

European Convergence Property Company

European Convergence Property Co plc - Acquisition 27 July 2006

The board of ECPC is pleased to announce the acquisition of the Millenium Business Centre, a new Class A office building located in Central Bucharest. Final consideration will be dependant upon full leasing, however it is currently estimated that the purchase price will be approximately €40 million. A 20% down payment has been paid on signing with the remainder due to be paid upon construction completion which is expected by October 2006. The investment is expected to generate running yields in excess of 9.5% on ECPC's net equity contribution. It is anticipated that approximately 70% of the acquisition price will be debt financed. Principal tenants of the property include the World Bank and Transelectrica SA.

The building consists of 14,310 sq.m. of gross lettable area over 19 floor levels, making it a new landmark property for central Bucharest. In addition, a further four basements will provide commercial and car parking areas.



South-west Architectural impression of the Millenium Business Centre

ECPC investment outlook

The management is pleased with this latest acquisition which brings the total amount of funds invested to approximately €112 million. Management believe that with the approximate €60 million of equity as at 31 December, 2005, that ECPC's investment program will be completed when gross assets reach €175 million. This would represent a debt/equity ratio of approximately 65%/35% as opposed to the current level of approximately 50%/50%.

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Notes to editors:

ECPC is a property company focused on investing in commercial, retail and industrial property in South-East Europe with a view to taking advantage of high yields and the potential for capital appreciation.

The principal target countries are Romania, Bulgaria and Turkey. Opportunistically, the Company may also seek special situations investments in these markets and in Central Europe, predominantly in Poland, Hungary and the Czech Republic.

In June 2005, the Company raised €62.7 million before expenses through the placing of 62.7 million new ordinary shares at a price of €1 per share.

The Company's investment manager is Charlemagne Capital (IOM) Limited which is regulated by the Isle of Man Financial Supervision Commission for investment and corporate service provider business. The Charlemagne Group specialises in managing funds in public and private equity in global emerging markets. Its private equity and property team have historically focused on Central and South-East Europe. The Charlemagne Group currently manages US\$ 4 billion.