

European Convergence Property Company

European Convergence Property Co plc - Acquisition 06 June 2006

The board of ECPC is pleased to announce the conditional acquisition of Construdava, a new office building located in Bucharest, Romania for a total consideration of €19 million payable in cash. Completion, which is expected in September 2006, is subject to certain performance targets being met to ECPC's satisfaction. Construction works are expected to be completed by July 2006. The investment is expected to generate running yields in excess of 11% on ECPC's net equity contribution. It is anticipated that approximately 65% of the acquisition price will be debt financed.

Construdava is developed by Romania's only listed property developer, Impact SA. It is located in Pipera a predominantly upscale residential part of Bucharest and consists of approximately 9,200 sq.m. of gross lettable area.



Artist's impression of Construdava upon completion

ECPC investment outlook

Further progress has been made in identifying and negotiating additional investment properties in both Bulgaria and Romania. The board believes that the time frame for full investment implementation expressed in February, when it announced ECPC's first investment, remains valid and looks forward to making further investment announcements.

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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\$5.8 billion.