

## NEW EUROPE PROPERTY INVESTMENTS PLC

(Incorporated and registered in the Isle of Man with registered number 001211V)  
(Registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10)

AIM share code: NEPI JSE share code: NEP BVB share code: NEP

ISIN: IM00B23XCH02

("NEPI" or "the company")



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## NOTICE TO NEPI SHAREHOLDERS IN RESPECT OF AN ELECTION TO RECEIVE EITHER A CASH DIVIDEND OR A RETURN OF CAPITAL

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### CASH DIVIDEND OR RETURN OF CAPITAL

As announced on 30 July 2014, shareholders are advised that the board of directors ("the board") of the company has declared an interim distribution of 14.87 Euro cents per share in respect of the six months ended 30 June 2014 and that the board has resolved to offer to shareholders the election to receive a return of capital by way of an issue of 2,332 new NEPI shares for every 100 NEPI shares held on the relevant record date, being Friday, 3 October 2014 ("return of capital") at an issue price of €6.38 per share or a cash dividend of 14.87 Euro cents per share ("cash dividend"). A cash dividend will be paid to shareholders unless shareholders elect to receive a return of capital.

The rationale for the return of capital is to afford shareholders the opportunity to increase their shareholding in NEPI and to retain flexibility with regard to the company's cash resources.

The cash dividend will be paid out of the company's distributable profits. The new NEPI shares to be issued pursuant to the return of capital will be funded by way of a reduction of capital.

As at the date of this announcement, the company had 240 161 543 ordinary shares of €0.01 each in issue.

A circular to NEPI shareholders in respect of the election being offered to NEPI shareholders to receive either the cash dividend or the return of capital, together with an election form, will be posted to shareholders on Thursday, 11 September 2014 and will be available on the company's website at [www.nepinvest.com](http://www.nepinvest.com) from Thursday, 11 September 2014.

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### SALIENT DATES AND TIMES

#### For shareholders on the SA share register

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	<b>2014</b>
Announcement of Euro to Rand conversion rate released on SENS on or before	Thursday, 18 September
Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on	Friday, 26 September
Shares commence trading <i>ex</i> the cash dividend or return of capital on	Monday, 29 September
Record date for shareholders recorded on the SA share register	Friday, 3 October
Closing date for receipt of completed election forms by no later than 12:00 on	Friday, 3 October
Announcement on SENS of the amount of new NEPI shares issued on	Monday, 13 October

Dispatch of share certificates, payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI shares listed on the JSE on Wednesday, 15 October

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**Notes:**

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. **Shareholders should note that new NEPI shares should not be traded until the new NEPI shares are issued or reflect in their accounts with their CSDP or broker on Wednesday, 15 October 2014.**
3. Share certificates may not be dematerialised or rematerialised nor may transfers of shares between sub-registers in the United Kingdom, South Africa and Romania take place between Monday, 29 September 2014 and Friday, 3 October 2014 both days inclusive.
4. Shareholders on the SA share register will receive a cash dividend in South African Rand, based on the exchange rate to be obtained by the company on or before Thursday, 18 September 2014. An announcement in this respect will be made on or before Thursday, 18 September 2014.

**For shareholders on the UK share register**

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**2014**

Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on Tuesday, 30 September

Shares commence trading *ex* the cash dividend or return of capital on Wednesday, 1 October

Record date for shareholders recorded on the UK share register Friday, 3 October

Closing date for receipt of completed election forms by no later than 12:00 on Friday, 3 October

Announcement on RNS of the amount of new NEPI shares issued on Monday, 13 October

Dispatch of share certificates, payment of cash dividend, CREST accounts credited/updated and new NEPI shares listed on the AIM on Wednesday, 15 October

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**Notes:**

1. All dates and times quoted above are local dates and times in the United Kingdom. The above dates and times are subject to change. Any changes will be released on RNS.
2. Uncertificated shareholders should note that new NEPI shares should not be traded until the new NEPI shares reflect in their accounts with their CREST provider or broker.
3. Share certificates may not be uncertificated or recertificated, nor may transfers of shares between sub-registers in the United Kingdom and Romania take place between Monday, 29 September 2014 and Friday, 3 October 2014 both days inclusive.

**For shareholders registered in Romania**

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**2014**

Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on Tuesday, 30 September

Shares commence trading *ex* the cash dividend or return of capital on Wednesday, 1 October

Romanian record date Friday, 3 October

Last date when the shareholders registered in Romania who/which elect to receive the Friday, 3 October

return of capital should complete the election form and submit it to NEPI, this being the closing date for receipt of completed election forms by no later than 13:00 on

Announcement on BVB of the amount of new NEPI shares issued on

Monday, 13 October

Payment of cash dividend and/or broker share accounts updated and new NEPI shares listed on BVB on

Wednesday, 15 October

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**Notes:**

1. All dates and times quoted above are local dates and times in Romania. The above dates and times are subject to change. Any changes will be released on the BVB.
2. Uncertificated shareholders should note that new NEPI shares should not be traded until the new NEPI shares reflect in their accounts with their CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised, nor may transfer of shares between the sub-registers in the United Kingdom, South Africa and Romania take place between Monday, 29 September 2014 and Friday, 3 October 2014 both days inclusive.

**TAX IMPLICATIONS**

*SA resident shareholders*

The receipt of the cash dividend or electing to receive the return of capital may have tax implications for shareholders.

For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends tax at a rate of 15%, unless an exemption as set out in the South African Income Tax legislation applies.

The receipt of new NEPI shares by South African resident shareholders should not be classified as a dividend or a foreign dividend for South African tax purposes and accordingly South African dividends tax should not be levied on the new NEPI shares. However, the legislation in this regard is complex and its implementation is currently uncertain. Accordingly, shareholders should seek independent professional tax advice.

NEPI shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the return of capital or should they be in any doubt as to the appropriate action to take.

In terms of the JSE Listings Requirements regarding dividends tax in South Africa, the following additional information is disclosed:

- As the company is not a South African registered company, it does not have any STC credits available to set-off against the dividends withholding tax liability on the cash dividend.
- There is no withholding tax payable in the Isle of Man.

*Shareholders residing outside South Africa*

The receipt of the cash dividend or electing to receive the return of capital may have tax implications for shareholders who are resident in the United Kingdom, Romania or other countries and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

For further information please contact:

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8 September 2014