

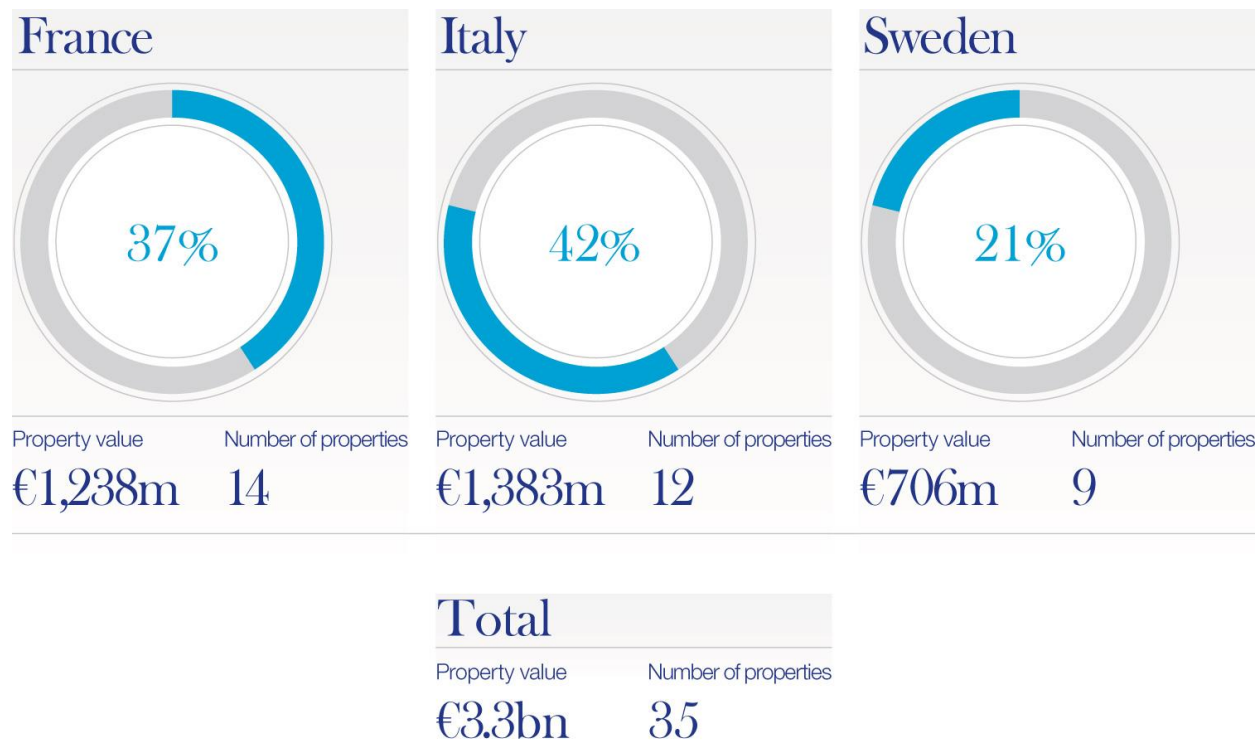
EUROCOMMERCIAL

Half Year Report 31 December 2015



Half year results highlights	02	Statement of consolidated direct, indirect and total investment results	12
Results	03	Statement of adjusted net equity	
Centre performance	04	EPRA performance measures	13
Valuations by property	06	Interim condensed consolidated financial statements	14
Funding	07	Notes to the interim condensed consolidated financial statements	18
Acquisitions	08	Other information	28
Country commentary	09		
Market commentary	10		

Eurocommercial Properties N.V. (Eurocommercial) is one of Europe's most experienced owners and managers of retail property. The Company focuses on France, Italy and Sweden where it has a €3.3 billion portfolio of 35 shopping centres. 37% of the portfolio is in France, 42% in Italy and 21% in Sweden. Eurocommercial has been listed on Euronext Amsterdam for almost 25 years and has zero tax status due to it being a Dutch fiscal investment institution (FBI).



Half year results highlights

Direct investment result

€48.8m
+14.0%

Net rental income

€73.9m
+2.7%

Like for like retail sales turnover growth

+4.5%

Property valuations

€3.3bn
+6.0%

Adjusted net asset value

€40.49
+11.1%

Rental growth

+11% uplift on relettings and renewals
+0.7% like for like rental growth

The direct investment result for the six months to 31 December 2015 rose 14% compared to the previous corresponding period, lifted by acquisitions and lower interest costs. Uplifts on renewals and relettings averaged 11% but overall like for like rental growth was 0.7%. Property valuations increased by 6% overall, with increases in all three countries. Adjusted net asset value, as a result, rose by 11.1% to €40.49 per depositary receipt.

During the six month period, Eurocommercial completed the acquisition of three important shopping centres in Italy and Sweden – Fiordaliso in Milan, Collestrada in Perugia and Bergvik in Karlstad. The Company also expects to complete the acquisition of the 15,800m² hypermarket and 9,000m² of gallery shops at I Gigli at the end of April.



Bergvik, Karlstad



Fiordaliso, Milan



Collestrada, Perugia

Half year results at 31 December 2015

Direct investment result: €48.8m (€1.03 per DR) **+14.0%**

The direct investment result for the six months to 31 December 2015 rose 14.0% to €48.8 million from €42.9 million for the same period in 2014. The direct investment result is defined as net property income less net interest expenses and company expenses after taxation and, in the view of the Board, more accurately represents the underlying profitability of the Company than IFRS "profit after tax" which must include unrealised capital gains and losses. The direct investment result per depositary receipt (DR) rose 1.0% to €1.03 at 31 December 2015 from €1.02 at 31 December 2014 despite the 13.1% increase in the average number of depositary receipts on issue over the 12 month period. Earnings in the second half of the financial year will benefit from the additional income from the new property acquisitions.

Net rental income: €73.9m **+2.7%**

Rental income, including joint ventures, for the six months to 31 December 2015, after deducting net service charges and direct and indirect property expenses (branch overheads), increased by 2.7% to €73.9 million compared with €72.0 million for the six months to 31 December 2014.

Rental growth:

170 leases were renewed or re-let in Eurocommercial's centres during the twelve month period, resulting in an average uplift in minimum guaranteed rent for those shops of 11%. The like for like (same floor area) rents of Eurocommercial's properties increased however by only 0.7% at 31 December 2015 compared with 31 December 2014, largely because of non-existent inflation and thus rent indexation. Overall, like for like rents were flat in France but increased by 1.1% in Italy and 1.0% in Sweden.

Retail sales turnover growth: **+4.5%**

Like for like retail sales turnover in Eurocommercial's shopping centres increased by 4.5% for the twelve months to 31 December 2015 compared to the twelve months to 31 December 2014. Turnovers increased by 1.7% in France, 5.6% in Italy and 6.2% in Sweden.

Property valuations: €3.3bn **+6.0%**

All properties were independently revalued at 31 December 2015 resulting in a 6.0% increase in value compared with December 2014 and 3.1% compared with June 2015. Since December 2014 values increased by 7.2% in France, 5.1% in Italy and 5.5% in Sweden.

Adjusted net asset value: €40.49 **+11.1%**

Adjusted net asset value at 31 December 2015 increased by 11.1% to €40.49 per depositary receipt from €36.45 at 31 December 2014 and by 3.2% from €39.24 at 30 June 2015.

IFRS results

The IFRS net asset value, which, unlike the adjusted net asset value, includes the negative fair value of financial derivatives (interest rate swaps) of €138.1 million and contingent capital gains tax liabilities of €94.8 million, was €35.64 per depositary receipt at 31 December 2015 compared with €34.99 at 30 June 2015 and €31.91 at 31 December 2014.

The IFRS profit after taxation for the six months to 31 December 2015 increased to €115.9 million from €54.2 million for the same period in 2014, due largely to the investment revaluation and disposal of investment properties figure increasing to €97.5 million from €39.2 million for the previous corresponding period. The fair value movement in derivative financial instruments of negative €5.4 million was also lower than the negative figure of €26.3 million for the previous period. Deferred tax increased to €21.9 million from €1.2 million due to higher property values. Interest expenses decreased by 20% to €18.9 million in the six months to 31 December 2015 compared to the six months to 31 December 2014, due to lower fixed interest rates and lower interest rate hedging of borrowings (69% hedged as per 31 December 2015, compared to 76% at 31 December 2014).

Rental growth

170 leases were renewed or re-let in Eurocommercial's centres during the twelve month period, resulting in an average uplift in minimum guaranteed rent for those shops of 11%. The like for like (same floor area) rents of Eurocommercial's properties increased however by only 0.7% overall at 31 December 2015 compared with 31 December 2014 as a result of almost zero indexation. Rental indexation to be applied to rents in calendar year 2016 will also be flat in Italy and Sweden and slightly negative in France.

The rent figures compare tenancy schedules at the relevant dates and include indexation and turnover rents.

	Relettings and renewals	Average rental uplift on relettings and renewals	Like for like rental growth
Overall	170	+11%	+0.7%
France	19	+20%	0%
Italy	107	+10%	+1.1%
Sweden	44	+7%	+1.0%

Retail sales turnover

Like for like retail sales turnover growth in Eurocommercial's shopping centres for the twelve months to 31 December 2015 compared with the previous corresponding period was 4.5%. Retail sales turnover has been consistently strong throughout the calendar year in Eurocommercial's Italian and Swedish shopping centres. In France, retail sales improved gradually throughout the year up until November when Eurocommercial's centres suffered from the impact of the terrorist attacks, particularly in Paris, with the central Passage du Havre suffering most. Excluding the Passage du Havre, Eurocommercial's French retail sales increased by 4% for the 12 months to December.

Retail sales turnover by country*

	12 months to December 2015	3 months to December 2015
Overall	+4.5%	+3.3%
France	+1.7%	-0.3%
Italy	+5.6%	+4.1%
Sweden	+6.2%	+7.8%

* Excluding hypermarkets, Systembolaget and extensions

Retail sales turnover by sector*

	12 months to December 2015	3 months to December 2015
Fashion	+4.5%	+5.4%
Shoes	+3.8%	-1.0%
Health & Beauty	+4.2%	+3.8%
Gifts & Jewellery	+8.9%	+8.9%
Sport	+6.7%	+4.4%
Home Goods	+7.2%	+7.3%
Restaurants	+2.6%	+1.9%
Electricals	+3.3%	-0.2%
Hyper/supermarkets	+3.2%	+1.9%

* Excluding extensions

Occupancy cost ratios (OCR)

The total occupancy cost ratio (rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT) for Eurocommercial galleries excluding hypermarkets and Systembolaget (the Swedish government-owned monopoly alcohol retailer) at the end of the period was 8.0% overall. When VAT is excluded from the sales turnover, the figure was 9.7% overall.

Gallery occupancy cost ratios at 31 December 2015*

	OCR with turnover including VAT	OCR with turnover excluding VAT
Overall	8.0%	9.7%
France	8.0%	9.6%
Italy	8.1%	9.6%
Sweden	7.9%	9.9%

* Excluding hypermarkets and Systembolaget

Vacancies and arrears

Total vacancies for the portfolio at 31 December 2015 represent 0.6% of rental income.

Rental arrears of more than 90 days for the total Eurocommercial portfolio are less than 1% of total income. Out of a total of 1,700 tenants, there are 11 tenants in administration - six in France, five in Italy but none in Sweden. Nine of these tenants continue to pay rent.

Property valuations

All of the Company's properties were independently valued as usual at 31 December 2015 in accordance with the rules set out in the "Red Book" of the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standards and IAS40. The net yield figures provided in the following tables are the result of dividing the Company's expected net income for the coming year by the valuation figure to which has been added the relevant standardised market allowance for deemed purchaser's costs (usually notional transfer taxes) in the particular market. The objective is to replicate the calculations of a professional institutional investor.

Overall, the property portfolio increased in value by 6.0% on a like for like basis when compared with December 2014 and 3.1% when compared with June 2015.

The overall net initial yield on valuations for Eurocommercial's properties was 5.2%. The net initial yield was 4.6% in France, 5.8% in Italy and 5.2% in Sweden. These average yield figures exclude Eurostop, Halmstad which is under development.

Valuations at 31 December 2015

	Valuation changes		Net initial yield including purchase costs
	Six months to 31 December 2015	Twelve months to 31 December 2015	At 31 December 2015
Overall	+3.1%	+6.0%	5.2%
France	+4.2%	+7.2%	4.6%
Italy	+2.4%	+5.1%	5.8%
Sweden	+2.5%	+5.5%	5.2%

Valuations by property

	Net value 31/12/15	Net value 31/12/14	Net initial yield including purchase costs 31/12/15	Net initial yield including purchase costs 31/12/14
France (€ million)				
Passage du Havre, Paris ¹	397.80	341.70	3.8%	4.3%
Les Atlantes, Tours ⁴	142.00	137.70	4.8%	5.0%
Val Thoiry, Thoiry ²	126.20	116.90	5.1%	5.4%
Plaine de France, Moisselles ²	78.20	75.60	5.4%	5.6%
74 rue de Rivoli, Paris ⁴	68.20	59.80	3.6%	4.1%
Chasse Sud, Chasse-sur-Rhône ²	66.70	57.10	5.2%	5.8%
Les Portes de Taverny, Taverny ⁴	63.10	61.60	5.0%	5.2%
Centr'Azur, Hyères ²	53.80	52.70	5.1%	5.4%
Amiens Glisy, Amiens ⁴	49.60	47.50	5.4%	5.7%
Shopping Etrembières, Etrembières ³	48.90	-	4.9%	-
Les Allées de Corneilles, Corneilles ⁴	44.90	41.80	5.4%	5.7%
Les Trois Dauphins, Grenoble ⁴	40.70	36.80	5.1%	5.6%
Saint Doulchard, Bourges ¹	40.00	39.40	5.7%	6.0%
Les Grands Hommes, Bordeaux ¹	18.00	17.90	3.7%	4.6%
FRANCE TOTAL	1,238.10	1,086.50	4.6%	5.0%

Italy (€ million)

Carosello, Carugate, Milano ¹	319.90	295.30	5.4%	5.8%
I Gigli, Firenze ^{4*}	297.20	266.10	5.9%	6.1%
Fiordaliso, Rozzano, Milano ⁴	124.90	-	5.5%	-
Il Castello, Ferrara ⁴	111.50	104.70	5.9%	6.4%
Curno, Bergamo ²	110.90	97.50	5.7%	6.4%
Collestrada, Perugia ²	107.40	-	5.7%	-
Cremona Po, Cremona ⁴	83.60	81.20	6.4%	6.8%
Centro Leonardo, Imola ²	69.50	66.50	6.0%	6.3%
I Portali, Modena ⁴	48.30	43.00	5.9%	6.2%
La Favorita, Mantova ¹	45.10	43.20	6.6%	6.6%
Centro Lame, Bologna ¹	39.30	36.20	6.3%	6.8%
Centroluna, Sarzana ²	25.40	24.60	6.2%	6.8%
ITALY TOTAL	1,383.00	1,058.30	5.8%	6.2%

Sweden (SEK million)**

Bergvik, Karlstad ³	***1,297.00	670.00	5.2%	5.4%
Ingelsta Shopping, Norrköping ⁴	1,086.00	997.00	5.2%	5.8%
Grand Samarkand, Växjö ³	1,059.00	942.00	4.7%	5.1%
421, Göteborg ⁴	774.00	758.00	5.2%	5.6%
Elins Esplanad, Skövde ³	771.00	731.00	5.1%	5.5%
Eurostop, Halmstad ^{4****}	693.00	621.00	-	5.8%
Moraberg, Södertälje ⁴	445.00	422.00	5.6%	5.9%
Kronan, Karlskrona ³	184.00	173.00	5.7%	5.6%
Mellby Center, Laholm ³	181.00	169.00	5.6%	6.0%
SWEDEN TOTAL	6,490.00	5,483.00	5.2%	5.6%

* I Gigli figures include the shopping centre, retail park and cinema. The standalone shopping centre yield is 5.4%

** 1 € = 9.1895 SEK

*** Includes acquisition of adjoining mall and hypermarket

**** A yield figure is not provided as this property is under development

Valuations by: ¹ CB Richard Ellis, ² Cushman & Wakefield, ³ DTZ, ⁴ Jones Lang LaSalle

Funding

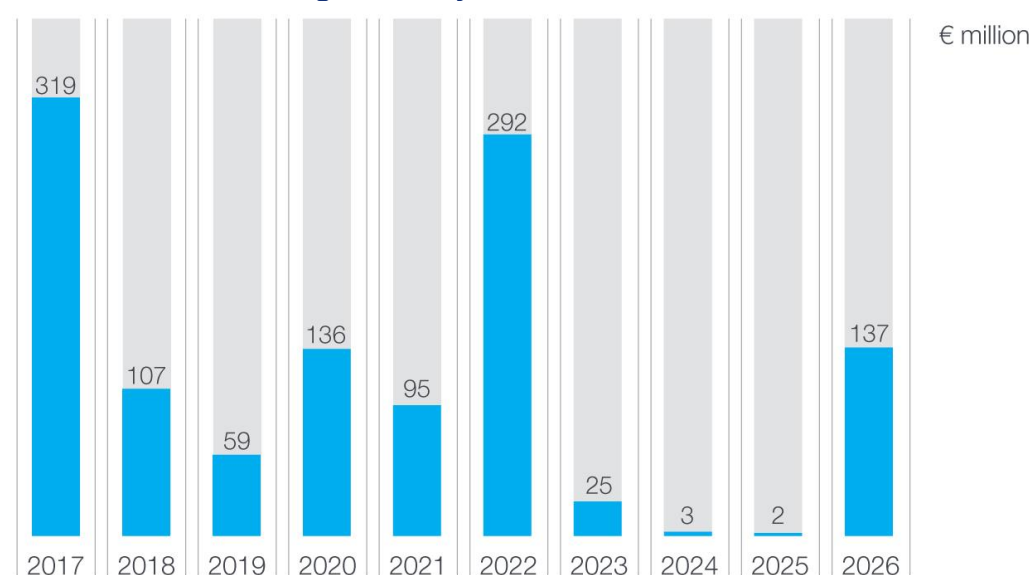
During the period, holders of depositary receipts (DRs) representing 26.8% (2014: 25.7%) of the issued share capital opted to take up 577,188 bonus DRs (2014: 565,604) at an issue price of €43.56 (2014: €36.86) from the Company's share premium reserve, instead of a cash dividend of €1.98 (2014: €1.94) per depositary receipt for the financial year ended 30 June 2015. Accordingly, of the available dividend of €93.8 million, an amount of €25.1 million was not paid out in cash. The total number of depositary receipts outstanding at 31 December 2015, after the deduction of 281,918 depositary receipts bought back, was 47,976,344.

The net debt to adjusted net equity ratio at 31 December 2015 was 71% (2014: 75%) and the net loan to property value was 41% (2014: 42%). The average loan term is four and a half years (2014: more than four years) and 69% (2014: 76%) of interest costs are fixed, mainly through swaps, for an average of eight years (2014: eight years). The Company's average overall interest rate at 31 December 2015 was 2.7% (2014: 3.6%), including margins averaging 94 bps (2014: 89 bps).

The acquisitions of Fiordaliso, Bergvik and Collestrada were funded by using approximately €100 million of the cash available at 30 September 2015, in addition to €100 million of existing long-term loan facilities and the remainder from existing short-term facilities. Some of these short-term facilities will be replaced by long-term bank loans in the next few months of this financial year. * The Company has also started discussions to extend some of the loans maturing in 2017 to improve the maturity profile of the loan portfolio.

Number of shares in issue	47.98 million
Shareholders' adjusted net equity	€1.94 billion
Net debt	€1.38 billion
Net debt to adjusted net equity ratio	71%
Net loan to property value ratio	41%
Average loan term	*4.5 years
Average fixed interest period	8 years
Average loan margin	94 bps
Overall interest cost	2.7%

Non-current borrowings maturity schedule at 31 December 2015*



* Maturities are stated by calendar year

Acquisitions

Fiordaliso, Milan

On 29 October 2015, Eurocommercial completed the purchase from Gruppo Finiper of a 50% interest in Centro Commerciale Fiordaliso in Milan at a price of €121 million, representing a net initial yield of 5.6%. The acquisition of the 50% share in the adjoining retail park will follow in March 2016 at a price of €14 million and an initial yield of 6.6%, bringing the total acquisition cost to €135 million with a blended yield of 5.8%. For the 12 months to December 2015 retail sales turnover at the shopping centre grew by an impressive 9.7% compared to the 12 months to December 2014.

Plans are progressing to undertake a refurbishment of the centre which will include work to the food court, new toilets, access and signage.

Collestrada, Perugia

At the end of December 2015, Eurocommercial acquired Centro Commerciale Collestrada in Perugia, Umbria. The shopping centre is the leader in its catchment and is situated in the south-east of Perugia, a wealthy town with 166,000 inhabitants located halfway between Florence and Rome. Collestrada has a catchment of 345,000 people within a 30 minute drive time and attracts almost five million visitors a year. The centre has a total GLA of 28,000m², including an 11,045m² hypermarket let on an 18 year lease to Ipercoop, with the option to extend for a further 12 years. With 50 shops in the gallery, other key tenants include Zara, H&M, Media World, Bershka and McDonald's. Average turnover for the gallery shops is over €5,550 per square metre and the gallery occupancy cost ratio is a very healthy 6%. Collestrada opened in 1997 and was extended in 2007. Eurocommercial is exploring options to extend and refurbish the centre. The valuation and net initial yield of this property as at 31 December 2015 can be found on page 6.

Bergvik, Karlstad

On 2 November 2015, Eurocommercial completed the acquisition of 19,000m² of additional retail space at Bergvik in Karlstad for SEK 600 million (€64.6 million), reflecting a net initial yield of 5.3%. The property adjoins and links with the Company's existing 13,750m² gallery which was recently fully refurbished and where tenants include H&M, Lindex, Stadium, Clas Ohlson and Cubus.

The newly acquired property is open and trading but still partly under redevelopment. It comprises a COOP hypermarket of 11,000m², let on a 15 year term to Konsum Värmland, together with 8,000m² of new retail units and a foodcourt let to tenants including Systembolaget, Cassels, Volt, BikBok and Pondus. Only 400m² remains vacant but is covered by a rental guarantee.

The combined Bergvik shopping centre, totalling 32,750m² with almost 70 shops, is now Eurocommercial's largest Swedish asset by value at SEK 1,297 million (€141 million). With a total retail sales of SEK 2.0 billion, Bergvik is one of the 10 largest shopping centres in Sweden, as measured by turnover.

Country commentary

France

The internal refurbishment of Val Thoiry on the outskirts of Geneva is nearing completion. The transformational project includes the installation of a large glass roof in the main gallery to bring more natural light into the centre, raised shop fronts, new floors, significantly improved toilets and a new entrance. The result is a completely new shopping environment which is greatly appreciated by the wealthy catchment which spans the Swiss/French border. Discussions are also continuing with the local authorities to facilitate a substantial extension of the centre.

Construction of the 5,500m² retail park extension at Chasse Sud is progressing well. The development is currently around 90% pre-let but is expected to be fully leased by the time it opens in June 2016. Retailers include Beaumanoir Group, Picard Surgelés as well as restaurant operators Buffalo Grill and Memphis Coffee. The project is expected to produce a net return on the total cost of over 7.5%.

Italy

At the end of April 2016, Eurocommercial will acquire from Gruppo PAM their 15,800m² hypermarket and 9,000m² of gallery shops at I Gigli in Florence for €82 million, which will increase Eurocommercial's ownership of the property to 100%. On completion of the transaction, the hypermarket will be reduced to around 10,000m² GLA and leased back to PAM. Eurocommercial intends to then convert the former hypermarket space into gallery shops and refurbish the entire shopping centre. The restructuring and refurbishment works are expected to take approximately one year, at a cost of around €18 million.

Eurocommercial is pleased to announce that it has signed an agreement with Primark to lease a store at I Gigli. The unit is expected to open in mid-2017 and will be a major new anchor for the shopping centre. Zara will also move from their existing unit in the centre to take a much larger store alongside Primark in the new gallery.

Victoria's Secret have launched their first ever store in an Italian shopping centre at Carosello in Milan. The 145m² shop opened in December. Inditex Group brands, Bershka and Stradivarius, also opened two large units at Curno in Bergamo, to the north east of Milan, at the end of November.

According to a recently published report from UrbiStat, the leading Italian market research organisation, Eurocommercial owns three of the top 12 most visited shopping centres in Italy (I Gigli in Florence and Fiordaliso and Carosello in Milan), with I Gigli topping the list with 19 million visitors.

Sweden

The construction of the 16,000m² extension at Eurostop outside Halmstad commenced at the end of 2015. Around 70% of the new retail area has already been pre-let to 18 new tenants including Stadium, Coop Extra, Nilson Group, Jack and Jones, Vero Moda, Gina Tricot and four Varner Group brands (Cubus, Volt, Bik Bok and Carlings). As part of the project, the existing 13,500m² gallery will also be fully refurbished where other major tenants already include H&M, Lindex, KappAhl and Systembolaget. The 10,000m² Coop Forum hypermarket will be partly demolished and converted into new retail units, including a new 4,500m² Coop Extra concept which they are taking on a 10 year lease. When the project is completed at the end of 2017, the centre will provide approximately 40,000m² of retail accommodation for around 90 tenants. With rents achieved so far being marginally ahead of budget, a net return of around 7% on the €75 million project cost should be achieved.

Eurocommercial Sweden won the coveted shopping centre Landlord of the Year award in October 2015 for the second time in the last three years. The four finalists were nominated by five of the country's leading retailers, with the ultimate winner selected by the 600 members of the Nordic Council of Shopping Centres. The jury commended Eurocommercial for its "exciting and well-managed shopping centres", as well as its "open communication with tenants", creating "some of the most appealing retail destinations in Sweden."

Market commentary

The “Islamic State” terrorist attacks reduced footfall in Paris by around 10% in December, and other major French cities were also affected. The investment market in France nonetheless remains strong with institutions keen to buy good retail property at yields in the range of 3.5% to 5.5%.

Italian shopping centre values have risen as yields have fallen but remain, on average, between 50 bps and 100 bps higher than those in France or Sweden, notwithstanding good retail sales growth and less shopping centre competition.

The Swedish market retains its attractions with very strong retail sales growth and solid investment demand. In the third quarter of 2015, year on year GDP growth of 2.9% was one of the highest in the European Union, but the krona has moved relatively little against the euro.

European Central Bank comments suggest that interest rates are unlikely to rise significantly for some time, so solidly underpinned property yields will continue to be highly valued by long-term investors, in spite of recent price rises.

Eurocommercial continues to seek well situated shopping centres in its current markets that have the potential for expansion and/or remerchandising, to the benefit of earnings growth.

Responsibility statement

We hereby state that to the best of our knowledge, and in accordance with the applicable IFRS reporting principles for interim financial reporting, that the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the Group, and that the interim management report of the Board of Management includes the most important transactions with related parties as well as a fair review of the development and performance of the business during the reporting period and the position of the Group at the balance sheet date, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the current financial year. The only major related party transaction is the loan provided to Galleria Verde S.r.l. for the acquisition of the 50% share of the Fiordaliso shopping centre.

Risk

Reference is made to the 2014/2015 Annual Report with regards to existing risks, which have not materially changed. However, it is not possible to rule out potential changes in taxation which could have an impact in future years.

Transparency directive

Under the terms set out by the new Transparency Directive, Eurocommercial confirms that its home member state is the Netherlands.

Amsterdam, 12 February 2016

Board of Management

J.P. Lewis, Chairman

E.J. van Garderen

Conference call and webcast

Eurocommercial will host a conference call and audio webcast today, Friday 12 February 2016, at 9:00 AM (UK) / 10:00 AM (CET) for investors and analysts. To access the call, please dial **+44 (0)1452 555 566** approximately 5-10 minutes before the start of the conference and ask to be connected to the Eurocommercial call using the conference ID number of **31603432**. The call will also be audio webcast at www.eurocommercialproperties.com/financial/webcast.

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

Statement of consolidated direct, indirect and total investment results*

(€'000)	Six months ended 31-12-15	Six months ended 31-12-14	Second quarter ended 31-12-15	Second quarter ended 31-12-14
Rental income	86,646	85,814	43,752	43,008
Service charges income	14,810	14,204	6,747	6,765
Service charges expenses	(16,497)	(15,628)	(7,712)	(7,513)
Property expenses	(14,029)	(12,419)	(8,252)	(6,525)
Interest income	1,036	258	850	136
Interest expenses	(18,927)	(23,654)	(9,500)	(11,644)
Company expenses	(6,265)	(5,405)	(3,445)	(2,826)
Current tax	(4)	(316)	3	(163)
Direct investment result 100% ownership	46,770	42,854	22,443	21,238
Direct investment result joint ventures	2,075	0	1,524	0
Total direct investment result	48,845	42,854	23,967	21,238
Investment revaluation and disposal of investment properties	97,537	39,228	97,972	39,239
Fair value movement derivative financial instruments	(5,399)	(26,332)	5,246	(15,497)
Investment expenses	(374)	(303)	(325)	(162)
Deferred tax	(21,922)	(1,210)	(19,285)	(1,207)
Indirect investment result 100% ownership	69,842	11,383	83,608	22,373
Indirect investment result joint ventures	(2,769)	0	(2,758)	0
Total indirect investment result	67,073	11,383	80,850	22,373
Total investment result	115,918	54,237	104,817	43,611
Per depositary receipt (€)**				
Direct investment result	1.03	1.02	0.51	0.50
Indirect investment result	1.41	0.27	1.70	0.53
Total investment result	2.44	1.29	2.21	1.03

Statement of adjusted net equity*

(€'000)	31-12-15	30-06-15	31-12-14
IFRS net equity per balance sheet	1,709,667	1,658,245	1,354,656
Derivative financial instruments	138,129	131,723	156,255
Deferred tax liabilities***	94,774	69,369	37,724
Deferred tax assets	0	0	(1,375)
Adjusted net equity	1,942,570	1,859,337	1,547,260

Number of depositary receipts representing shares in issue after deduction of depositary receipts bought back

	47,976,344	47,388,471	42,451,711
Net asset value - € per depositary receipt (IFRS)	35.64	34.99	31.91
Adjusted net asset value - € per depositary receipt	40.49	39.24	36.45
Stock market prices - € per depositary receipt	39.80	37.41	35.17

* These statements contain additional information which is not part of the IFRS financial statements.

** The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam. One bearer depositary receipt represents ten ordinary registered shares. The average number of depositary receipts on issue during the period was 47,488,884 compared with 41,983,071 for the six months to 31/12/14, an increase of 13.1%.

*** The deferred tax liabilities amount of €94,774,000 includes €3,384,000 deferred tax liability for joint ventures.

EPRA performance measures*

The European Public Real Estate Association (EPRA) is an organisation which promotes, develops and represents the European public real estate sector. EPRA sets out best practice reporting guidelines on a number of financial and operational performance indicators relevant to the real estate sector.

		Total (€'000)	Per depositary receipt (€)
	31-12-15	31-12-14	31-12-15 31-12-14
EPRA earnings**	48,523	42,404	1.02 1.01
EPRA NAV***	1,942,570	1,547,260	40.16 35.65
EPRA NNAV***	1,743,963	1,366,432	36.06 31.48

	France		Italy		Sweden		Total	
	31-12-15	31-12-14	31-12-15	31-12-14	31-12-15	31-12-14	31-12-15	31-12-14
	%	%	%	%	%	%	%	%
EPRA net initial yield	4.6	5.0	5.8	6.3	5.3	5.6	5.2	5.6
EPRA topped up yield	4.6	5.0	5.8	6.3	5.3	5.7	5.3	5.7
EPRA vacancy rate	1.3	0.8	0.1	0.4	0.4	0.2	0.6	0.5

Reconciliation NAV, EPRA NAV and EPRA NNAV*

		Total (€'000)	Per depositary receipt (€)
	31-12-15	31-12-14	31-12-15 31-12-14
Equity balance sheet	1,709,667	1,354,656	35.64 31.91
Derivative financial instruments	138,129	156,255	
Deferred tax liabilities	91,390	37,724	
Deferred tax assets	0	(1,375)	
Adjustment joint ventures	3,384	0	
EPRA NAV***	1,942,570	1,547,260	40.16 35.65
Derivative financial instruments	(138,129)	(156,255)	
Deferred tax liabilities	(52,131)	(9,431)	
Deferred tax assets	0	1,375	
Fair value borrowings****	(8,347)	(16,517)	
EPRA NNAV***	1,743,963	1,366,432	36.06 31.48

Reconciliation EPRA net initial yield and EPRA topped up yield*

€'000	France		Italy		Sweden		Total	
	31-12-15	31-12-14	31-12-15	31-12-14	31-12-15	31-12-14	31-12-15	31-12-14
Property investments	1,154,100	1,086,500	1,258,100	1,058,300	706,242	583,720	3,118,442	2,728,520
Property/land held for development	(15,900)	(12,600)	0	0	(75,412)	0	(91,312)	(12,600)
Investment in joint ventures	44,000	0	124,900	0	0	0	168,900	0
Property investments held for sale	40,000	0	0	0	0	14,159	40,000	14,159
Property investments completed	1,222,200	1,073,900	1,383,000	1,058,300	630,830	597,879	3,236,030	2,730,079
Purchasers' costs	78,845	69,307	55,245	42,295	6,309	6,024	140,399	117,626
Gross value property investments completed	1,301,045	1,143,207	1,438,245	1,100,595	637,139	603,903	3,376,429	2,847,705
Annualised net rents (EPRA NIY)	59,609	57,102	84,009	69,268	33,545	33,769	177,163	160,139
Lease incentives (incl. rent free periods)	54	54	76	186	327	561	457	801
Annualised rents (EPRA topped up yield)	59,663	57,156	84,085	69,454	33,872	34,330	177,620	160,940

* These statements contain additional information which is not part of the IFRS financial statements. EPRA earnings are restated for the previous period. The EPRA topped up yield is the EPRA net initial yield, adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discount rent periods and step rents).

** The average number of depositary receipts on issue over the six months was 47,488,884 compared with 41,983,071 for the six months period to 31/12/14.

*** The diluted number of depositary receipts on issue at 31/12/15 was 48,366,637, compared with 43,406,256 at 31/12/14.

**** The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on the confirmations received from banks.

Condensed consolidated statement of profit or loss

(€'000)	Note	Six months ended 31-12-15	Six months ended 31-12-14
Rental income		86,646	85,814
Service charges income		14,810	14,204
Service charges expenses		(16,497)	(15,628)
Property expenses	4	(14,029)	(12,419)
Net property income		70,930	71,971
Result joint ventures		(694)	0
Investment revaluation and disposal of investment properties	5	97,537	39,228
Interest income	6	1,036	258
Interest expenses	6	(18,927)	(23,654)
Fair value movement derivative financial instruments	6	(5,399)	(26,332)
Net financing cost	6	(23,290)	(49,728)
Company expenses	7	(6,136)	(5,441)
Investment expenses		(503)	(267)
Profit before taxation		137,844	55,763
Current tax		(4)	(316)
Deferred tax	15	(21,922)	(1,210)
Total tax		(21,926)	(1,526)
Profit after taxation		115,918	54,237
Per depositary receipt (€)*			
Profit after taxation		2.44	1.29
Diluted profit after taxation		2.42	1.26

Condensed consolidated statement of comprehensive income

(€'000)	Six months ended 31-12-15	Six months ended 31-12-14
Profit after taxation	115,918	54,237
Foreign currency translation differences (to be recycled through profit and loss account)	1,422	(7,419)
Actuarial result on pension scheme (not to be recycled through profit and loss account)	2,634	(1,159)
Total other comprehensive income	4,056	(8,578)
Total comprehensive income	119,974	45,659
Per depositary receipt (€)*		
Total comprehensive income	2.53	1.08
Diluted total comprehensive income	2.51	1.06

* The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam. One bearer depositary receipt represents ten ordinary registered shares.

Condensed consolidated statement of financial position

(€'000)	Note	31-12-15	30-06-15
Property investments	8	3,118,442	2,826,026
Investment in joint ventures	9	85,141	42,598
Tangible fixed assets		1,962	1,865
Receivables	11	239	237
Derivative financial instruments	14	43	353
Total non-current assets		3,205,827	2,871,079
Property investments held for sale	8	40,000	39,700
Receivable from joint ventures	10	114,710	0
Receivables	11	34,321	31,875
Cash and deposits		45,724	169,133
Total current assets		194,755	201,008
Total assets		3,440,582	3,111,787
Creditors	12	66,169	78,712
Borrowings	13	253,673	58,162
Total current liabilities		319,842	136,874
Creditors	12	10,080	10,312
Borrowings	13	1,171,431	1,102,060
Derivative financial instruments	14	138,172	132,076
Deferred tax liabilities	15	91,390	69,369
Provision for pensions		0	2,851
Total non-current liabilities		1,411,073	1,316,668
Total liabilities		1,730,915	1,453,542
Net assets		1,709,667	1,658,245
Equity Eurocommercial Properties shareholders	16		
Issued share capital		241,291	238,353
Share premium reserve		521,539	524,098
Other reserves		830,919	728,020
Undistributed income		115,918	167,774
Net assets		1,709,667	1,658,245

Condensed consolidated statement of cash flows

For the six months ended (€'000)	Note	31-12-15	31-12-14
Cash flow from operating activities			
Profit after taxation		115,918	54,237
Adjustments:			
Increase in receivables	11	(2,470)	(778)
Decrease in creditors	12	(105)	(4,689)
Interest income		(1,036)	(258)
Interest expenses		18,927	23,654
Movement performance shares granted		210	175
Investment revaluation and disposal of investment properties	5	(98,453)	(39,426)
Derivative financial instruments		5,399	26,332
Deferred tax	15	21,922	1,210
Current tax		4	316
Other movements		254	(29)
Result from joint ventures		694	0
		61,264	60,744
Cash flow from operations			
Current tax paid		(359)	(474)
Derivative financial instruments		(9,281)	(2,036)
Borrowing costs		(196)	(79)
Interest paid		(17,605)	(23,499)
Interest received		344	325
		34,167	34,981
Cash flow from investing activities			
Acquisitions	8	(171,512)	0
Capital expenditure	8	(32,890)	(27,139)
Investment in joint ventures	9	(32,997)	0
Loan to joint venture		(114,003)	0
Additions to tangible fixed assets		(537)	(203)
		(351,939)	(27,342)
Cash flow from financing activities			
Borrowings added	13	311,789	93,593
Repayment of borrowings	13	(48,327)	(51,977)
Stock options exercised		7	9,370
Performance shares settled		(78)	0
Depositary receipts bought back		0	(26,766)
Dividends paid	16	(68,691)	(60,414)
Decrease/increase in non-current creditors		(287)	137
		194,413	(36,057)
Net cash flow			
Currency differences on cash and deposits		(50)	(189)
Decrease in cash and deposits		(123,409)	(28,607)
Cash and deposits at beginning of period		169,133	85,372
Cash and deposits at end of period		45,724	56,765

Condensed consolidated statement of changes in shareholders' equity

The movements in shareholders' equity in the six months period ended 31 December 2015 were:

(€'000)	Issued share capital	Share premium reserve	Other reserve	Undistributed income	Total
30-06-2015	238,353	524,098	728,020	167,774	1,658,245
Profit after taxation				115,918	115,918
Foreign currency translation differences (to be recycled through profit or loss)			1,422		1,422
Actuarial gain on pension scheme (not to be recycled through profit or loss)			2,634		2,634
Total comprehensive income	0	0	4,056	115,918	119,974
Issued shares	2,886	(2,886)			0
Profit previous financial year			99,087	(99,087)	0
Dividends paid		(4)		(68,687)	(68,691)
Performance shares granted		210			210
Performance shares settled- shares issued	52	363	(493)		(78)
Performance shares vested		(242)	242		0
Stock options exercised			7		7
31-12-2015	241,291	521,539	830,919	115,918	1,709,667

The movements in shareholders' equity in the previous six months period ended 31 December 2014 were:

(€'000)	Issued share capital	Share premium reserve	Other reserve	Undistributed income	Total
30-06-2014	213,875	385,838	687,129	99,790	1,386,632
Profit after taxation				54,237	54,237
Foreign currency translation differences (to be recycled through profit or loss)			(7,419)		(7,419)
Actuarial loss on pension scheme (not to be recycled through profit or loss)			(1,159)		(1,159)
Total comprehensive income			(8,578)	54,237	45,659
Issued shares	2,828	(2,828)			0
Profit previous financial year			39,380	(39,380)	0
Depository receipts bought back			(26,766)		(26,766)
Dividends paid		(4)		(60,410)	(60,414)
Performance shares granted		175			175
Stock options exercised			9,370		9,370
31-12-2014	216,703	383,181	700,535	54,237	1,354,656

Notes to the condensed consolidated financial statements

as at 31 December 2015

General

Eurocommercial Properties N.V. (the Company) domiciled in Amsterdam, the Netherlands, is a closed-end property investment company. The consolidated financial statements of the Company for the financial year starting 1 July 2015 and ending 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). This half year report includes the figures for the six month period from 1 July 2015 to 31 December 2015. The interim financial information has not been audited.

1. Principal accounting policies

(a) Statement of compliance

The interim condensed consolidated financial statements for the six month period ending 31 December 2015 have been drawn up in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (IFRS) as per 31 December 2015. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015.

(b) Change in accounting policies, reclassifications, amendments and improvements to IFRS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015.

Notes to the condensed consolidated financial statements

as at 31 December 2015

2. Segment information 2015

(€ '000)							
For the six months period ended				The	Total	Adjustments	Total
31/12/2015	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	IFRS
Rental income	31,599	40,317	17,895	0	89,811	(3,165)	86,646
Service charge income	6,075	4,633	4,976	0	15,684	(874)	14,810
Service charge expenses	(6,978)	(4,534)	(5,795)	0	(17,307)	810	(16,497)
Property expenses	(3,683)	(8,001)	(2,611)	0	(14,295)	266	(14,029)
Net property income	27,013	32,415	14,465	0	73,893	(2,963)	70,930
Result joint ventures					0	(694)	(694)
Investment revaluation and disposal of investment properties	48,840	31,919	17,313	81	98,153	(616)	97,537
Segment result	75,853	64,334	31,778	81	172,046	(4,273)	167,773
Net financing cost					(23,870)	580	(23,290)
Company expenses					(6,136)	0	(6,136)
Investment expenses					(504)	1	(503)
Profit before taxation					141,536	(3,692)	137,844
Current tax					(312)	308	(4)
Deferred tax					(25,306)	3,384	(21,922)
Profit after taxation					115,918	0	115,918

(€ '000)							
As per 31/12/2015				The	Total	Adjustments	Total
	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	IFRS
Property investments	1,198,100	1,383,000	706,242	0	3,287,342	(168,900)	3,118,442
Investment in joint ventures	0	0	0	0	0	85,141	85,141
Receivable from joint ventures	0	40,717	0	0	40,717	73,993	114,710
Tangible fixed assets	619	891	77	375	1,962	0	1,962
Receivables	21,304	9,885	2,879	739	34,807	(247)	34,560
Derivative financial instruments	43	0	0	0	43	0	43
Cash and deposits	4,136	29,564	14,139	372	48,211	(2,487)	45,724
Property investments held for sale	40,000	0	0	0	40,000	0	40,000
Total assets	1,264,202	1,464,057	723,337	1,486	3,453,082	(12,500)	3,440,582
Creditors	26,631	26,246	19,992	1,866	74,735	(8,566)	66,169
Non-current creditors	9,044	1,561	25	0	10,630	(550)	10,080
Borrowings	409,329	752,707	253,068	10,000	1,425,104	0	1,425,104
Derivative financial instruments	12,816	110,035	15,321	0	138,172	0	138,172
Deferred tax liabilities	0	38,689	56,085	0	94,774	(3,384)	91,390
Provision for pensions	0	0	0	0	0	0	0
Total liabilities	457,820	929,238	344,491	11,866	1,743,415	(12,500)	1,730,915

(€ '000)							
For the six months period ended				The	Total	Adjustments	Total
31/12/2015	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	1,064	241,680	65,694	0	308,438	(116,068)	192,370

Notes to the condensed consolidated financial statements

as at 31 December 2015

2. Segment information 2014

(€ '000)							
For the six months period ended				The	Total	Adjustments	
31/12/2014	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	Total IFRS
Rental income	30,136	37,333	18,345	0	85,814	0	85,814
Service charge income	5,082	3,887	5,235	0	14,204	0	14,204
Service charge expenses	(5,875)	(3,887)	(5,866)	0	(15,628)	0	(15,628)
Property expenses	(3,551)	(6,184)	(2,684)	0	(12,419)	0	(12,419)
Net property income	25,792	31,149	15,030	0	71,971	0	71,971
Investment revaluation and disposal of investment properties	21,851	11,203	6,296	(122)	39,228	0	39,228
Segment result	47,643	42,352	21,326	(122)	111,199	0	111,199
Net financing cost					(49,728)	0	(49,728)
Company expenses					(5,441)	0	(5,441)
Investment expenses					(267)	0	(267)
Profit before taxation					55,763	0	55,763
Current tax					(316)	0	(316)
Deferred tax					(1,210)	0	(1,210)
Profit after taxation					54,237	0	54,237

(€ '000)							
As per 30/06/2015				The	Total	Adjustments	
	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	Total IFRS
Property investments	1,148,300	1,099,100	620,626	0	2,868,026	(42,000)	2,826,026
Investment in joint ventures	0	0	0	0	0	42,598	42,598
Tangible fixed assets	513	1,106	96	150	1,865	0	1,865
Receivables	23,224	5,229	3,045	719	32,217	(105)	32,112
Derivative financial instruments	307		46	0	353	0	353
Cash and deposits	3,414	11,225	17,343	138,267	170,249	(1,116)	169,133
Property investments held for sale	39,700	0	0	0	39,700	0	39,700
Total assets	1,215,458	1,116,660	641,156	139,136	3,112,410	(623)	3,111,787
Creditors	38,798	15,823	20,114	4,140	78,875	(163)	78,712
Non-current creditors	9,094	1,653	25	0	10,772	(460)	10,312
Borrowings	398,558	541,898	219,766	0	1,160,222	0	1,160,222
Derivative financial instruments	13,222	102,328	16,526	0	132,076	0	132,076
Deferred tax liabilities	0	19,710	49,659	0	69,369	0	69,369
Provision for pensions	0	0	0	2,851	2,851	0	2,851
Total liabilities	459,672	681,412	306,090	6,991	1,454,165	(623)	1,453,542

(€ '000)							
For the six months period ended				The	Total	Adjustments	
31/12/2014	France	Italy	Sweden	Netherlands	proportional consolidation	joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	20,980	6,131	1,262	0	28,373	0	28,373

Notes to the condensed consolidated financial statements

as at 31 December 2015

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 2015 €1 was SEK 9.1895 (30 June 2015: SEK 9.2149) and €1 was GBP 0.7340 (30 June 2015: GBP 0.7114).

4. Property expenses

Property expenses in the current financial period were:

For the six months ended (€'000)	31-12-15	31-12-14
Direct property expenses		
Bad debts	390	241
Centre marketing expenses	1,011	976
Insurance premiums	359	312
Managing agent fees	953	951
Property taxes	1,478	1,393
Repair and maintenance	791	649
Shortfall service charges	164	143
	5,146	4,665
Indirect property expenses		
Accounting fees	184	181
Audit fees	121	117
Depreciation fixed assets	345	281
Dispossession indemnities	199	214
Italian local tax (IRAP)	857	740
Legal and other advisory fees	758	681
Letting fees and relocation expenses	979	798
Local office and accommodation expenses	778	739
Pension contributions	88	80
Salaries, wages and bonuses	2,571	2,223
Social security charges	1,022	905
Performance shares granted (IFRS 2)	28	37
Travelling expenses	477	315
Other local taxes	302	293
Other expenses	174	150
	8,883	7,754
	14,029	12,419

5. Investment revaluation

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

For the six months ended (€'000)	31-12-15	31-12-14
Revaluation of property investments	98,180	39,426
Revaluation of property investments held for sale	273	0
Elimination of accrued entry fees	(227)	(350)
Elimination of capitalised letting fees	(742)	362
Movement long-term creditors	(55)	(88)
Foreign currency results	108	(122)
	97,537	39,228

Notes to the condensed consolidated financial statements

as at 31 December 2015

6. Net financing cost

Net financing cost in the current financial period comprised:

For the six months ended (€'000)	31-12-15	31-12-14
Interest income	1,036	258
Gross interest expense	(19,330)	(23,709)
Capitalised interest	403	55
Fair value movement derivative financial instruments	3,882	(24,296)
Realised fair value movement derivative financial instruments	(9,281)	(2,036)
	(23,290)	(49,728)

Gross interest expense consists of interest payable on loans calculated using the effective interest rate method. The interest payable to finance the extension/acquisition of an asset is capitalised until completion/acquisition date and is reported as capitalised interest. The interest rate used for capitalised interest during the current financial period was 4.2 per cent (31 December 2014: 4.4 per cent). Interest rate swap agreements have been entered into to hedge the exposure to interest rate movements so that 69 per cent (31 December 2014: 76 per cent) of interest costs are fixed at an average interest rate of 2.7 per cent (31 December 2014: 3.6 per cent) for an average period of eight years (2014: almost eight years). Due to lower market interest rates the negative fair value of this interest rate swap portfolio changed, resulting in a negative movement of €5.4 million for the period. During this period interest rate swaps were terminated with a notional amount of €130 million resulting in a negative realised fair value movement of €9.3 million.

7. Company expenses

Company expenses in the current financial period comprised:

For the six months ended (€'000)	31-12-15	31-12-14
Audit fees	188	122
Depreciation fixed assets	95	75
Directors' fees	855	785
Legal and other advisory fees	382	356
Marketing expenses	303	210
Office and accommodation expenses	928	804
Pension – unrealised movement in the provision for pensions	(129)	(36)
Pension contributions	621	407
Salaries, wages and bonuses	1,861	1,674
Social security charges	267	242
Statutory costs	197	202
Performance shares granted (IFRS 2)	37	51
Travelling expenses	261	228
Other expenses	270	321
	6,136	5,441

8. Property investments and property investments held for sale

Property investments and property investments held for sale are stated at fair value. It is the Company's policy that all property investments be revalued semi-annually by qualified independent experts. 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. The qualified independent valuers have prepared their appraisals in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). These standards require that valuers, amongst other activities, collect a variety of data including general economic data, property specific data and market supply and demand data. Property specific data include passing rent and future rent, expenses, lease terms, lease incentives, vacancies etc. The data and valuation methodologies used are set out in the independent valuation reports. All properties were revalued at 31 December 2015. The yields described in the Board of Management report reflect market practice and are derived by dividing expected property net income for the coming year by the gross valuation (net valuation figure plus purchaser's costs including transfer duties) expressed as a percentage.

Notes to the condensed consolidated financial statements

as at 31 December 2015

8. Property investments and property investments held for sale (continued)

The valuation standards used by the external independent valuers require that valuers draw attention to uncertain circumstances, if these could have a material effect on the valuation, indicating the cause of the uncertainty and the degree to which this is reflected in the reported valuation.

The current property portfolio is:

(€'000)	31-12-15 Book value	30-06-15 Book value	31-12-15 Costs to date	30-06-15 Costs to date
France				
Amiens Glisy, Amiens*	49,600	48,900	16,177	16,174
Les Grands Hommes, Bordeaux	18,000	18,000	18,255	18,255
Saint Doulchard, Bourges* **	40,000	39,700	49,671	49,693
Chasse Sud, Chasse-sur-Rhône*	66,700	65,900	66,599	66,650
Les Allées de Cormeilles, Cormeilles*	44,900	43,500	44,753	44,679
Shopping Etrembières, Etrembières***	4,900	4,800	6,105	6,065
Les Trois Dauphins, Grenoble*	40,700	39,700	26,665	26,621
Centr'Azur, Hyères*	53,800	53,700	21,643	21,686
Plaine de France, Moisselles*	78,200	76,100	63,640	63,291
Passage du Havre, Paris*	397,800	366,500	189,474	189,442
74 rue de Rivoli, Paris*	68,200	64,500	20,725	20,725
Les Portes de Taverny, Taverny*	63,100	62,600	25,861	25,784
Val Thoiry, Thoiry	126,200	122,800	131,941	131,592
Les Atlantes, Tours*	142,000	139,300	64,765	64,710
	1,194,100	1,146,000	746,274	745,367
Italy				
Curno, Bergamo*	110,900	103,300	35,330	34,782
Centro Lame, Bologna*	39,300	38,600	30,017	30,038
Cremona Po, Cremona*	83,600	83,100	86,615	86,253
Il Castello, Ferrara*	111,500	106,900	84,902	84,924
I Gigli, Firenze*	297,200	280,200	218,459	215,892
Centro Leonardo, Imola*	69,500	67,900	64,947	64,968
La Favorita, Mantova*	45,100	44,600	34,222	34,222
Carosello, Milano*	319,900	302,300	198,634	189,583
I Portali, Modena*	48,300	47,500	46,924	46,781
Collestrada, Perugia*	107,400	0	113,174	0
Centroluna, Sarzana*	25,400	24,700	14,903	14,915
	1,258,100	1,099,100	928,127	802,358
Sweden				
421, Göteborg*	84,228	82,692	89,428	89,117
Eurostop, Halmstad	75,412	72,274	76,984	73,814
Kronan, Karlskrona*	20,023	20,185	17,850	17,540
Bergvik, Karlstad*	141,139	74,770	101,536	39,714
Mellby Center, Laholm*	19,696	19,317	15,702	15,671
Ingelsta Shopping, Norrköping*	118,179	113,295	93,509	93,490
Elins Esplanad, Skövde*	83,900	82,258	59,044	59,002
Moraberg, Södertälje	48,425	47,749	38,901	38,895
Grand Samarkand, Växjö*	115,240	108,086	79,480	79,497
	706,242	620,626	572,434	506,740
	3,158,442	2,865,726	2,246,835	2,054,465
Less property investments held for sale	(40,000)	(39,700)	(49,671)	(49,693)
Property investments	3,118,442	2,826,026	2,197,164	2,004,772

* These properties carry mortgage debt up to €1,283 million at 31 December 2015 (30 June 2015: €1,155 million).

** Property classified as property investment held for sale.

*** This parcel of land is next to Shopping Etrembières (partly owned via a joint venture) and classified as property under development.

Notes to the condensed consolidated financial statements

as at 31 December 2015

8. Property investments and property investments held for sale (continued)

Changes in property investments and property investments held for sale for the financial period ended 31 December 2015 were as follows:

(€'000)	01-07-15/ 31-12-15	01-07-14/ 30-06-15
Book value at beginning of the period	2,860,926	2,688,603
Acquisitions	171,110	0
Acquisition of land held for development	0	20,955
Capital expenditure - general	5,030	3,865
Capital expenditure - extensions and refurbishments	15,045	30,553
Capitalised interest	403	652
Capitalised letting fees	742	(908)
Elimination of capitalised letting fees	(742)	908
Revaluation of land held for development	0	(7,071)
Revaluation of property investments	98,120	139,760
Revaluation of property investments held for sale	273	516
Book value divestment property	0	(14,653)
Exchange rate movement	2,635	(2,254)
Book value at the end of the period	3,153,542	2,860,926

Changes in property investments under development for the financial period ended 31 December 2015 were as follows:

(€'000)	31-12-15	30-06-15
Book value at beginning of the period	4,800	0
Acquisitions	0	6,065
Capital expenditure	40	0
Revaluation property investments under development	60	(1,265)
Book value at end of the period	4,900	4,800

The fair value measurement of all the property investments is categorised within level 3 of the fair value hierarchy (30 June 2015: level 3).

Assumptions and sensitivity analysis:

The average net initial yield applied by the valuers is 4.5% for France, 5.8% for Italy and 4.9% for Sweden, compared to the yields reported as per 30 June 2015 of 4.7%, 6.0% and 5.3%, respectively.

An increase in the average net initial yield of 25 bps would result in a decrease in the value of the property portfolio of €145 million (30 June 2015: €126 million), whereas a decrease in the average yield of 25 bps would result in an increase in the value of the property portfolio of €162 million (30 June 2015: €135 million).

An increase in the estimated rental value of 5 per cent would result in an increase in the value of the property portfolio of €121 million (30 June 2015: €107 million). A decrease in the estimated rental value of 5 per cent would result in a decrease in the value of the property portfolio of €132 million (30 June 2015: €117 million).

Notes to the condensed consolidated financial statements

as at 31 December 2015

9. Investment in joint ventures

The Eurocommercial share of total comprehensive income for the six months to 31 December 2015 and net assets in joint ventures as per 31 December 2015 and the comparative figures are explained in note 2 Segment information in the column Adjustments joint ventures.

In November 2015 the Group entered into a joint venture through the acquisition of the 50 per cent share in Centro Commerciale Fiordaliso, Milan, Italy.

Changes in investment in joint ventures for the financial period ended 31 December 2015 were as follows:

(€'000)	31-12-15	30-06-15
Book value at beginning of the period	42,598	0
Capital contributions/acquisitions	43,237	43,329
Result after taxation	(694)	(731)
Book value at the end of the period	85,141	42,598

10. Receivable from joint ventures

Amounts receivable from joint ventures are unsecured and interest bearing with a fixed rate. These amounts are repayable on demand.

11. Receivables

The two largest current receivables items are rents receivable for an amount of €20.9 million (30 June 2015: €21.5 million) and VAT receivable for an amount of €6.5 million (30 June 2015: €3.5 million).

12. Creditors

The two largest current creditors items are rent received in advance for an amount of €24.5 million (30 June 2015: €24.0 million) and the interest payable to banks for an amount of €8.7 million (30 June 2015: €7.6 million). The non-current creditors of €10.1 million only relate to tenant rental deposits (30 June 2015: €10.3 million).

13. Borrowings

(€'000)	31-12-15	30-06-15
Book value at beginning of the period	1,160,222	1,173,236
Drawdown of funds	311,789	291,830
Repayments	(48,327)	(303,546)
Exchange rate movement	1,043	(262)
Movement prepaid borrowing costs	377	(1,036)
Book value at the end of the period	1,425,104	1,160,222

The borrowings are all directly from major banks with average committed unexpired terms of four and a half years. The average interest rate, including derivative financial instruments, in the current financial period was 2.7 per cent (12 months ended 30 June 2015: 3.6 per cent). At 31 December 2015 the Company has hedged its exposure to interest rate movements on its borrowings for 69 per cent (30 June 2015: 80 per cent) at an average term of eight years (30 June 2015: more than eight years). The fair value of the loans is €1,441 million (book value at 31 December 2015: €1,425 million), compared to a fair value of €1,173 million at 30 June 2015 (book value at 30 June 2015: €1,160 million).

Notes to the condensed consolidated financial statements

as at 31 December 2015

14. Derivative financial instruments

Derivative financial instruments are recognised initially at trade date at fair value (cost price). Subsequent to initial recognition, derivative financial instruments are stated at their fair value. The gain or loss on measurement to fair value is recognised in the condensed consolidated statement of profit or loss. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates, the current creditworthiness of the swap counterparties and the own credit risk regarding counterparties. Derivative financial instruments concern derivative interest rate swap contracts. A valuation technique is used to determine the fair value of the derivatives with inputs that are directly or indirectly observable market data. The fair value of the derivatives is estimated by discounting expected future cash flows using current market interest rates and the yield curve over the remaining term of the instrument. In connection with the non-current borrowings, the derivative financial instruments are presented as non-current assets and non-current liabilities. The fair value measurement of all derivative financial instruments is categorised within level 2 of the fair value hierarchy (30 June 2015: level 2), except for the put option to acquire the remaining 50 per cent of the Fiordaliso shopping centre. The fair value of this instrument is €10.2 million (30 June 2015: nil) and is classified at level 3. The calculation is based on an independent property valuation as per the balance sheet date, plus a premium based on a fixed percentage.

15. Deferred tax liabilities

Deferred tax liabilities increased to €91.4 million (30 June 2015: €69.4 million) and are related to deferred tax on the Italian and Swedish property investments and to the derivative financial instruments for hedging the Company's exposure to interest rates in Italy and Sweden.

Deferred tax liabilities are attributable to the following items:

(€'000)	01-07-15/ 31-12-15	01-07-14/ 30-06-15
Book value at beginning of the period	69,369	36,795
Recognised in statement of profit or loss	21,922	34,130
Release to statement of profit or loss	0	35
Reallocation	0	(1,506)
Exchange rate movement	99	(85)
Book value at the end of the period	91,390	69,369

16. Share capital and reserves

The Company's shares are listed in the form of bearer depositary receipts on Euronext Amsterdam. One bearer depositary receipt represents ten ordinary registered shares. On 30 November 2015 the number of shares increased by 10,498 new depositary receipts due to the vesting of the 2012 Performance Share Plan. The number of shares on issue increased further on 30 November 2015 by 577,188 bonus depositary receipts under the stock dividend plan. Holders of depositary receipts representing 26.8% of the issued share capital (2014: 25.7%) opted for the bonus depositary receipts at an issue price of €43.56 from the Company's share premium reserve, instead of a cash dividend of €1.98 per depositary receipt for the financial year ended 30 June 2015. Accordingly, of the available dividend of €93.8 million, an amount of €25.1 million was not paid out in cash.

Notes to the condensed consolidated financial statements

as at 31 December 2015

17. Commitments not included in the balance sheet

As at 31 December 2015 bank guarantees have been issued for a total amount of €2.0 million. In December 2014 a conditional agreement was reached with Gruppo PAM for Eurocommercial to acquire their 15,800m² hypermarket and 9,000m² of gallery shops at I Gigli in Florence, which will increase Eurocommercial's ownership of the property to 100%. The acquisition cost of €82 million will not be payable until the planned completion date in April 2016.

Following the purchase of the Fiordaliso shopping centre, the Group is contracted to acquire the adjoining retail park for €14 million.

In November 2015 the Group signed a building contract for €21 million for the extension of Eurostop, Halmstad in Sweden.

Amsterdam, 12 February 2016

Board of Management

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

Board of Supervisory Directors

B.T.M. Steins Bisschop, Chairman
B.M. Carrière
C. Croff
R.R. Foulkes
P.W. Haasbroek
J.-Å. Persson

Other information

Holders of depositary receipts/ordinary shares with a holding of 3 per cent or more

Under the Netherlands Act on Financial Supervision, the Netherlands Authority for the Financial Markets has received notification from six holders of depositary receipts/ordinary shares with interests greater than 3 per cent in the Company. According to the latest notifications these interests were as follows: Stichting Administratiekantoor Eurocommercial Properties (99.84 per cent), the Government of Singapore (12.75 per cent), CBRE Clarion Securities, LLC (4.94 per cent), Henderson Group Plc (4.84 per cent), BlackRock, Inc. (4.77 per cent) and PGGM Vermogensbeheer B.V. (3.77 per cent).

The dates of the aforesaid notifications were 1 November 2006, 1 November 2006, 4 February 2014, 26 November 2015, 25 January 2016 and 19 May 2015.

Stock market prices and turnovers from 1 July to 31 December 2015

		High	Low	Average
Closing price 31 December 2015 (€; depositary receipts)	39.80	44.05	36.69	39.90
Average daily turnover (in depositary receipts)	76,998			
Average daily turnover (€'000,000)	3.07			
Total turnover over the past six months (€'000,000)	402.9			
Market capitalisation (€'000,000)	1,783.1			
Total six months turnover as a percentage of market capitalisation	22.6%			

Source: Euronext, Global Property Research

Depositary receipts listed on Euronext Amsterdam are registered with Centrum voor Fondsenadministratie B.V. under code: 28887.

ISIN – Code:

NL 0000288876

Stock market prices are followed by:

Bloomberg:

ECMPA NA

Datastream:

307406 or H:SIPF

Reuters:

SIPFc.AS

Other information

Review report

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 31 December 2015 of Eurocommercial Properties N.V., Amsterdam, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statements of profit or loss, comprehensive income, changes in shareholders' equity, and cash flows for the period of six months ended 31 December 2015, and the notes. The Board of Management of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 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 auditing standards 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 condensed consolidated interim financial information as at 31 December 2015 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 12 February 2016
KPMG Accountants N.V.

H.D. Grönloh RA

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