paid		(61)		(31,970)	(32,031)
Depository receipts bought back		(3,059)	(20,220)		(23,279)
Stock options granted		159			159
Foreign currency translation differences			3,166		3,166
31/12/06	176,388	324,235	485,071	119,596	1,105,290

The movements in shareholders' equity in the previous six months period ended 31 December 2005 were:

(€ '000)	Issued share capital	Share premium reserve	Other reserves	Undistributed income	Total
30/06/05 reported	172,312	330,666	258,680	128,777	890,435
IFRS adjustments		213	(47,680)	(14,824)	(62,291)
30/06/05 amended	172,312	330,879	211,000	113,953	828,144
Issued shares	4,076	(3,933)			143
Profit previous financial year			85,573	(85,573)	0
Profit for the period				103,279	103,279
Dividends paid		(66)		(28,380)	(28,446)
Stock options granted		160			160
Foreign currency translation differences			85		85
31/12/05	176,388	327,040	296,658	103,279	903,365

Notes to the consolidated financial statements as at 31 December 2006

1. Principal accounting policies

The financial statements of the Company for the financial year starting 1 July 2006 and ending 30 June 2007 are drawn up in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements for the six month period ending 31 December 2006 have been drawn up in accordance with IAS 34 (Interim Financial Reporting). The comparative figures for the six months period in the previous year have been adjusted on the basis of IFRS as applied in the annual financial statements 2005/2006. For the principal accounting policies applied in this interim financial report reference is made to the published financial statements for the financial year ended 30 June 2006.

2. Segment information

Segment information is primarily presented by country (France, Italy, Sweden and The Netherlands) and secondarily by property sector (retail, office, warehouse).

(€ '000)	France		Italy		Sweden		The Netherlands		Total	
For the six months ended 31/12	06	05	06	05	06	05	06	05	06	05
Rental income	18,753	17,816	20,422	19,660	10,836	8,545	3,874	3,823	53,885	49,844
Service charge income	2,927	2,848	1,305	1,151	3,412	2,174	334	229	7,978	6,402
Service charge expenses	(3,636)	(3,568)	(1,305)	(1,151)	(3,988)	(3,219)	(334)	(228)	(9,263)	(8,166)
Property expenses	(1,951)	(2,155)	(2,999)	(2,700)	(1,231)	(949)	(357)	(417)	(6,538)	(6,221)
Net property income	16,093	14,941	17,423	16,960	9,029	6,551	3,517	3,407	46,062	41,859
Investment revaluation	56,907	30,163	29,147	52,354	18,645	11,897	557	522	105,256	94,936
Segment result	73,000	45,104	46,570	69,314	27,674	18,448	4,074	3,929	151,318	136,795
Acquisitions and capital expenditure (including capitalised interest)	3,929	2,893	46,847	12,812	2,881	9,925	101	294	53,758	25,924

(€ '000)	Retail		Offices		Warehouses		Total	
For the six months ended 31 /12	06	05	06	05	06	05	06	05
Rental income	47,700	43,871	4,348	4,283	1,837	1,690	53,885	49,844
Service charge income	7,229	5,764	334	229	415	409	7,978	6,402
Service charge expenses	(8,460)	(7,468)	(334)	(229)	(469)	(469)	(9,263)	(8,166)
Property expenses	(6,139)	(5,790)	(258)	(341)	(141)	(90)	(6,538)	(6,221)
Net property income	40,330	36,377	4,090	3,942	1,642	1,540	46,062	41,859
Investment revaluation	101,573	93,264	2,058	1,480	1,625	192	105,256	94,936
Segment result	141,903	129,641	6,148	5,422	3,267	1,732	151,318	136,795
Acquisitions and capital expenditure (including capitalised interest)	53,751	25,461	22	80	(15)	383	53,758	25,924

Notes to the consolidated financial statements (continued) as at 31 December 2006

3. Exchange rates

It is generally the Company's policy for non-Euro investments to use debt denominated in the currency of investment to provide a (partial) hedge against currency movements. Exceptionally forward contracts may be entered into from time to time when debt instruments are inappropriate for cost or other reasons. The only non-Euro investment assets and liabilities of the Company are in Sweden and to a very small extent in the United Kingdom as the Company has an office in London. As at 31 December 2006 SEK 10 was € 1.10610 (31 December 2005: € 1.06510) and GBP 1 was € 1.48920 (31 December 2005: € 1.45920).

4. Property expenses

Property expenses in the current financial period were:

For the six months ended (€ '000)	31-12-06	31-12-05
<i>Direct property expenses</i>		
Bad debts	47	77
Centre marketing expenses	388	380
Insurance premiums	356	389
Managing agent fees	694	629
Property taxes	682	466
Repair and maintenance	564	458
Shortfall service charges	97	125
	-----	-----
	2,828	2,524
<i>Indirect property expenses</i>		
Accounting and advisory fees	641	514
Audit fees	109	119
Depreciation fixed assets	55	63
Dispossession indemnities	191	363
Italian local tax (IRAP) and registration duties	381	330
Letting fees and relocation expenses	638	725
Local office and accommodation expenses	469	582
Personnel costs	947	748
Stock options (IFRS 2)	33	33
Other local taxes	147	114
Other expenses	99	105
	-----	-----
	3,710	3,696
	-----	-----
	6,538	6,220
	=====	=====

5. Investment revaluation

Realised and unrealised value movements on investments in the current financial period were:

For the six months ended (€ '000)	31-12-06	31-12-05
Revaluation of property investments	106,895	94,367
Other movements	(1,639)	569
	-----	-----
	105,256	94,936
	=====	=====

Other movements mainly relate to fair value adjustments of other assets and liabilities.

Notes to the consolidated financial statements (continued) as at 31 December 2006

6. Company expenses

Company expenses in the current financial period comprise:

For the six months ended (€ '000)	31-12-06	31-12-05
Audit fees	117	80
Depreciation fixed assets	88	73
Directors' fees	519	509
Legal and other advisory fees	398	318
Office and accommodation expenses	424	344
Personnel costs	1,279	1,286
Statutory costs	368	325
Stock options (IFRS 2)	126	127
Travelling expenses	299	294
Other expenses	132	201
	<u>3,750</u>	<u>3,557</u>

7. Property investments

The book value of each property is its full cost of acquisition until revalued, and thereafter revaluation plus subsequent improvements or net proceeds in case of a sale. The independent valuation figures for the Company's properties represent the net price expected to be received by the Company from a notional purchaser who would deduct any purchaser's costs including registration tax. All properties in the Group are freehold with the exception of Kingsfordweg 1, Amsterdam (perpetual ground lease). All properties were revalued at 31 December 2006. The yields described in the Board of Management report reflect market practice and are derived by dividing property net rent by the gross valuation (net valuation figure plus purchaser's costs including transfer duties) expressed as a percentage.

The current property portfolio is:

(€ '000)	31-12-06 Book value	30-06-06 Book value	31-12-06 Costs to date	30-06-06 Costs to date
RETAIL				
France				
Centre Commercial Amiens Glisy, Amiens	38,180	36,000	15,846	15,957
Buchelay Retail Park	6,870	6,680	6,715	6,713
Les Trois Dauphins, Grenoble	32,430	30,000	23,641	23,628
Noyelles Godault Retail Park	4,860	-	4,860	-
Centr'Azur, Hyères	39,450	35,120	16,646	16,898
Centre les Portes de Taverny, Paris	43,320	38,890	23,579	23,940
*Passage du Havre, Paris	216,580	197,400	135,456	135,500
*Passy Plaza, Paris	114,920	106,000	70,940	70,924
*74 rue de Rivoli, 1-3 rue de Renard, Paris	17,800	16,900	10,488	10,471
*Centre les Atlantes, Tours	103,800	93,000	46,629	46,827
Tourville la Rivière	2,400	2,040	1,685	1,685
	<u>620,610</u>	<u>562,030</u>	<u>356,485</u>	<u>352,543</u>



**Notes to the consolidated financial statements (continued)
as at 31 December 2006**

7. Property investments (continued)

(€ '000)

	31-12-06 Book value	30-06-06 Book value	31-12-06 Costs to date	30-06-06 Costs to date
RETAIL				
Italy				
*Curno, Bergamo	93,850	89,740	33,645	33,627
*Centro Lame, Bologna	36,440	34,620	28,665	28,465
*Il Castello, Ferrara	88,270	86,350	63,069	62,554
*I Gigli, Florence	238,330	229,300	149,781	149,166
*Centro Leonardo, Imola	75,000	25,650	62,288	18,287
*La Favorita, Mantova	49,140	47,560	31,025	30,652
*Centro Carosello, Milan	199,090	192,100	88,941	87,714
*Centroluna, Sarzana	19,710	17,980	10,044	10,044
	-----	-----	-----	-----
	799,830	723,300	467,458	420,509
Sweden				
*Bergvik Köpcentre, Karlstad	50,956	46,824	36,839	36,839
*Mellby Centre, Laholm	17,643	16,063	12,777	12,782
*Burlöv Centre, Malmö	114,456	104,668	74,207	73,210
*MaxiHuset, Norrköping	40,620	36,856	28,278	27,852
*MaxiHuset, Skövde	35,835	33,543	25,891	25,558
Moraberg, Södertälje	41,955	39,724	37,350	37,330
*Hälla Shopping Centre, Västerås	25,603	22,514	15,902	14,913
*Samarkand, Växjö	38,456	36,066	27,798	27,677
	-----	-----	-----	-----
	365,524	336,258	259,042	256,161
	-----	-----	-----	-----
	1,785,964	1,621,588	1,082,985	1,029,213
OFFICES				
France				
*Passage du Havre, Paris**	33,680	32,000	28,726	28,683
The Netherlands				
Kingsfordweg 1, Amsterdam	87,400	87,000	84,892	84,913
	-----	-----	-----	-----
	121,080	119,000	113,618	113,596
WAREHOUSES				
France				
Rue des Béthunes, Saint-Ouen L'Aumone	18,100	17,000	17,431	17,431
Parisud, Sénart	11,050	10,700	11,830	11,867
	-----	-----	-----	-----
	29,150	27,700	29,261	29,298
The Netherlands				
Horsterweg 20, Maastricht-Airport	4,370	4,270	4,305	4,283
Galvanibaas 5, Nieuwegein	4,040	4,020	3,308	3,308
Standaardruiter 8, Veenendaal	3,670	3,640	2,777	2,777
Koeweistraat 10, Waardenburg	2,130	2,120	1,673	1,673
	-----	-----	-----	-----
	14,210	14,050	12,063	12,041
	-----	-----	-----	-----
	43,360	41,750	41,324	41,339
	-----	-----	-----	-----
	1,950,404	1,782,338	1,237,927	1,184,148
	=====	=====	=====	=====

* These properties carry mortgage debt up to € 633 million at 31 December 2006.

**Part of the retail complex.

Notes to the consolidated financial statements (continued) as at 31 December 2006

8. Receivables

The two largest current receivables items are rents receivable for an amount of € 17.7 million (June 2006: € 13.0 million), VAT receivable for an amount of € 9.3 million (June 2006: € 3.6 million). The largest noncurrent receivables item is the trademark license for an amount of € 1.5 million (June 2006: € 1.7 million).

9. Creditors

The two largest current creditors items are rent received in advance for an amount of € 16.1 million (June 2006: € 16.0 million) and the so called exit tax resulting from the application for the tax exempt status of the Company in France for an amount of € 8.0 million (June 2006: € 8.0 million). The largest noncurrent creditors item is also the aforementioned exit tax for an amount of € 7.7 million (June 2006: € 14.9 million).

10. Borrowings

The borrowings are all directly from major banks with average committed unexpired terms of more than nine years. The average interest rate in the current financial period was 4.5% (six months ended 31 December 2005: 4.6%). At 31 December 2006 the Company has hedged its exposure to interest rate movements on its borrowings for 85.9% (June 2006: 80.5%) at an average term of more than nine years (30 June 2006 almost nine years). Borrowings with remaining periods to maturity of more than five years amount to € 536 million (June 2006: € 526 million).

11. Equity Eurocommercial Properties shareholders

The number of shares on issue did not increase during the period. Although 611,839 bonus depositary receipts were issued under the stock dividend plan on 30 November 2006, the same number of depositary receipts was bought back on the Euronext Amsterdam market by the Company at an average price of € 38 per depositary receipt during November and December 2006. The weighted average of the number of depositary receipts in issue for the six months ended 31 December 2006 therefore was 35,277,619. Holders of depositary receipts representing 43% of the issued share capital (last year 47%) opted for the bonus depositary receipts at an issue price of € 40 from the Company's share premium reserve, instead of a cash dividend of € 1.60 per depositary receipt for the financial year ended 30 June 2006. Accordingly, an amount of € 202 million of the 2005/2006 profit was taken to the reserves.

12. Commitments not included in the balance sheet

As at 31 December 2006 bank guarantees have been issued for a total amount of € 2.93 million. Interest rate swap agreements have been entered into to hedge the exposure to interest rate movements for a total notial amount of € 585 million (June 2006: €519 million). As at 31 December 2006 the Group has no other formal off balance sheet commitments. However, it intends to proceed with extensions and tenant reorganisations which together could involve expenditure in the region of € 220 million over a period of four years.

Amsterdam, 9 February 2007

Board of Management

J.P. Lewis, Chairman
E.J. van Garderen

Board of Supervisory Directors

W.G. van Hassel, Chairman
H.W. Bolland
J.H. Goris
J.C. Pollock
A.E. Teeuw

Other information

Statements pursuant to the Netherlands Act on Financial Supervision

The members of the Board of Supervisory Directors and the members of the Board of Management of Eurocommercial Properties N.V. have no personal interest in investments made by the Company now nor at any time in the reporting period. The Company has no knowledge of property transactions taking place in the period under review with persons or institutions which could be considered to stand in a direct relationship to the Company. The Netherlands Authority for the Financial Markets has received notification from two holders of depositary receipts with interests greater than five percent in the Company. According to notifications as per 1 November 2006 these interests were as follows: The Government of Singapore (12.75 per cent) and Stichting Pensioenfondsg PGGM (15.21 per cent).

Stock market prices and turnovers 2006

		High	Low	Average
Closing price 31 December 2006 (€; depositary receipts)	37.81	40.35	27.06	32.82
Average daily turnover (in depositary receipts)	57,469			
Average daily turnover (x € '000,000)	1.89			
Total turnover over the past twelve months (x € '000,000)	486.3			
Market capitalisation (x € '000,000)	1,333.8			
Total turnover divided by market capitalisation	36%			
Liquidity providers: ABN AMRO Bank, Amsterdams Effectenkantoor, Kempen & Co				
Depositary receipts listed on Euronext Amsterdam are registered with Centrum voor Fondsenadministratie B.V. under code: 28887. Depositary receipts listed on Euronext Paris are registered under code: NSCFROECMPP3				
ISIN – Code				: NL 0000288876
Stock market prices are followed by:				
Bloomberg				: ECPMA NA
Datastream				: 307406 or H:SIPF
Reuters				: SIPFc.AS

Subsequent events

Since the balance sheet date 31 December 2006 no material events have taken place which the Company would be required to disclose.

Review report

To the shareholders and holders of depositary receipts of Eurocommercial Properties N.V.

Introduction

We have reviewed the accompanying consolidated interim financial statements of Eurocommercial Properties N.V., Amsterdam, as at 31 December 2006 consisting of the consolidated profit and loss account, the consolidated direct, indirect and total investment results, the consolidated balance sheet, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity for the six-month period then ended and the notes to the consolidated interim financial statements. We have not performed a review of the figures for the second quarter (the period 1 October 2006 up to and including 31 December 2006). The Board of Management of the Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 and the Act on Financial Supervision.

Amsterdam, 9 February 2007
for Ernst & Young Accountants

M.A. van Loo RA

