



## PRESS RELEASE

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### EUROCOMMERCIAL PROPERTIES N.V. FIRST QUARTER RESULTS 2005/2006

#### DIRECT INVESTMENT RESULT

increased by 15% to € 13.6 million compared to the previous corresponding period

#### DIRECT INVESTMENT RESULT PER DEPOSITARY RECEIPT

increased by 2% to € 0.39 compared to the previous corresponding period

#### International Financial Reporting Standards (IFRS)

The first quarter results for the financial year 2005/2006 have been drawn up in accordance with IFRS. As a result the presentation of the figures has changed and the comparative figures have been adjusted. For more information regarding the transition to IFRS reference is made to a separate document which can be obtained from the Company's website ([www.eurocommercialproperties.com](http://www.eurocommercialproperties.com)) and which is available at the offices of the Company ([info@eurocommercialproperties.com](mailto:info@eurocommercialproperties.com) or tel. # 31 20 530 6030). This document provides an overview of the effects of IFRS on the financial reporting of Eurocommercial Properties N.V. It also includes comments on the principal adjustments, an overview of the accounting principles applied as from 1 July 2005 and the IFRS adjustments to the previously published comparative figures.

#### Direct Investment Result

The board of Eurocommercial Properties N.V. announced today that the Company realised a Direct Investment Result of € 13.6 million for the first quarter of its financial year 2005/2006 which represents an increase of approximately 15% over € 11.8 million for last year's first quarter.

#### Net asset value

Net asset value before income appropriation improved by 2% to € 24.32 per depositary receipt since 30 June 2005 mainly as a result of net property income for the period. The IFRS net asset value on 30 June 2005 was € 23.93 per depositary receipt. The reported net asset value on 30 June 2005 under Dutch GAAP was € 25.84 per depositary receipt.

#### Market commentary

Demand for European shopping centres (90% of the Company's portfolio) continues to be extremely high with the limited supply of investments forcing yields down to record levels. Rental growth prospects remain sound, in line with a satisfactory retail spending in the Company's markets of France, Italy and Sweden. Property acquisitions are being pursued in all three markets but at current prices the Company is only interested in buildings that offer particularly strong growth prospects.

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## Key Financial Information (consolidated before income appropriation)

(EUR '000)  
For the first quarter ended

### Profit and loss account

	30-09-05	30-09-04
Rental income	24,552	23,576
Service charges income	2,503	2,581
Service charges expenses	(3,189)	(3,058)
Property expenses	(3,140)	(3,122)

Net property income	20,726	19,977
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Investments revaluation	2,447	1,084
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<b>Total revenue</b>	<b>23,173</b>	<b>21,061</b>
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### **Expenses**

Interest income	149	113
Interest expenses	(5,795)	(6,534)
Foreign currency result	175	(41)
Fair value movement derivative financial instruments	598	(6,787)

Net financing costs	(4,873)	(13,249)
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Company expenses	(1,643)	(1,595)
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Financial and investment expenses	(9)	-
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<b>Total expenses</b>	<b>(6,525)</b>	<b>(14,844)</b>
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Net revenue before taxation	16,648	6,217
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Corporate income tax	-	(79)
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Deferred tax	(3,065)	(63)
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<b>Profit after taxation</b>	<b>13,583</b>	<b>6,075</b>
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Investments revaluation	2,447	1,084
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Fair value movement derivative financial instruments	598	(6,787)
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Financial and investments expenses	(9)	-
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Deferred tax	(3,065)	(63)
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<b>Indirect investment result</b>	<b>(29)</b>	<b>(5,766)</b>
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Total investment result	13,583	6,075
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Less indirect investment result	29	5,766
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<b>Direct investment result</b>	<b>13,612</b>	<b>11,841</b>
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\* All figures have been drawn up in accordance with IFRS. Therefore, the comparative figures have been adjusted accordingly. For the principal accounting policies applied reference is made to the separate document 'IFRS and financial reporting by Eurocommercial Properties N.V.' also published today and which can be obtained from the Company's website ([www.eurocommercialproperties.com](http://www.eurocommercialproperties.com)) and is available at the offices of the Company (info@eurocommercialproperties.com or tel. #-31-20-530 6030). In accordance with market practice this financial information for the first quarter 2005/2006 is not audited.



# Eurocommercial Properties

(EUR '000)	30-09-05	30-09-04
For the first quarter ended		*
<b><u>Cash flow statement</u></b>		
<b>Cash flow from investment activities</b>		
Profit after taxation	13,583	6,075
Movement stock options	82	-
Investments revaluation	(2,413)	(871)
Derivative financial instruments	(2,901)	6,787
Deferred tax	3,065	63
Property investments	(8,604)	(765)
Movement tangible fixed assets	47	(242)
Increase in receivables	(527)	(1,173)
Increase in creditors	3,307	3,002
	<u>5,639</u>	<u>12,876</u>
<b>Cash flow from finance activities</b>		
Repayment of borrowings	(70,534)	(85,621)
Increase/decrease in creditors	32	(106)
	<u>(70,502)</u>	<u>(85,727)</u>
<b>Net cash flow</b>	<b>(64,863)</b>	<b>(72,851)</b>
Currency differences on cash and deposits	480	114
Decrease in cash and deposits	(64,383)	(72,737)
Cash and deposits at beginning of period	73,011	84,070
Cash and deposits at end of period	<u>8,628</u>	<u>11,333</u>
<b><u>Per depositary receipt information ** (EUR)</u></b>		
Direct investment result	0.39	0.38
Indirect investment result	-	(0.19)
Net asset value	24.32	21.84
<b>Stock market prices (EUR; per depositary receipt)</b>	<b>31.50</b>	<b>24.90</b>
<b><u>Property information: sector spread (%)</u></b>		
Retail	90	88
Office	7	9
Warehouse	3	3
<b><u>Property information: country spread (%)</u></b>		
France	35	36
Italy	42	43
Sweden	16	13
The Netherlands	7	8
<b><u>Net property income by sector (EUR '000)</u></b>		
Retail	17,998	19,897
Office	1,972	(936)
Warehouse	756	1,016
	<u>20,726</u>	<u>19,977</u>
<b><u>Net property income by country (EUR '000)</u></b>		
France	7,621	7,291
Italy	8,309	7,479
Sweden	3,100	3,235
The Netherlands	1,696	1,972
	<u>20,726</u>	<u>19,977</u>

\* adjusted for comparison

\*\* The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam (the Amsterdam Stock Exchange) and Euronext Paris (the Paris Stock Exchange). One depositary receipt represents 10 ordinary registered shares. The calculation of the direct and indirect investment results is based on the weighted average of the number of depositary receipts representing the ordinary shares in issue over the period. The weighted average number of depositary receipts over the period is 34,462,476.



# Eurocommercial Properties

<b>Balance sheet (before income appropriation)</b>	*		*
<b>(EUR '000)</b>	30-06-05	<b>30-09-05</b>	30-09-04
Property investments	1,498,081	<b>1,509,231</b>	1,308,642
Tangible fixed assets	859	<b>812</b>	695
Receivables	9,486	<b>8,384</b>	3,040
<b>Total noncurrent assets</b>	<b>1,508,426</b>	<b>1,518,427</b>	1,312,377
Receivables	16,492	<b>18,121</b>	22,073
Cash and deposits	73,011	<b>8,628</b>	11,333
<b>Total current assets</b>	<b>89,503</b>	<b>26,749</b>	33,406
<b>Total assets</b>	<b>1,597,929</b>	<b>1,545,176</b>	1,345,783
Creditors	39,997	<b>43,273</b>	68,006
Borrowings	141,567	<b>78,076</b>	5,835
<b>Total current liabilities</b>	<b>181,564</b>	<b>121,349</b>	73,841
Creditors	37,945	<b>37,975</b>	12,540
Borrowings	425,511	<b>419,115</b>	499,727
Derivative financial instruments	54,504	<b>51,603</b>	26,589
Deferred tax liabilities	73,387	<b>76,454</b>	65,708
Provision for pensions	472	<b>469</b>	334
<b>Total noncurrent liabilities</b>	<b>591,819</b>	<b>585,616</b>	604,898
<b>Total liabilities</b>	<b>773,383</b>	<b>706,965</b>	678,739
<b>Net assets</b>	<b>824,546</b>	<b>838,211</b>	667,044
<b>Shareholders' equity</b>			
Issued share capital	172,312	<b>172,312</b>	152,703
Share premium reserve	330,879	<b>330,961</b>	271,810
Reserves	212,222	<b>212,222</b>	236,456
Undistributed income	109,133	<b>122,716</b>	6,075
	<b>824,546</b>	<b>838,211</b>	667,044
<b>Shareholders' equity reconciliation</b>			
Book value at beginning of period	660,969	<b>824,546</b>	660,969
Profit after taxation	109,133	<b>13,583</b>	6,075
Proceeds issued shares	78,516	-	-
Dividends paid	(24,282)	-	-
Movement stock options	210	<b>82</b>	-
Book value at end of period	<b>824,546</b>	<b>838,211</b>	667,044
Number of depositary receipts representing shares in issue	34,462,476	<b>34,462,476</b>	30,540,500
Net asset value – EUR per depositary receipt	23.93	<b>24.32</b>	21.84

\* adjusted for comparison