



PRESS RELEASE

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EUROCOMMERCIAL PROPERTIES N.V. 2005 ANNUAL RESULTS

STRONG PROPERTY PERFORMANCE LIFTS ASSET VALUES

Strong markets for retail properties resulted in an independent valuation uplift of 10%. After allowing for appropriately increased provisions for future capital gains taxes net asset value per depositary receipt rose by 11.6% to €25.84. Higher net income resulted in the proposed dividend increase to €1.55 per depositary receipt.

DIRECT INVESTMENT RESULT

increased by 9% to €48.9m compared to the previous year

DIRECT INVESTMENT RESULT PER DEPOSITARY RECEIPT

increased by 3.3% to €1.55 compared to the previous year

SHAREHOLDERS' EQUITY

increased by 11% to €890m since 31 March 2005 and the subsequent 19 April 2005 share placement

NET ASSET VALUE PER DEPOSITARY RECEIPT

increased by 11.6% to €25.84 since 30 June 2004

TOTAL ASSETS

increased by 13% to €1,600m compared to the previous year

DIVIDEND PER DEPOSITARY RECEIPT

increased by 3.3% to €1.55 compared to the previous year

Direct Investment Result

The board of Eurocommercial Properties N.V. announced today that the Company realised a Direct Investment Result of €48.9 million for the financial year ended 30 June 2005, which represents an increase of approximately 9% over the €44.9 million Direct Investment Result for last year. The board therefore proposes increasing the Company's annual dividend by 3.3% to €1.55 per depositary receipt (10 ordinary shares) from €1.50 in 2004. Shareholders will again be offered the option of taking new shares from the Company's share premium reserve if they wish, instead of the cash dividend. The price for these shares will be announced on 28 October 2005.

Net asset value

Net asset value before income appropriation improved by 11.6% to €25.84 per depositary receipt since 30 June 2004, mainly as a result of an increase of independent property valuations amounting to €140 million (10.3%) and after allowing for an appropriate increase in the provision for potential future capital gains taxes. An amount of €19.6 million has been released from this provision to pay French exit tax at the rate of 16.5%. An amount of €12.5 million of the increased property values has also been used to fund this exit tax, which is in total an amount of €32.1 million payable in four annual instalments to allow the Company to enter into the French tax exempt regime for listed property investment companies (so called

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SIIC). The net asset value in June 2004 was €23.16 per depositary receipt.

Property performance

The Company's property portfolio performed well over the year with a total return of 16.8%. The overall property occupancy rate is over 99%. Overall retail sales in the Company's shopping centres (excluding hypermarkets) were up 3.7% for the year to 30 June 2005 but individual centres have shown increases of up to 18.3%. The average growth for France was 3.3%, for Italy 3.5% and for Sweden 5.0%. These were pleasing performances when measured against relatively weak overall economic growth and subdued inflation in these countries.

The Company's independently assessed property values increased 10.3% overall compared with bookvalues.

Individual country percentages were:		Sector percentages were:	
France	+10.3%	Retail	+11.8%
Italy	+10.5%	Offices	-0.1%
The Netherlands	-2.4%	Warehouse	-5.3%
Sweden	+15.8%		

Market commentary

Low interest rates and uncertain equity markets have led to greatly increased demand for property investments both direct and indirect.

Overall, net yields for the best performing sector – retail, have dropped by at least fifty basis points to an average of about 5.5% for prime properties in the major western European markets.

Whilst rental growth has been limited or non-existent for offices and warehouses, shop rents in France, Italy and Sweden have continued to firm, reflecting sustained consumer expenditure in these countries.

Future investments

ECP has concentrated for some time on shopping centres in France and Italy and three years ago started an investment programme in Sweden where the Company now has a critical mass of seven centres and is negotiating for more, following excellent investment performance.

The Company has also for some time been investigating the markets of Spain, Belgium and Germany and whilst future investments in Spain and Belgium are not ruled out, ECP is currently focussing its studies on western Germany where newer centres offer turnover rents as in France, Italy and Sweden.

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Key Financial Information (consolidated before income appropriation)

(EUR '000)

	Twelve months ended 30-06-05	* Twelve months ended 30-06-04	Fourth quarter ended 30-06-05	Fourth quarter ended 30-06-04
<u>Profit and loss account</u>				
Property income	96,889	93,236	25,338	25,046
Property expenses	(15,672)	(16,709)	(4,477)	(4,740)
Net property income	81,217	76,527	20,861	20,306
Other income	143	840	40	840
Total income	81,360	77,367	20,901	21,146
Investments revaluation	135,666	30,131	135,595	30,608
Total revenue	217,026	107,498	156,496	51,754
Net financing costs	(24,520)	(23,154)	(5,734)	(6,156)
Company expenses	(7,746)	(6,986)	(3,091)	(2,728)
Financial and investment expenses	(983)	(489)	(935)	(205)
Total expenses	(33,249)	(30,629)	(9,760)	(9,089)
Net revenue before taxation	183,777	76,869	146,736	42,665
Corporate income tax	(186)	(2,355)	148	(1,081)
Deferred tax	(54,814)	(11,976)	(54,853)	(12,295)
Profit after taxation	128,777	62,538	92,031	29,289
Investments revaluation	135,666	30,131	135,595	30,608
Financial and investments expenses	(983)	(489)	(935)	(205)
Deferred tax	(54,814)	(11,976)	(54,853)	(12,295)
Indirect investment result	79,869	17,666	79,807	18,108
Total investment result	128,777	62,538	92,031	29,289
-/- Indirect investment result	(79,869)	(17,666)	(79,807)	(18,108)
Direct investment result	48,908	44,872	12,224	11,181

* The Company has adopted the changes in Dutch accounting principles so that the profit and loss account includes realised and unrealised revaluation results and movements in provisions, which were previously part of movements in equity. These ex balance sheet items are now separately shown as "Indirect Investment Result". "Direct Investment Result" therefore is the equivalent of Profit after taxation under the old Dutch accounting principles, with which a direct comparison can be made. The comparative figures have been adjusted accordingly.



(EUR '000)

	Twelve months ended 30-06-05	* Twelve months ended 30-06-04
<u>Cash flow statement</u>		
Cash flow from investment activities		
Profit after taxation	128,777	62,538
Investments revaluation	(135,666)	(30,131)
Deferred tax	54,814	11,976
Additions to provision for pensions	132	180
Property investments	(56,606)	(155,326)
Movement tangible fixed assets	(406)	(1)
Increase in receivables	(1,752)	(5,070)
Decrease/increase in creditors	(33,810)	8,086
Goodwill	-	1,552
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	(44,517)	(106,196)
Cash flow from finance activities		
Proceeds issued shares	78,516	6,265
Borrowings added	161,115	145,992
Repayment of borrowings	(182,214)	(62,277)
Dividends paid	(24,282)	(22,155)
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	33,135	67,825
Net cash flow	(11,382)	(38,371)
Currency differences on cash and deposits	323	148
Decrease in cash and deposits	(11,059)	(38,223)
Cash and deposits at beginning of year	84,070	122,293
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Cash and deposits at end of year	73,011	84,070

* adjusted for comparison



Eurocommercial Properties

<u>Balance sheet (before income appropriation)</u>	*	
<u>(EUR '000)</u>	30-06-05	30-06-04
Property investments	1,498,081	1,306,304
Cash and deposits	73,011	84,070
Receivables	28,121	25,984
Other assets	859	453
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Total assets	1,600,072	1,416,811
Creditors (current liabilities)	39,156	64,320
Borrowings (current liabilities)	141,567	98,579
Creditors (noncurrent liabilities)	35,257	10,523
Borrowings (noncurrent liabilities)	425,511	491,788
Provisions	68,146	44,177
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Total liabilities	709,637	709,387
Shareholders' equity	890,435	707,424
<u>Shareholders' equity reconciliation (EUR '000)</u>		
Book value at beginning of period	707,424	659,224
Profit after taxation	128,777	62,538
Proceeds issued shares	78,516	6,265
Goodwill	-	1,552
Dividends paid	(24,282)	(22,155)
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Book value at end of period	890,435	707,424
<u>Number of depositary receipts representing shares in issue</u>		
	34,462,476	30,540,500
<u>Per depositary receipt information ** (EUR)</u>		
Direct investment result	1.55	1.50
Indirect investment result	2.53	0.59
Dividend	1.55	1.50
Net asset value	25.84	23.16
<u>Stock market prices (EUR; per depositary receipt)</u>		
	30.10	24.95
<u>Property information: sector spread (%)</u>		
Retail	90	88
Office	7	9
Warehouse	3	3
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	100	100
<u>Net property income by sector</u>		
<u>(EUR '000)</u>		
Retail	69,467	64,148
Office	7,647	8,443
Warehouse	4,103	3,936
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	81,217	76,527

* 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 year using Netherlands GAAP. The weighted average number of depositary receipts over the year is 31,589,214.