



---

## **PRESS RELEASE**

**Date: 7 February 2003**

**Release: before opening of Euronext Amsterdam**

### **Eurocommercial Properties N.V.**

#### **Half-year results 2002/2003**

- **Retail property markets resilient**
- **Investment programme continues**

Eurocommercial Properties N.V. (the Company) announced its December 2002 half-year results today, showing net income up 11% on the previous corresponding period.

#### **Financial results**

Net income for the six months to 31 December 2002 was € 20.0 million compared to € 18.0 million for the same period in 2001. The net earnings per depositary receipt were maintained at € 0.70 compared to the same period in 2001. Under current circumstances the Board expects that the annual dividend per depositary receipt for 2003 will be not less than the dividend for 2002. Any increase will depend on the timing of property acquisitions during the period.

The net asset value per depositary receipt at 31 December 2002 was € 21.35 which compares with € 20.32 at 31 December 2001. The net asset value at the full year end at 30 June 2002 was € 22.09 but this figure included the annual dividend of € 1.40 per depositary receipt. All properties will be valued at the year end, in accordance with the Company's normal procedures.

#### **Share capital**

The Company increased its share capital by 2.4% in November 2002 by issuing stock dividend bonus depositary receipts for a total amount of € 14.5 million. The 6.67% stock dividend option (1 for every 15 held) was taken up by 36% of holders of depositary receipts. Shareholders' equity at 31 December 2002 was € 625 million.

#### **Property commentary**

The Company's portfolio is currently 85% invested in shopping centres and other prime retail property in France, Italy and Sweden. These markets have proved to be extremely resilient to the 2002 economic slowdown with, so far, no evidence of any lessening of demand by either investors or tenants.

The Company's occupancy rate remains above 99% and despite a generally poor December 2002, annual sales turnover in the Company's centres was overall just over 2.5% higher than for 2001. Expectations for rent reversions in 2003 are unchanged.

---

#### Group offices:

##### **London**

4 Carlton Gardens  
London SW1Y 5AB  
Tel: 44 (0)20 7925 7860  
Fax: 44 (0)20 7925 7888

##### **Milan**

Piazza della Repubblica 30  
20124 Milano  
Tel: 39 02 63 28 14 227  
Fax: 39 02 29 00 00 53

##### **Paris**

10 rue du Havre  
75009 Paris  
Tel: 33 (0)1 48 78 06 66  
Fax: 33 (0)1 48 78 79 22



The Company's only pure office building, the "Belastingdienst" in Sloterdijk, Amsterdam is entirely leased to the Netherlands Government until 2009. The Company is thus unaffected by the very weak office letting market.

The warehouse portfolio is also fully leased and this sector of the market both in France and The Netherlands remains stable, benefitting from high yields.

### **Market outlook & investment programme**

The outlook for European property markets is more uncertain than it has been for some time. Apart from the obvious difficulties in the office sector the economic slowdown makes it difficult to justify paying very high prices for the few large "trophy" retail investments that may come to the market, notwithstanding continued strong investment demand and low interest rates. The Company is therefore concentrating on properties that offer basic value with good yields and moderate rents.

The Company intends to commit up to € 150 million to largely retail property during this financial year, maintaining its target in this sector at around 90% of the total.

Properties acquired to date are the shopping centres Les Trois Dauphins, Grenoble, France and Hälla Shopping in Västerås, Sweden, together with a retail park at Mantova, Italy amounting to a total investment of € 51 million. The net yields of these properties are respectively 7%, 8% and 7.2% and details are attached.

Further properties to a value of approximately € 75 million are the subject of preliminary agreements which are currently thought likely to become legally binding contracts by the year end. Announcements will be made as these occur.

Negotiations are also at an advanced stage for the acquisition of additional properties but these are not likely to be realised before 30 June 2003.

The fact that the Company's investment programme is, deliberately, proceeding cautiously means that the new investments will not have been owned for a sufficient proportion of the year to contribute significantly to the 2003 year end results. The full impact will however be felt in the financial year commencing 1 July 2003.

For additional information please contact:

Jeremy Lewis	Office:	+ 44 20 7925 7860
Evert Jan van Garderen	Office:	+ 31 20 530 6030
Peter Mills	Office:	+ 44 20 7925 7860
Tom Newton	Office:	+ 44 20 7925 7860
Tim Santini	Office:	+ 44 20 7925 7860

Website: [www.eurocommercialproperties.com](http://www.eurocommercialproperties.com)



## **Acquisitions**

### **Les Trois Dauphins, Grenoble, France**

This retail property Les Trois Dauphins in the city centre of Grenoble occupies a prime site next to Galeries Lafayette and has a lettable area of approximately 16,500m<sup>2</sup> together with 180 car spaces.

The gross lettable area of the retail accommodation is about 8,300m<sup>2</sup> and there is 4,400m<sup>2</sup> of residential accommodation, 1,500m<sup>2</sup> of offices and an IBIS Groupe Accor hotel under a conventional lease.

62% of the income derives from the 3 retail tenants FNAC, C&A and McDonald's at an average rent of €132 per m<sup>2</sup>. The 63 apartments provide 22% of the income at an average rent of €89 per m<sup>2</sup> and the remaining 16% of income derives from the hotel, car parking and ancillary offices.

The net initial yield is about 7% on a total acquisition cost of € 23 million and it is thought that the low rents offer good growth potential.

### **Hälla Shopping, Västerås, Sweden**

Hälla shopping centre forms part of the Hälla retail park fronting the E18 motorway on the edge of Västerås, a major Swedish provincial city with a population of 130,000 about 120km west of Stockholm. The catchment area extends to approximately 350,000 people.

The property has just been fully refurbished and extended to provide 14 shops with a total lettable area of 8,000m<sup>2</sup>. Major tenants include Hennes & Mauritz, Lindex, Kapp Ahl, JC and Stadium, all let on new leases at market rents averaging € 164 per m<sup>2</sup>. The centre opened for trading at the end of November.

Hälla is the dominant out of town retail location for Västerås and other major operators on the retail park include an adjoining ICA Maxi hypermarket, an IKEA and a large ON OFF electrical store. The total cost of acquisition is almost € 15 million to show a net initial yield of about 8%.

### **Mantova Retail Park, Italy**

The first stage of the Mantova retail park has been constructed on the side of the car park of the Company's 'La Favorita' shopping centre and is designed to complement its tenant mix and strengthen the attraction of the retail zone which is now by far the most important in Mantova.

The retail park is leased to leaders in the fields of electrical goods, fashion and shoes.

The building has a lettable area of 6,300m<sup>2</sup>. The price of € 12.5 million gives a net yield of 7.2% with income expected to commence in April 2003. The Company has an option over the 2,900m<sup>2</sup> second stage to be built early next year.



## Financial Information (consolidated before income appropriation)

For the first six months ended		31-12-02	31-12-01	
<b>Profit and loss account (X € '000)</b>				
Property income		38,236	39,616	
Property expenses		(5,849)	(6,668)	
		<hr/>	<hr/>	
Net property income		32,387	32,948	
Interest income		230	265	
Foreign currency result		(1)	27	
		<hr/>	<hr/>	
<b>Total revenue</b>		<b>32,616</b>	<b>33,240</b>	
Depreciation fixed assets		(27)	(23)	
Other company expenses		(1,956)	(2,090)	
Interest expense		(10,559)	(13,110)	
		<hr/>	<hr/>	
<b>Total expenses</b>		<b>(12,542)</b>	<b>(15,223)</b>	
Net income before taxation		20,074	18,017	
Taxation		(64)	-	
		<hr/>	<hr/>	
<b>Net income after taxation (direct investment result)</b>		<b>20,010</b>	<b>18,017</b>	
<b>Indirect investment result</b>		<b>(1,023)</b>	<b>5,560</b>	
<b>Per depositary receipt information * (€)</b>				
Direct investment result		0.70	0.70	
Indirect investment result		(0.04)	(0.22)	
<b>Balance sheet (before income appropriation)</b>				
<b>(X € '000)</b>		<b>30-06-02</b>	<b>31-12-02</b>	<b>31-12-01</b>
Property investments	1,041,545	1,061,477	1,046,060	
Cash and deposits	156,628	7,549	4,246	
Receivables	18,162	19,134	22,426	
Other assets	327	407	290	
	<hr/>	<hr/>	<hr/>	
<b>Total assets</b>	<b>1,216,662</b>	<b>1,088,567</b>	<b>1,073,022</b>	
Creditors (current liabilities)	17,109	15,232	17,544	
Borrowings (current liabilities)	111,117	17,139	128,258	
Creditors (non current liabilities)	6,462	6,437	6,924	
Borrowings (non current liabilities)	400,887	375,233	360,007	
Provision for contingent tax liabilities	49,810	49,810	32,373	
	<hr/>	<hr/>	<hr/>	
<b>Total liabilities</b>	<b>585,385</b>	<b>463,851</b>	<b>545,106</b>	
<b>Shareholders' equity</b>	<b>631,277</b>	<b>624,716</b>	<b>527,916</b>	
Number of depositary receipts representing shares in issue	28,572,841	29,263,103	25,975,341	
Net asset value (€; per depositary receipt)	22.09	21.35	20.32	
<b>Stock market prices (€; per depositary receipt)</b>	19.10	20.00	17.40	
<b>Property information: sector spread (%)**</b>				
Retail	84	85	81	
Office	12	11	15	
Warehouse	4	4	4	
	<hr/>	<hr/>	<hr/>	
	100	100	100	

\* The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam (the Amsterdam Stock Exchange). 1 bearer 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 using Netherlands GAAP. The weighted average number of depositary receipts over the period is 28,696,638. For the principal accounting policies applied reference is made to the Annual Report 2001/2002. In accordance with market practice this financial information for the first six months 2002/2003 is not audited.

\*\* Including post interim balance date acquisitions