

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")



FINANCIAL EFFECTS OF THE ACCELERATED BOOK BUILD

Shareholders are referred to the results of the book build announcement released on Monday, 24 November 2014 in terms of which shareholders were advised that a total of 19,347,453 new shares ("new shares") would be issued and listed on Monday, 1 December 2014 raising ZAR2.1 billion (approximately EUR150 million) of equity capital ("November 2014 book build").

The table below sets out the unaudited *pro forma* financial effects of the November 2014 book build, the book builds which results were announced on Wednesday, 22 October 2014 ("October 2014 book build") and Monday, 4 August 2014 ("August 2014 book build") and the distribution election for the six months ended 30 June 2014 ("distribution election") (collectively, "the transactions") on NEPI's unaudited consolidated statement of income for the six months ended 30 June 2014 and NEPI's unaudited consolidated statement of financial position as at 30 June 2014. These financial effects are the responsibility of the directors of NEPI and they have been prepared for illustrative purposes only, in order to provide information about the financial results and the financial position of NEPI assuming that the transactions had been implemented on 1 January 2014 and 30 June 2014, respectively.

Due to their nature, the unaudited *pro forma* financial effects may not give a fair reflection of NEPI's financial position, changes in equity, results of operations and cash flows subsequent to the book build. The unaudited *pro forma* financial effects have not been reviewed or reported on by the independent reporting accountants or external auditors.

The unaudited *pro forma* financial effects have been prepared in accordance with the accounting policies of the NEPI group that were used in the preparation of the results for the year ended 31 December 2013.

The table below reflects the unaudited *pro forma* financial effects of the transactions on a NEPI shareholder:

	Before	<i>Pro forma</i>	Change (%)
Basic weighted average earnings per share (EUR cents)	14.62	14.91	1.98
Diluted weighted average earnings per share (EUR cents)	14.30	14.64	2.38
Distributable earnings per share (EUR cents)	14.16	14.52	2.54
Headline earnings per share (EUR cents)	13.95	14.37	3.01
Diluted headline earnings per share (EUR cents)	13.64	14.12	3.52
Net asset value per share (EUR)	3.76	4.30	14.36
Net tangible asset value per share (EUR)	3.68	4.22	14.67
Adjusted net asset value per share (EUR)	3.89	4.40	13.11
Weighted average number of shares in issue	207,579,778	260,598,360	25.54
Diluted weighted average number of shares in issue	212,287,132	265,305,714	24.97
Number of shares in issue for net asset value and net tangible asset value per share purposes	220,412,304	273,430,886	24.05
Number of shares in issue for adjusted net asset value per share purposes	225,119,658	278,138,240	23.55

Notes and assumptions:

1. The figures set out in the "Before" column above have been extracted from the unaudited consolidated statement of income for the six months ended 30 June 2014 and the unaudited consolidated statement of financial position as at 30 June 2014.
2. The transactions are assumed to have been implemented on 1 January 2014 for basic weighted average earnings, diluted weighted average earnings, distributable earnings, headline earnings and diluted headline earnings per share

purposes and on 30 June 2014 for net asset value, adjusted net asset value and net tangible asset value per share purposes.

3. In respect of the August 2014 book build the following assumptions and adjustments have been made:
 - a. 15,041,885 new NEPI shares were issued pursuant to the August 2014 book build, thereby raising capital of EUR100 million (ZAR1.4 billion).
 - b. Estimated costs relating to the August 2014 book build of approximately EUR0.5 million have been written off against share premium.
 - c. The net proceeds of the August 2014 book build are intended to be used partly for the repayment of bank borrowings due in the next 12 months (EUR50.0 million) and the balance to fund yield enhancing investment opportunities in direct property (EUR49.5 million). However, there were no firm commitments at the date of the August 2014 book build results announcement to deploy the proceeds from the August 2014 book build. Accordingly, there is no factually supportable financial information regarding the deployment of the proceeds and it has been assumed that EUR49.5 million of the net proceeds of the August 2014 book build are held in cash and cash equivalents.
 - d. Finance income of EUR0.2 million is assumed to be earned throughout the six months ended 30 June 2014 on the net proceeds from the book build held in cash and cash equivalents at a rate of 1.00%, being the historical interest rate on NEPI's deposits.
 - e. Finance expense is assumed to decrease by EUR1.2 million throughout the six months ended 30 June 2014 due to repayment of current bank borrowings with an average borrowing cost of 4.98%, being the historical interest rate on NEPI's bank borrowings.
 - f. A EUR:ZAR exchange rate of EUR1.00:R14.3658 is assumed to apply.
4. In respect of the distribution election the following assumptions and adjustments have been made:
 - a. 4,988,467 new NEPI shares with a par value of EUR0.01 per share were issued on market as listed shares on Wednesday, 15 October 2014;
 - b. An amount of EUR49,885 was transferred from share premium to share capital; and
 - c. A EUR:ZAR exchange rate of EUR1.00:R14.16 is assumed to apply.
5. In respect of the October 2014 book build the following assumptions and adjustments have been made:
 - a. 13,640,777 new NEPI shares are assumed to be issued pursuant to the October 2014 book build, thereby raising capital of EUR100 million (ZAR1.4 billion).
 - b. Estimated costs relating to the October 2014 book build of approximately EUR0.5 million have been written off against share premium.
 - c. EUR47.8 million of the net proceeds of the October 2014 book build are intended to be used to fund the acquisitions of the Aurora Shopping Mall (EUR6.7 million) and Alba Iulia Strip Mall (EUR3.0 million) in Romania, and the Kragujevac Plaza Shopping Mall (EUR38.0 million) in Serbia (all figures include working capital adjustments to the purchase price of the properties) and the balance of the proceeds are assumed to be used to fund yield enhancing investment opportunities in direct property. However, in respect of these investment opportunities there are no firm commitments at the date of this announcement to deploy the proceeds which will be received from the October 2014 book build. Accordingly, there is no factually supportable financial information regarding potential investments. Consequently, it has been assumed that EUR51.7 million of the net proceeds of the October 2014 book build are held in cash and cash equivalents.
 - d. Finance income of EUR0.3 million is assumed to be earned throughout the six months ended 30 June 2014 on the net proceeds from the book build held in cash and cash equivalents at a rate of 1.00%, being the historical interest rate on NEPI's deposits.
 - e. A EUR:ZAR exchange rate of EUR1.00:R14.0500 is assumed to apply.
6. In respect of the November 2014 book build the following assumptions and adjustments have been made:
 - a. 19,347,453 new NEPI shares are assumed to be issued pursuant to the November 2014 book build, thereby raising capital of EUR150 million (ZAR2.1 billion).
 - b. Estimated costs relating to the November 2014 book build of approximately EUR0.8 million have been written off against share premium.
 - c. EUR146.0 million of the net proceeds of the November 2014 book build are intended to be used to fund the acquisition of Promenada Mall (figure includes working capital adjustments to the purchase price of the property) and the balance of the proceeds are assumed to be held in cash and cash equivalents.
 - d. Finance income of EUR0.02 million is assumed to be earned throughout the six months ended 30 June 2014 on the net proceeds from the book build held in cash and cash equivalents at a rate of 1.00%, being the historical interest rate on NEPI's deposits.

7. Distributable earnings are assumed to be earned evenly throughout the six months ended 30 June 2014.

8. All statement of income adjustments have a continuing effect.

The new NEPI shares issued under the November 2014 book build were admitted to trading on the JSE Limited, AIM and the Bucharest Stock Exchange (“**BVB**”) Monday, 1 December 2014 (“**admission**”).

For further information please contact:

New Europe Property Investments plc

Martin Slabbert

+40 74 432 8882

Nominated Adviser and Broker

Smith & Williamson Corporate Finance Limited

Azhic Basirov

+44 20 7131 4000

JSE sponsor

Java Capital

+27 11 283 0042

Romanian advisor

SSIF Intercapital Invest SA

Razvan Pasol

+40 21 222 8731

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