

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 12 of this circular have been used in this front cover section.

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

Action required

Subject to the restrictions set out below, if you have disposed of all your shares in NEPI, then this circular (and the letter of allocation or provisional allotment letter) should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected. Neither this circular nor any letter of allocation or provisional allotment letter should be distributed, forwarded to or transmitted in or into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations (except in the absolute discretion of the company and Smith & Williamson pursuant to any exemption from such laws or regulations). A recipient of this circular who proposes to send this circular or the letter of allocation or provisional allotment letter into an Excluded Territory should refer to paragraph 17 of this circular.

NEPI shareholders are referred to pages 10 and 11 of the circular, which sets out the detailed action required of them in respect of this circular.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the details of this circular.



NEW EUROPE PROPERTY INVESTMENTS PLC

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")

CIRCULAR TO NEPI SHAREHOLDERS

relating to:

- a rights offer to NEPI shareholders of a total of 14 285 714 new NEPI shares at an issue price of R30.00 or EUR2.80, each in the ratio of 16.14242 new NEPI shares for every 100 NEPI shares held on Friday, 11 November 2011, for shareholders on either the SA register or the UK register, and 16.14242 pre-emptive rights for every 100 NEPI shares held on Monday, 7 November 2011 for shareholders registered in Romania;

and enclosing

- a form of instruction for NEPI shareholders (for use by certificated shareholders on the SA register only);
- a provisional allotment letter (for use by shareholders on the UK register);
- Presentation Document (for use by pre-emptive rights holders registered in Romania); and
- a subscription form (for use by pre-emptive rights holders registered in Romania).

Rights offer opens (in respect of shareholders on the SA register) at 09:00 on	Monday, 14 November 2011
Rights offer opens (in respect of shareholders on the UK register) at 08:00 on	Monday, 14 November 2011
Rights offer opens (in respect of pre-emptive rights holders registered in Romania) at 12:00 on	Wednesday, 23 November 2011
Rights offer closes (in respect of shareholders on the SA register) at 12:00 on	Friday, 2 December 2011
Rights offer closes (in respect of shareholders on the UK register) at 10:00 on	Friday, 2 December 2011
Rights offer closes (in respect of pre-emptive rights holders registered in Romania) at 12:00 on	Monday, 28 November 2011

Note: all times indicated are local times in the country to which they refer

Corporate advisor, legal advisor as to
South African law and JSE sponsor

JAVACAPITAL

Legal advisor as to Isle of Man law

 **Consilium**

Legal advisor as to Romanian law

Reff&Associates
Correspondent law firm of Deloitte Romania

Nominated adviser and broker in the UK

Smith & Williamson

Independent reporting
accountants and auditors

 **ERNST & YOUNG**
Quality In Everything We Do

Underwriter

FORTRESS 
INCOME FUND LIMITED

Romanian advisor

 **intercapital**
invest

14 November 2011

This circular is available in English and in Romanian. Copies of this circular may be obtained at the company's South African transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, at the company's UK transfer secretaries, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES (from Monday, 14 November 2011 to Friday, 2 December 2011). It will also be available on the website of the company (<http://www.nepinvest.com>) as from Monday, 7 November 2011, on the BVB's website (www.bvb.ro) as from Monday, 7 November 2011 and at the office of the company's nominated adviser and broker in the UK, Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY.

If you hold NEPI shares on the SA share register, the rights that are represented by the form of instruction in respect of the letters of allocation are valuable and may be sold on the JSE. Letters of allocation can, however, only be traded in dematerialised form and accordingly, all letters of allocation have been issued in dematerialised form.

If you hold NEPI shares on the UK share register, subject to the company and Smith & Williamson being satisfied as to compliance with, or the availability of an exemption from, applicable legislation or regulations, entitlements under the rights offer will be contained in a provisional allotment letter which may not be renounced or dealt in nil paid except in order to satisfy *bona fide* market claims in accordance with the instructions set out in such provisional allotment letter. No nil paid or fully paid rights will be listed or admitted to trading on any stock exchange in the UK. All references to nil paid and fully paid rights in relation to qualifying shareholders on the UK share register are references to an entitlement to the offer but are not a reference to a tradable security.

If you hold NEPI shares which are registered at the Romanian Central Depository you are entitled to receive pre-emptive rights which may be traded on the BVB.

Shareholders are advised that neither the (nil) paid letters of allocation issued to shareholders on the SA register nor the pre-emptive rights issued to shareholders registered in Romania are fungible and accordingly are not capable of being transferred between the JSE and the BVB.

The rights offer shares, upon their issue, will rank *pari passu* with all other shares of the same class.

There are no convertibility or redemption provisions relating to the rights offer shares.

The allocation of rights offer shares will be such that only whole numbers of rights offer shares will be issued and shareholders will be entitled to rounded numbers of rights offer shares based on the conventional rounding principle.

Excess shares may be applied for by shareholders on the SA register, shareholders on the UK register and by the NEPI pre-emptive rights holders registered in Romania.

The rights offer may be affected by the laws of the relevant jurisdictions of foreign shareholders. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of any foreign shareholder to satisfy himself/herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. Accordingly, neither this circular nor any letter of allocation or provisional allotment letter, should be distributed, forwarded or transmitted by any recipient of such documents in, into or from any of the Excluded Territories (except where the company and Smith & Williamson are satisfied in their absolute discretion that such distribution or transmission can be made pursuant to an exemption from or otherwise without infringing any registration or other legal requirements that would otherwise affect the rights offer in any such territory). The rights offer is governed by the laws of the Isle of Man, United Kingdom, Romania and South Africa and is subject to any applicable laws and regulations, including the exchange control regulations. Any foreign shareholder who is in doubt as to his/her position, including without limitation, his/her tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign shareholders is drawn to paragraph 17 of this circular which sets out in detail the position of foreign shareholders.

The offer of new NEPI shares to which this document relates does not constitute an offer to the public within the meaning of section 85 FSMA therefore this document is not an approved prospectus for the purposes of, and as defined in, section 85 FSMA and/or the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. This document has not been approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

The offer of pre-emptive rights and of new NEPI shares to which this document relates are exempted from the requirement to publish a prospectus under Romanian law and therefore this document is not an approved prospectus for the purposes of and as defined in terms of Romanian securities laws and regulations and has not been prepared in accordance with the applicable legal provisions regulating prospectuses in Romania. An application has been made to the BVB for the admission of the new NEPI shares to trading on the BVB.

Application has been made to the London Stock Exchange for the admission of the new NEPI shares to trading on AIM. No application has been or will be made to the London Stock Exchange for the admission of the new NEPI shares (nil paid) to AIM. There will therefore be no dealings on AIM in the nil paid rights under the rights offer. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the new NEPI shares to the Official List. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor. The London Stock Exchange has not itself examined or approved the contents of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Smith & Williamson by FSMA or the regulatory regime established thereunder, neither Smith & Williamson nor any of its directors, officers, employees, agents or affiliates accepts any responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this circular, including its accuracy or completeness or otherwise as to the company, the nil paid rights, the fully paid rights, the new NEPI shares or the rights offer. Smith & Williamson accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this circular and/or the rights offer.

Smith & Williamson is acting for the company and is not acting for anyone else in connection with the rights offer and will not regard any other person (whether or not a recipient of this circular) as a client in relation to the rights offer and will not be responsible to anyone other than the company for providing the protections afforded to its clients, nor for providing advice in connection with the rights offer or any other matter, transaction or arrangement referred to herein.

GENERAL

The rights offer is being made in accordance with the South African Companies Act and is only addressed to persons to whom it may lawfully be made. By subscribing for any rights offer shares, you will be deemed to have represented and agreed that (a) you are not (and any person for whom you are acting is not) (i) resident in any jurisdiction in which such offer would be unlawful or (ii) a person to whom the rights offer may not lawfully be made and (b) you have received all necessary information required to make an informed investment decision.

EXCEPT AS OTHERWISE STATED HEREIN THE RIGHTS OFFER DESCRIBED IN THIS CIRCULAR IS NOT BEING MADE TO PERSONS IN THE EXCLUDED TERRITORIES. THIS CIRCULAR DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE NIL PAID RIGHTS, FULLY PAID RIGHTS OR NEW NEPI SHARES OR TO TAKE UP ENTITLEMENTS TO NIL PAID RIGHTS IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION WOULD BE UNLAWFUL. NONE OF THE NIL PAID RIGHTS, THE FULLY PAID RIGHTS, THE LETTERS OF ALLOCATION OR THE PROVISIONAL ALLOTMENT LETTERS OR THE NEW NEPI SHARES WILL BE REGISTERED UNDER THE SECURITIES LAWS OF ANY EXCLUDED TERRITORY AND NONE OF THE NIL PAID RIGHTS, THE FULLY PAID RIGHTS, THE LETTERS OF ALLOCATION OR THE PROVISIONAL ALLOTMENT LETTERS OR THE NEW NEPI SHARES WILL QUALIFY FOR DISTRIBUTION UNDER ANY OF THE RELEVANT SECURITIES LAWS OF ANY EXCLUDED TERRITORY (OTHER THAN PURSUANT TO ANY APPLICABLE EXCEPTIONS AS AGREED WITH THE COMPANY AND SMITH & WILLIAMSON). ACCORDINGLY, THE NIL PAID RIGHTS, THE FULLY PAID RIGHTS, THE LETTERS OF ALLOCATION, THE PROVISIONAL ALLOTMENT LETTERS AND THE NEW NEPI SHARES (SUBJECT TO CERTAIN EXCEPTIONS) MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, INTO OR WITHIN ANY OF THE EXCLUDED TERRITORIES. SHAREHOLDERS WITH REGISTERED ADDRESSES IN ANY OF THE EXCLUDED TERRITORIES ARE REFERRED TO PARAGRAPH 17 OF THIS CIRCULAR. NONE OF NEW EUROPE PROPERTY INVESTMENTS PLC, AND THEIR ADVISORS ACCEPT ANY RESPONSIBILITY FOR ANY VIOLATION BY ANY PERSON, WHETHER OR NOT A PROSPECTIVE PARTICIPANT IN THE RIGHTS OFFER, OF ANY SUCH RESTRICTIONS.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM AND THE EUROPEAN ECONOMIC AREA

In relation to each member state of the EEA which has implemented the Prospectus Directive (each a “**relevant member state**”), including the UK, with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “**relevant implementation date**”) no nil paid rights, fully paid rights or new NEPI shares have been offered or will be offered pursuant to the rights offer to the public in that member state prior to the publication of a prospectus in relation to the nil paid rights, fully paid rights or new NEPI shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive. However with effect from and including the relevant implementation date, offers of nil paid rights, fully paid rights or new NEPI shares may be made to the public in that relevant member state without the requirement to publish a prospectus:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of nil paid rights, fully paid rights or new NEPI shares shall result in a requirement for the publication by NEPI of a prospectus pursuant to Article 3 of the Prospectus Directive;
- (d) if under the applicable legislation in the relevant member state such offer is otherwise exempted from the requirement to publish a prospectus.

For this purpose the expression “an offer of any nil paid rights, fully paid rights, pre-emptive rights or new NEPI shares to the public” in relation to any nil paid rights, fully paid rights, pre-emptive rights or new NEPI shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the rights offer and any nil paid rights, fully paid rights or new NEPI shares to be offered so as to enable an investor to decide to acquire any nil paid rights, fully paid rights or new NEPI shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any nil paid rights, fully paid rights or new NEPI shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the nil paid rights, fully paid rights, pre-emptive rights or new NEPI shares acquired by it in the rights offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any nil paid rights, fully paid rights or new NEPI shares to the public other than their offer or resale in a relevant member state to qualified investors as defined in the Prospectus Directive or in circumstances in which the prior consent of the company and Smith & Williamson has been obtained to each such proposed offer or resale.

Unless otherwise expressly provided for in this circular, if and to the extent that the company (with the consent of Smith & Williamson) shall elect to extend offers of any nil paid rights, fully paid rights, pre-emptive rights or new NEPI shares to the public in any relevant member state without the publication of a prospectus, reliance upon the preceding provisions of this section, the company (with the consent of Smith & Williamson) may impose such additional terms or restrictions with respect to such offer as it may in its absolute discretion determine to ensure it is made in accordance with such provisions. In particular, any such offer may only be made on the basis of provisional allotment letters that are not renounceable, either nil paid or fully paid.

For the purposes of this provision the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

In addition this document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, NEPI shares in any jurisdiction outside South Africa and Romania in which such offer or solicitation is unlawful. In particular the new NEPI shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country where such distribution may lead to a breach of any legal or regulatory requirement.

Under Romanian Law No. 297/2004 regarding the capital market, the NSC has the authority to regulate the offers of pre-emptive rights. In this respect, the regulations issued by the NSC provide the following:

- (i) an offer of pre-emptive rights to existing shareholders in respect of shares to be issued in view of increasing the share capital and the admission to trading of such shares does not require the preparation of a Prospectus or of a simplified Prospectus; and
- (ii) for the admission to trading of pre-emptive rights the issuer is required to prepare a Presentation Document which must be filed with the NSC, in order to register the new securities, and with the BVB and must be published in a national daily newspaper.

The Presentation Document (for pre-emptive rights holders in Romania only) that was filed with the CNVM and published on the BVB website and in a daily Romanian newspaper is enclosed with this circular.

CORPORATE INFORMATION

Registered office in the Isle of Man

(Registered number 001211V)
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Corporate advisor and legal advisor as to South African law

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JSE sponsor

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Legal advisor as to Isle of Man Law

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Legal advisor as to Romanian law

Reff & Asociatii SCA
(Bucharest Bar Decision No. 1110/13 March 2006)
4 – 8 Nicolae Titulescu Road
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(Postal address as above)

Registered office in South Africa

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Rivonia, 2191

Nominated adviser and broker in the UK

Smith & Williamson Corporate Finance Limited
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25 Moorgate
London EC2R 6AY
(Postal address as above)

Underwriter

Fortress Income 2 Proprietary Limited
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3rd Floor
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Independent reporting accountants

Ernst & Young Inc.
(Registration number 2005/002308/21)
Wanderers Office Park
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Illovo
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Romanian advisor

SSIF Intercapital Invest SA
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Sector 1
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(Postal address as above)

Company secretary

Cornelius Eduard Cassell
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Douglas
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Isle of Man administrator and registrar

Sabre Fiduciary Limited
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Isle of Man, IM1 4LN
(Postal address as above)

UK transfer secretaries

Computershare Investor Services (Jersey) Limited
(Registration number 75005)
Queensway House
Hilgrove Street
St Helier
Jersey, JE1 IES
(Postal address as above)

South African representative authorised to accept service of due process and notices

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4th Floor
Rivonia Village
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(PO Box 2555, Rivonia, 2128)

South African transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
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UK receiving agent

Computershare Investor Services PLC
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Corporate Actions Projects
Bristol, BS99 6AH
(Postal address as above)

Place and date of incorporation

Incorporated in the Isle of Man on 23 July 2007

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Presentation Document (pre-emptive rights holders registered in Romania only)	Enclosed
Subscription form for a NEPI shareholder registered in Romania in respect of pre-emptive rights (pre-emptive rights holders registered in Romania only)	Enclosed

IMPORTANT DATES AND TIMES

FOR SHAREHOLDERS ON THE SA REGISTER

2011

Finalisation announcement released on SENS on	Friday, 28 October
Last day to trade in NEPI shares in order to participate in the rights offer on	Friday, 4 November
Listing and trading of letters of allocation on the JSE on	Monday, 7 November
NEPI shares commence trading on the JSE <i>ex-rights</i> offer entitlement on	Monday, 7 November
Record date for determination of shareholders entitled to participate in the rights offer (initial record date) on	Friday, 11 November
Rights offer opens at 09:00 on	Monday, 14 November
Rights offer circular and form of instruction posted to shareholders, where applicable, on	Monday, 14 November
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their entitlement on	Monday, 14 November
Certificated shareholders on the SA register will have their entitlement credited to a nominee account held with the South African transfer secretaries on	Monday, 14 November
Last day to trade letters of allocation on the JSE on	Friday, 25 November
Maximum number of rights offer shares listed and trading therein commences on the JSE on	Monday, 28 November
Rights offer closes at 12:00 on (see note 2)	Friday, 2 December
Record date for letters of allocation (final record date) on	Friday, 2 December
New NEPI shares issued on	Monday, 5 December
Dematerialised shareholders' accounts updated and debited by CSDP or broker with new NEPI shares on	Monday, 5 December
Results of rights offer announced on SENS on	Monday, 5 December
Results of rights offer announced in the press on	Tuesday, 6 December
Certificates posted to certificated shareholders (in respect of the rights offer shares) on or about	Wednesday, 7 December
Refunds (if any) to certificated shareholders in respect of unsuccessful applications made on or about	Wednesday, 7 December
New NEPI shares issued in respect of successful excess shares applications for dematerialised shareholders and certificated shareholders on or about	Wednesday, 7 December
Dematerialised shareholders' accounts updated and debited by their CSDP or broker (in respect of successful excess shares applications) and certificates posted to certificated shareholders (in respect of successful excess shares applications) on or about	Wednesday, 7 December

Notes:

1. All times indicated are South African times.
2. Dematerialised shareholders are required to inform their CSDP or broker of their instructions in terms of the rights offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and its CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised between Monday, 7 November 2011 and Friday, 11 November 2011, both days inclusive.
4. Transfers between the SA register and the UK register may not take place between Tuesday, 1 November 2011 and Friday, 11 November 2011, both days inclusive.
5. Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their rights and certificated shareholders will have their rights credited to a nominee account at Computershare Investor Services (Proprietary) Limited.
6. CSDPs effect payment in respect of dematerialised shareholders on a delivery-versus-payment method.

FOR SHAREHOLDERS ON THE UK REGISTER

Each of the times and dates in the table below is indicative only and may be subject to change.

2011

NEPI shares marked “ <i>ex-rights</i> ” by the London Stock Exchange at 8.00 a.m.	Monday, 7 November
Record date for entitlements under the rights offer	Friday, 11 November
Dispatch of provisional allotment letters and shareholders circular published	Monday, 14 November
Latest time and date for acceptance and payment in full at 10.00 a.m.	Friday, 2 December
Results of rights offer announced on RNS	Monday, 5 December
Dealing in new NEPI shares commence on AIM at 8.00 a.m.	Monday, 5 December
Allocation of excess shares in respect of successful excess shares applications on	Monday, 5 December
Expected dispatch of definitive share certificates for the new NEPI shares in certificated form for shareholders on the UK register	Wednesday, 7 December
Refunds (if any) to shareholders in respect of unsuccessful excess shares applications made on or about	Wednesday, 7 December
New NEPI shares issued in respect of successful excess shares applications for dematerialised shareholders and certificated shareholders on or about	Wednesday, 7 December

Note:

1. References to times in this timetable are to London time unless otherwise stated.

FOR SHAREHOLDERS/PRE-EMPTIVE RIGHTS HOLDERS REGISTERED IN ROMANIA

Each of the times and dates in the table below is indicative only and may be subject to change.

2011

Publication of Presentation Document on the BVB website and in a national Romanian newspaper	Friday, 28 October
Last date to be registered as NEPI shareholder in order to be entitled to receive pre-emptive rights (“Romania initial record date”)	Monday, 7 November
Commence trading pre-emptive rights on the BVB	Tuesday, 15 November
Pre-emptive rights available for transfer into individual accounts of NEPI shareholders registered in Romania	Tuesday, 15 November
Last day to trade rights on the BVB	Friday, 18 November
Record date for determination of pre-emptive rights holder (being either shareholders who have received pre-emptive rights and not disposed of them or others who may have acquired pre-emptive rights) who will be entitled to exercise those rights by subscribing for rights offer shares (“Romania record date”)	Wednesday, 23 November
Subscription period on the BVB opens at 12:00 p.m.	Wednesday, 23 November
Subscription period on the BVB closes at 12:00 p.m.	Monday, 28 November
Credit shares to the global accounts of the brokers/custodians where the pre-emptive rights holders have their individual accounts for pre-emptive rights holders who have exercised their rights	Monday, 5 December
Allocation of excess shares in respect of successful excess shares applications on	Monday, 5 December
Announce results of rights offer (BVB)	Monday, 5 December
Refunds (if any) to shareholders in respect of unsuccessful excess shares applications made on or about	Wednesday, 7 December
New NEPI shares credited to the global accounts of the brokers/custodians where the pre-emptive rights holders have their individual accounts for pre-emptive rights holders who have subscribed excess shares, in respect of successful excess shares applications of shareholders on or about	Wednesday, 7 December

Notes:

1. References to times in this timetable are to Romanian time unless otherwise stated.
2. Transfers between the SA share register, the UK share register and the Romanian Central Depository may not take place between Tuesday, 1 November 2011 and Friday, 11 November 2011, both days inclusive.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 12 of this circular apply to this section.

1. SHAREHOLDERS RECORDED ON THE SA REGISTER

1.1 Dematerialised shareholders

If you hold NEPI shares in dematerialised form (including where you have elected own-name registration) you will not receive a printed form of instruction.

Your CSDP or broker will contact you to ascertain:

- whether you wish to follow all or some of your rights in terms of the rights offer and in respect of how many rights offer shares;
- whether you wish to apply for excess rights offer shares;
- whether you wish your CSDP or broker to endeavour to procure the sale of your rights on the JSE on your behalf and if so, in respect of how many rights;
- whether you wish to renounce your rights and if so, how many rights you wish to renounce and the details of the renouncee; or
- whether you wish for your rights in respect of the rights offer to lapse.

Your CSDP or broker will credit your account with the number of rights to which you are entitled in terms of the rights offer.

If you do not hear from your CSDP or broker, you should contact them and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the custody agreement entered into between you and them.

1.2 Certificated shareholders

A form of instruction is enclosed for use by certificated shareholders only. The rights in respect of such form are negotiable and can be sold on the JSE.

If you hold your NEPI shares in certificated form and you wish to subscribe for some or all of the rights offer shares allocated to you, you must complete the form of instruction enclosed herewith in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the transfer secretaries, whose details are set out in the “Corporate information” section of this circular, by not later than 12:00 on Friday, 2 December 2011.

If you do not wish to subscribe for all of the rights offer shares allocated to you, you may sell or renounce your rights or allow them to lapse. In such event, you must complete the relevant section of the form of instruction and return it to the transfer secretaries to be received not later than 12:00 on Friday, 25 November 2011, if you wish to sell, and by no later than 12:00 on Friday, 2 December 2011, if you renounce your rights.

If you wish to apply for excess rights offer shares you must complete the attached form of instruction in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the transfer secretaries, whose details are set out in the “Corporate information” section of this circular, by not later than 12:00 on Friday, 2 December 2011.

If you intend to allow your rights to lapse, you need not take any action.

1.3 If you have disposed of your shares

If you have disposed of your NEPI shares, please forward this circular to the purchaser of such shares or to the stockbroker or agent through whom the disposal was effected (but not if the purchaser or transferee is in the United States or the Excluded Territories, subject to certain exceptions as may be agreed with the company and Smith & Williamson).

2. SHAREHOLDERS RECORDED ON THE UK REGISTER

2.1 If you are a qualifying shareholder (whether or not your shares are held in certificate or uncertificated form), unless you have a registered address in the United States or the Excluded Territories, you will be sent a provisional allotment letter on or around Monday, 14 November 2011. If you wish to accept the rights offer, you must complete the provisional allotment letter enclosed herewith in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the UK receiving agent, whose details are set out on the inside front cover of this circular, by not later than 10:00 (UK time) on Friday, 2 December 2011.

If you wish to apply for excess rights offer shares you must so indicate on the attached provisional allotment letter in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the UK receiving agent, whose details are set out on the inside front cover of this circular, by not later than 10:00 (UK time) on Friday, 2 December 2011.

If you have sold or otherwise transferred all your NEPI shares (other than *ex rights*) on AIM prior to the date on which the NEPI shares were marked "*ex-rights*" by the London Stock Exchange, the purchaser or transferee of your NEPI shares may be entitled to participate in the rights offer in your place. In this case, please contact Computershare Investor Services PLC and return this document and the provisional allotment letter to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH together with a covering letter. Computershare Investor Services PLC will arrange for this document to be sent, together, if you are a qualifying shareholder, with the provisional allotment letter to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer is or was made, for delivery to the purchaser or transferee (but not if the purchaser or transferee is in the United States or any other of the Excluded Territories, subject to certain exceptions as may be agreed with the company and Smith & Williamson).

2.2 The latest time and date for acceptance under the rights offer will, unless otherwise announced by the company to a regulatory information service such as RNS, be 10:00 (UK time) on Friday, 2 December 2011. The procedure for acceptance and payment is set out in paragraph 15.2 of the circular and will also be set out in the provisional allotment letter that will be sent to qualifying shareholders on the UK register.

3. SHAREHOLDERS REGISTERED IN ROMANIA

You should read the Presentation Document and should instruct your broker as to:

- whether you wish to exercise all or some of your pre-emptive rights in terms of the rights offer and in respect of how many rights offer shares;
- whether you wish your broker to endeavour to procure the sale of your pre-emptive rights on the BVB on your behalf and if so, in respect of how many pre-emptive rights;

in accordance with the Presentation Document.

Note:

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the rights offer.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions set out in the first column bear the meanings assigned to them in the second column:

“ administrator ”	Sabre Fiduciary Limited (Registration number 124715C), a company incorporated under the laws of the Isle of Man, full details of whom are set out on the inside front cover of this circular;
“ AIM ”	the AIM market of the London Stock Exchange;
“ AIM Rules ”	the rules of the London Stock Exchange from time to time which govern the admission to trading on and the operation of AIM;
“ articles of association ” or “ articles ”	the articles of association of NEPI;
“ business day ”	any day other than a Saturday, Sunday or official public holiday in South Africa, the United Kingdom, the Isle of Man or Romania;
“ BVB ”	Bucharest Stock Exchange;
“ certificated form ” or “ certificated shares ”	a share or other security which is not in uncertificated form (that is, not in CREST or Strate);
“ certificated shareholders ”	shareholders holding certificated NEPI shares;
“ the/this circular ”	all documents and annexures bound herein, dated 14 November 2011;
“ common monetary area ”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“ CSDP ”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“ CNVM ” or “ NSC ”	means the Romanian National Securities Commission (in Romanian “Comisia Nationala a Valorilor Mobiliare”), the regulatory authority which exercises the supervision over the capital market, regulated markets and operations with securities;
“ custodian ”	a Romanian Central Depository participant appointed by a shareholder for the purpose of holding and administrating securities on behalf of the shareholder;
“ CREST ”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holdings of shares in uncertified form in respect of which Euroclear is the operator, in accordance with which securities may be held and transferred in uncertified form;
“ CREST Regulations ”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended, of the UK;
“ dematerialisation ”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a CSDP;
“ dematerialised shares ”	NEPI shares which have been incorporated into the Strate or CREST systems, title to which is no longer represented by physical documents of title;
“ dematerialised shareholders ”	NEPI shareholders who hold shares in dematerialised (uncertificated) form through Strate or CREST;
“ directors ” or “ the board ”	the board of directors of NEPI;

“documents of title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of NEPI shares;
“EEA”	European Economic Area;
“emigrant”	an emigrant from South Africa whose address is outside the common monetary area;
“EU”	European Union;
“EUR” or “Euro” or “€”	the lawful common currency from time to time of participating member states of the EU;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“Excluded Territories”	Canada, Australia and Japan and any EEA member state, including the UK and any other jurisdiction where the extension or availability of the rights offer (and any transaction contemplated thereby) would breach any applicable law (Romania not being an Excluded Territory);
“final record date”	with reference to shareholders on the SA register, the record date for determining the person to whom the rights offer shares will be issued, being Friday, 2 December 2011;
“foreign shareholder”	with reference to shareholders on the SA register, a shareholder who is not a resident of South Africa;
“form of instruction”	with reference to shareholders on the SA register, the form of instruction in respect of the letter of allocation reflecting the entitlement of certificated shareholders to subscribe for new NEPI shares in terms of the rights offer and on which certificated shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights, which form is enclosed in this circular;
“Fortress”	Fortress Income 2 Proprietary Limited (Registration number 2009/005857/07), a private company incorporated in South Africa and a wholly-owned subsidiary of Fortress Income Fund Limited (Registration number 2009/016487/06), a public company incorporated in South Africa and listed on the JSE;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000;
“fully paid rights”	rights to acquire the new NEPI shares, fully paid;
“IFRS”	International Financial Reporting Standards;
“independent reporting accountants”	Ernst & Young Inc. (Registration number 2005/002308/21), a limited partnership;
“initial record date”	the record date for determination of shareholders on the SA register entitled to participate in the rights offer, being Friday, 11 November 2011;
“Intercapital Invest”	SSIF Intercapital Invest SA (Registration number J40/6447/1995), a Romanian licensed broker being the company’s advisor for purposes of the rules of the BVB;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act, 2004;
“JSE Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“last practicable date”	the last practical date prior to finalisation of this circular, being Monday, 17 October 2011;

“letters of allocation”	renounceable (nil) paid letters of allocation to be issued to NEPI shareholders on the SA share register, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of new NEPI shares in terms of the rights offer and which are also referred to in this circular in respect of holders of certificated NEPI shares as the form of instruction;
“London Stock Exchange” or “LSE”	the London Stock Exchange plc;
“Money Laundering Regulations”	the Money Laundering Regulations 2007 of the UK;
“NEPI” or “the company”	New Europe Property Investments plc (Registration number 001211V), incorporated and registered in terms of the laws of the Isle of Man, listed on AIM, the BVB and the JSE;
“NEPI group” or “group”	collectively, NEPI and its subsidiaries;
“NEPI shareholders” or “shareholders”	holders of NEPI shares;
“NEPI shares” or “ordinary shares”	ordinary shares in the share capital of NEPI with a par value of €0.01 each;
“nil paid rights”	rights to acquire new NEPI shares, nil paid;
“non-resident”	a person not ordinarily resident in South Africa;
“Official List”	the Official List of the UK Listing Authority;
“pre-emptive rights”	rights to be issued to shareholders registered in Romania, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of new NEPI shares in terms of the rights offer;
“pre-emptive rights holders”	holders of pre-emptive rights;
“Presentation Document”	the document required in terms of Article 130 paragraph (7) NSC Regulation number 1/2006 for the admission to trading of pre-emptive rights, a copy of which is enclosed with this circular;
“provisional allotment letter”	the form of provisional allotment letter to be issued to qualifying shareholders on the UK register by the company in respect of the nil paid rights, pursuant to the rights offer;
“Prospectus Rules”	the Prospectus Rules made by the UK Listing Authority pursuant to Part VI of the FSMA;
“qualifying shareholder”	shareholders on the UK register who are holders of NEPI shares on the register of members of the company at the UK record date;
“Rand” or “R” or “ZAR”	the South African Rand, the lawful currency of South Africa;
“Regulatory News Service” or “RNS”	the news service operated by the London Stock Exchange and which is one of the regulatory information services authorised by the FSA to receive, process and disseminate information in respect of AIM listed companies;
“RGTS/RTGS”	real-time gross settlement system;
“right” or “entitlement”	the entitlement to rights offer shares in terms of the rights offer;
“rights offer”	the offer by NEPI to NEPI shareholders to subscribe for 16.14242 rights offer shares for every 100 NEPI shares held by them on the initial record date, which is the subject of this circular;
“rights offer shares” or “new NEPI shares”	up to 14 285 714 NEPI shares to be issued by the company pursuant to the rights offer;
“Romania”	the country of Romania;

“Romanian Central Depository” or “Central Depository”	Depozitarul Central S.A., a joint stock company duly incorporated in accordance with the laws of Romania, authorised by the NSC and the National Bank of Romania, as central securities depository and which is responsible for the electronic settlement system on the BVB;
“Romania initial record date”	the record date for determination of shareholders registered in Romania entitled to receive pre-emptive rights, being Monday, 7 November 2011;
“Romania record date”	the record date for determination of pre-emptive rights holders registered in Romania entitled to participate in the rights offer, being Wednesday, 23 November 2011;
“SENS”	the Securities Exchange News Service, being the news service operated by the JSE;
“SA share register” or “SA register”	the share register maintained on behalf of the company in South Africa by Computershare SA;
“shareholders/pre-emptive rights holders registered in Romania”	NEPI shareholders or pre-emptive rights holders who hold their shares/pre-emptive rights <i>via</i> broker or custodian accounts in Romania, which brokers and custodians, in turn, hold the NEPI shares/pre-emptive rights <i>via</i> global accounts at the Romanian Central Depository;
“Smith & Williamson” or “nominated adviser and broker in the UK”	Smith & Williamson Corporate Finance Limited (Registered number 4533970), being the company’s nominated adviser for the purposes of the AIM Rules;
“South Africa” or “SA”	the Republic of South Africa;
“South African Companies Act”	the South African Companies Act, 2008 (Act 71 of 2008), as amended;
“South African transfer secretaries” or “Computershare SA”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
“subscription form”	the subscription form for use by pre-emptive rights holders on which they should indicate the number of new NEPI shares for which they wish to subscribe in terms of the rights offer, which form is enclosed with this circular;
“UK record date”	Friday, 11 November 2011;
“UK share register” or “UK register”	the share register maintained on behalf of the company in Jersey by Computershare Jersey;
“UK receiving agent”	Computershare Investor Services PLC (Registered number 03498808), a company duly incorporated in accordance with the laws of England and Wales;
“UK transfer secretaries” or “Computershare Jersey”	Computershare Investor Services (Jersey) Limited (Registration number 75005), a company duly incorporated in accordance with the laws of Jersey;
“uncertificated form” or “in uncertificated form”	recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations may be transferred by means of CREST;
“underwriter”	Fortress;

“underwriting agreement”	the agreement entered into between NEPI and the underwriter, dated 14 October 2011, in terms of which the underwriter agrees to subscribe for the rights offer shares that are not taken up by NEPI shareholders in terms of the rights offer, up to a maximum aggregate amount of R428 571 420;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
“VAT”	value added taxation, in terms of the Value Added Tax Act, 89 (Act 89 of 1991), as amended, of South Africa.



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”)

Directors

Corneliu Dan Pascariu (*Chairman*)[^]

Martin Johannes Christoffel Slabbert (*Chief Executive Officer*)

Victor Semionov (*Financial Director*)

Desmond de Beer^{*}

Dewald Lambertus Joubert[^]

Michael John Mills[^]

Jeffrey Nathan Zidel[^]

^{*} Non-executive

[^] Independent non-executive

CIRCULAR TO NEPI SHAREHOLDERS

1. INTRODUCTION

- 1.1 It was announced on 21 October 2011 on SENS, RNS and on the BVB that it was the intention of NEPI to undertake a rights offer to NEPI shareholders in order to raise approximately EUR40 million.
- 1.2 The purpose of this circular is to advise NEPI shareholders of the terms and conditions of the rights offer and provide shareholders with information in relation to the rights offer and instructions on participation in the rights offer.

2. PURPOSE AND RATIONALE OF THE RIGHTS OFFER

The proceeds from the rights offer are expected to be used to fund potential acquisitions which NEPI is in the process of negotiating. Should the acquisitions not be completed, the proceeds from the rights offer will be used to repay existing borrowings.

3. NATURE OF BUSINESS AND PROSPECTS FOR THE GROUP

3.1 Nature of business

NEPI was incorporated on 23 July 2007 in the Isle of Man. The company was established to invest primarily in the high quality office, retail and industrial property market initially in Romania. In addition, NEPI holds a portfolio of investment properties in Germany and will consider investment opportunities in other Central and Eastern European countries that are recent entrants to the EU or are considered to be on the “growth path”. The company’s objective is to provide shareholders with an opportunity to invest in a dividend paying, long term closed-ended fund that could serve as a vehicle for investors seeking emerging European investment exposure that yields stable, absolute returns and portfolio diversification.

NEPI has traded on the AIM Market of the London Stock Exchange since 22 August 2007. In April 2009, NEPI listed on the Alt^x of the JSE and in August 2010 the company completed the transfer of its listing from the Alt^x to the Main Board of the JSE. On 20 June 2011, NEPI's shares were admitted to trading on the BVB.

3.2 Prospects

NEPI's property portfolio continues to perform well supported by the length of its lease profile and tenants with strong corporate covenants. The group is actively pursuing further acquisition and investment opportunities and is currently in negotiations to conclude three transactions, which include a sizeable office acquisition, a land acquisition and a joint venture shopping centre development.

4. TERMS OF THE RIGHTS OFFER

In terms of the rights offer:

- 4.1 NEPI shareholders on either the SA register or the UK register (other than (subject to certain exceptions) those in the United States or any of the other Excluded Territories) will be offered 16.14242 new NEPI shares for every 100 NEPI shares held by them on Friday, 11 November 2011 for participation in the rights offer and shareholders registered in Romania will be offered 16.14242 pre-emptive rights for every 100 NEPI shares held on Monday, 7 November 2011 for participation in the rights offer;
- 4.2 the subscription price for rights offer shares is EUR2.80 for shareholders on the UK register, R30.00 for shareholders on the SA register, calculated using a EUR/ZAR exchange rate of €1.00:R10.70 and EUR2.80 for shareholders registered in Romania.

5. UNDERWRITING

- 5.1 Fortress has agreed to underwrite the rights offer up to a maximum aggregate amount of R428 571 420, represented by 14 285 714 rights offer shares at a subscription price of R30.00 per rights offer share listed on the JSE.
- 5.2 In terms of the underwriting agreement, an underwriting fee equal to 0.5% of the underwritten amount, being R2 142 857 (excluding VAT), is payable by the company to the underwriter. The underwriting fee is in the opinion of the board, not greater than the current market rate charged by independent underwriters. In terms of the underwriting agreement, the underwriting fee is only payable upon fulfilment of the underwriting commitments by the underwriter.
- 5.3 The directors have made due and careful enquiry to confirm that the underwriter is able to meet its commitments in terms of the rights offer.
- 5.4 There have been no shares offered as a preference right to any persons.
- 5.5 Further particulars of the underwriter are set out in **Annexure 6** to this circular.

6. MINIMUM SUBSCRIPTION

The underwriting agreement, as discussed in paragraph 5 above, is intended to ensure that the rights offer will be fully subscribed. The rights offer is not conditional on a minimum subscription.

7. SHAREHOLDER SPREAD

The number of rights offer shares offered to non-public and public shareholders is illustrated below:

	NEPI shares held	Rights offer shares offered	Rights offer (%)
Non-public shareholders			
Directors and associates	11 186 536	1 805 778	12.6
Shareholders holding more than 10% of NEPI's shares	27 985 045	4 517 464	31.6
Treasury shares	Nil	Nil	Nil
Public shareholders	49 326 398	7 962 472	55.8
Total	88 497 979	14 285 714	100.0

8. EXCESS SHARES APPLICATION

The right to apply for excess rights is transferable on renunciation of the letters of allocation where applicable.

NEPI shareholders on the SA register and shareholders registered in Romania and shareholders on the UK register will have the right to apply for any excess rights offer shares not taken up by other shareholders and any such excess shares will be attributed equitably taking cognisance of the number of shares and rights held by the shareholder prior to such allocation, including those taken up as a result of the rights offer, and the number of excess rights applied for by such shareholder.

If you are a holder of certificated NEPI shares on the SA register and you wish to apply for excess rights offer shares you must complete the attached form of instruction in accordance with the instructions contained therein. If you are a holder of dematerialised NEPI shares on the SA register and you wish to apply for excess rights offer shares you must instruct your CSDP or broker as to the number of excess rights offer shares for which you wish to apply.

If you are a NEPI pre-emptive rights holder registered in Romania and you wish to apply for excess rights offer shares you must complete the attached subscription form in accordance with the instructions contained therein.

If you are a NEPI shareholder on the UK register and you wish to apply for excess rights offer shares you must complete the relevant section of the provisional allotment letter in accordance with the instructions thereon.

9. UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

9.1 The table below sets out the unaudited *pro forma* financial effects of the rights offer based on NEPI's unaudited interim consolidated statement of comprehensive income for the six months ended 30 June 2011 and NEPI's unaudited interim consolidated statement of financial position as at 30 June 2011. 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 rights offer had been implemented on 1 January 2011 and 30 June 2011, respectively.

9.2 The unaudited *pro forma* consolidated statement of comprehensive income for the six months ended 30 June 2011 and the unaudited *pro forma* consolidated statement of financial position of the NEPI group as at 30 June 2011 and the explanatory notes thereto are set out in **Annexure 1** to this circular and should be read in conjunction with the independent reporting accountants' limited assurance report thereon reproduced in **Annexure 2**.

9.3 Due to its nature, the unaudited *pro forma* financial information (collectively, the unaudited *pro forma* financial effects, the unaudited *pro forma* consolidated statement of comprehensive income and the unaudited *pro forma* consolidated statement of financial position) may not give a fair reflection of NEPI's financial position, changes in equity, results of operations and cash flows subsequent to the rights offer.

9.4 The unaudited *pro forma* financial information has been prepared in accordance with the accounting policies of the NEPI group that were used in the preparation of the unaudited interim results for the six months ended 30 June 2011.

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

	Before the rights offer ¹	After the rights offer	Change after the rights offer (%)
Basic weighted average earnings per share (EUR cents)	9.43	8.89	(5.7)
Diluted weighted average earnings per share (EUR cents)	8.77	8.36	(4.7)
Distributable earnings per share (EUR cents)	9.77	9.23	(5.5)
Headline earnings per share (EUR cents)	9.43	8.89	(5.7)
Diluted headline earnings per share (EUR cents)	8.77	8.36	(4.7)
Net asset value per share (EUR)	2.30	2.37	3.0
Adjusted net asset value per share (EUR)	2.14	2.23	4.2
Net tangible asset value per share (EUR)	2.33	2.39	2.6
Weighted average number of shares in issue	75 963 602	90 249 316	18.8
Diluted weighted average number of shares in issue	81 628 632	95 914 346	17.5
Number of shares in issue for net asset value and net tangible asset value per share purposes	82 832 949	97 118 663	17.2
Number of shares in issue for adjusted net asset value per share purposes	88 497 979	102 783 693	16.1

Notes and assumptions:

1. The figures set out in the "Before the rights offer" column above have been extracted from the unaudited interim consolidated statement of comprehensive income for the six months ended 30 June 2011 and the unaudited interim consolidated statement of financial position as at 30 June 2011.
2. The rights offer is assumed to have been implemented on 1 January 2011 for basic weighted average earnings, diluted weighted average earnings, distributable earnings, headline earnings and diluted headline earnings per share purposes and on 30 June 2011 for net asset value, adjusted net asset value and net tangible asset value per share purposes.
3. 14 285 714 rights offer shares are assumed to be issued pursuant to the rights offer, thereby raising capital of €40 million.
4. Although the proceeds of the rights offer are intended to be used to finance yield enhancing investment opportunities in direct property in Romania, there are no firm commitments at the date of this circular to deploy the proceeds which will be received from the rights offer. Accordingly, there is no factually supportable financial information regarding potential investments. Consequently, it has been assumed that the net proceeds of the rights offer (after payment of estimated costs of approximately €0.3 million, including an underwriting fee of €0.2 million) have been utilised to partially repay interest-bearing borrowings of approximately €39.7 million.
5. Finance expense is assumed to be reduced as a result of the repayment of approximately €39.7 million of interest-bearing borrowings at the beginning of the six months ended 30 June 2011. A cost of debt of 4.33%, (being the interest rate on the loans which are assumed to be repaid), is assumed to apply throughout the six months ended 30 June 2011.
6. Estimated costs related to the rights offer of approximately €0.3 million have been written off against share premium.
7. A ZAR:EUR exchange rate of R10.70:€1.00 is assumed to apply.
8. All statement of comprehensive income adjustments have a continuing effect.

10. ENTITLEMENT

- 10.1 NEPI shareholders who are permitted to participate in the rights offer will receive the right to subscribe for 16.14242 NEPI shares for every 100 shares held on the initial record date (shareholders on the SA register) and the UK record date (shareholders on the UK register) being in both cases Friday, 11 November 2011 and the Romania record date (shareholders registered in Romania) being Wednesday, 23 November 2011.
- 10.2 NEPI shareholders who are permitted to participate in the rights offer and who hold less than 100 shares or who do not hold a multiple of 100 shares, will be entitled, in respect of such holdings, to participate in the rights offer in accordance with **Annexure 5**.
- 10.3 The allocation of rights offer shares will be such that shareholders who are permitted to participate in the rights offer will not be allocated a fraction of a rights offer share and as such any entitlement to receive a fraction of a rights offer share which:
 - 10.3.1 is less than one-half of a rights offer share, will be rounded down to the nearest whole number; and
 - 10.3.2 is equal to or greater than one-half of a rights offer share but less than a whole rights offer share, will be rounded up to the nearest whole number.

- 10.4 Certificated shareholders on the SA share register will have their rights credited to a nominee account in electronic form, which will be administered by the South African transfer secretaries on their behalf. The enclosed form of instruction reflects the number of shares for which the certificated shareholder is entitled to subscribe. The procedure to be followed by certificated shareholders for the acceptance, sale or renunciation of their rights is reflected on the form of instruction.
- 10.5 Dematerialised shareholders on the SA share register will have their rights to subscribe for rights offer shares credited in electronic form to their account held by their appointed CSDP or broker. The CSDP or broker will advise dematerialised shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such rights.
- 10.6 The letters of allocation to which the form of instruction relates are negotiable and can be traded on the JSE.
- 10.7 The nil paid rights to which the provisional allotment letters relate will not be negotiable in the capital market. No application has been or will be made for the admission of the new NEPI shares (nil paid) to trading on AIM and accordingly there will be no dealings in any nil paid rights on AIM.
- 10.8 The pre-emptive rights are negotiable and can be traded on the BVB by shareholders registered in Romania.
- 10.9 Shareholders are advised that neither the (nil) paid letters of allocation issued to shareholders on the SA register nor the pre-emptive rights issued to shareholders registered in Romania are fungible and accordingly are not capable of being transferred between the JSE and the BVB.

11. JSE LISTING

The JSE has granted listings for the letters of allocation and the rights offer shares as follows:

- 11.1 letters of allocation in respect of 14 285 714 rights offer shares will be listed from the commencement of business on Monday, 7 November 2011 to close of business on Friday, 25 November 2011, both days inclusive under the JSE code: NEPN and ISIN: IM00B6YBF838; and
- 11.2 14 285 714 rights offer shares will be listed with effect from the commencement of business on Monday, 28 November. The underwriting agreement, as discussed in paragraph 5 of the circular, is intended to ensure that the rights offer will be fully subscribed.

12. ADMISSION TO TRADING ON AIM

Application has been made to the LSE for the admission to trading on AIM of up to 14 285 714 new NEPI shares. It is expected that dealings in new NEPI shares, fully paid will commence on Monday, 5 December 2011. No application has been or will be made for the admission of new NEPI shares (nil paid) to trading on AIM and accordingly there will be no dealings on AIM in any nil paid rights to new NEPI shares.

13. BVB LISTING

The BVB has granted listings for the pre-emptive rights and the rights offer shares as follows:

- 13.1 pre-emptive rights in respect of rights offer shares will be listed from the commencement of business on Tuesday, 15 November 2011 to close of business on Friday, 18 November 2011, both days inclusive under the BVB code: NEPR01 and ISIN: IM00B510GN84; and
- 13.2 14 285 714 rights offer shares will be listed with effect from the commencement of business on Wednesday, 7 December 2011.

14. SOUTH AFRICAN LAW, ROMANIAN LAW, UK LAW AND ISLE OF MAN LAW

All transactions arising from the provisions of this circular, the form of instruction and the provisional allotment letter shall be governed by and be subject to the laws of South Africa, Romania, the United Kingdom, and the Isle of Man (and in the event of any conflict, such conflict will be resolved in accordance with recognised and established principles of conflict of laws).

15. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

15.1 Shareholders on the SA register

15.1.1 *Certificated shareholders*

15.1.1.1 *Acceptance*

Full details of the procedure for acceptance of the rights offer by certificated shareholders are contained in the form of instruction enclosed with this circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed form of instruction;
- shareholders are required to complete the addendum enclosed with the form of instruction. The addendum to the form of instruction is required for South African Reserve Bank reporting purposes. Failure to return a fully completed addendum will render the form of instruction invalid;
- any instruction to sell or renounce all or part of the rights may only be made by means of the form of instruction;
- the properly completed form of instruction and a cheque or banker's draft in the currency of South Africa in payment of the subscription price payable for the relevant new NEPI shares must be received by Computershare SA by no later than 12:00 on Friday, 2 December 2011. All acceptances of the rights offer sent by post by the beneficial holders will be accepted provided the envelope is received no later than 12:00 on Friday, 2 December 2011. No late postal acceptances will be accepted;
- the form of instruction to take up the rights in question will be regarded as complete only when the cheque or banker's draft has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the rights offer upon the terms and conditions set out in this circular and in the form of instruction once the cheque or banker's draft has been cleared for payment; and
- if any form of instruction is not received as set out above, the rights offer will be deemed to have been declined and the right to subscribe for the rights offer shares in terms of the form of instruction will lapse regardless of who holds it.

15.1.1.2 *Renunciation or sale of rights*

NEPI has issued all letters of allocation in dematerialised form and the electronic record for certificated shareholders is being maintained by Computershare SA. This has made it possible for certificated shareholders to enjoy the same rights and opportunities as dematerialised shareholders.

Certificated shareholders not wishing to subscribe for all or some of the new NEPI shares allocated to them as reflected in the form of instruction, may sell or renounce all or some of their rights or allow them to lapse.

Certificated shareholders who wish to sell all or some of the rights allocated to them as reflected in the form of instruction, must complete the relevant section of the form of instruction and return it to the South African transfer secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 25 November 2011.

Computershare SA will endeavour to procure the sale of the rights on the JSE on behalf of such certificated shareholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses. Neither the South African transfer secretaries nor the company nor any broker appointed by it will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights. References in this paragraph to a certificated shareholder include references to the person or persons executing the form of instruction and any person or persons on whose behalf such person or persons executing the form of instruction is/are acting. In the event of more than one person executing the form of instruction, the provisions of this paragraph shall apply to them, jointly and severally.

Certificated shareholders who do not wish to sell all or some of the rights to the new NEPI shares allocated to them as reflected in the form of instruction, and who do not wish to subscribe for new NEPI shares offered in terms of the form of instruction, but who wish to renounce their rights,

must complete the relevant section of the form of instruction and return it to the South African transfer secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 2 December 2011.

Certificated shareholders who wish to subscribe for only a portion of the new NEPI shares allocated to them must indicate the number of new NEPI shares for which they wish to subscribe on the form of instruction.

If by 12:00 on Friday, 2 December 2011, certificated shareholders do nothing in response to this rights offer, their rights will lapse.

15.1.1.3 *Payment*

The amount due on acceptance of the rights offer is payable in South African Rand.

15.1.1.4 *Payment terms*

A cheque (crossed “not transferable” and with the words “or bearer” deleted) or a banker’s draft (drawn on a registered bank) payable to “**NEPI – Rights Offer**” for the amounts payable, in Rands, together with a duly completed form of instruction, must be lodged by certificated shareholders and/or their renounees, by no later than 12:00 on Friday, 2 December 2011, in accordance with the instructions contained in the form of instruction and clearly marked “**NEPI – Rights Offer**”, must be lodged by certificated shareholders with the South African transfer secretaries as follows:

<i>delivered to:</i>	<i>or</i>	<i>posted to:</i>
Computershare Investor Services (Proprietary) Limited Ground Floor 70 Marshall Street Johannesburg, 2001		Computershare Investor Services (Proprietary) Limited PO Box 61763 Marshalltown, 2107

so as to reach the South African transfer secretaries by no later than 12:00 (South African time) on Friday, 2 December 2011.

15.1.1.5 *NEPI share certificates*

Certificates in respect of new NEPI shares will be posted by registered post by the South African transfer secretaries, at the risk of the certificated shareholders concerned, on or about Wednesday, 7 December 2011. As NEPI uses the “certified transfer deeds and other temporary documents of title” procedure approved by the JSE, only “block” certificates will be issued in respect of new NEPI shares.

Certificated shareholders receiving new NEPI shares in certificated format must note that such shares cannot trade on the JSE until they have been dematerialised. This could take between one and ten days.

15.1.1.6 *Transaction costs*

Certificated shareholders wishing to sell all or some of their rights will be liable to pay a cost of R131.10 (inclusive of VAT) for trades less than or equal to R40 000 and R131.10 (inclusive of VAT) plus 0.25% of the value of trades plus VAT for amounts greater than R40 000.

Certificated shareholders wishing to renounce some or all of their rights will be liable to pay an Off-Market fee of R102.60 (inclusive of VAT) prior to the transfer of rights.

15.1.2 *Dematerialised shareholders*

15.1.2.1 *Acceptance, renunciation or sale of rights*

The CSDP or broker appointed by dematerialised shareholders is obliged to contact such shareholders to ascertain:

- whether such dematerialised shareholders wish to follow their rights in terms of the rights offer or renounce their rights and in respect of how many new NEPI shares; or
- if such dematerialised shareholders do not wish to follow all or any of their rights, whether they wish to sell their rights and how many of their rights they wish to sell.

If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a dematerialised shareholder, they are obliged to act in terms of the mandate granted to them by such dematerialised shareholder, or if the mandate is silent in this regard, they are obliged not to accept the rights on behalf of such shareholder.

15.1.2.2 *Payment*

Your CSDP or broker will effect payment directly on your behalf, in Rand, on Monday, 5 December 2011 on a delivery-versus-payment basis.

15.1.2.3 *New NEPI shares*

Dematerialised shareholders will have their accounts credited with the new NEPI shares subscribed for in terms of the rights offer, on Monday, 5 December 2011.

15.2 Shareholders on the UK Register

15.2.1 *Action to be taken in relation to nil paid rights represented by provisional allotment letters*

15.2.1.1 *General*

Each provisional allotment letter will set out:

- 15.2.1.1.1 the holding of NEPI shares on which a qualifying shareholder's entitlement to new NEPI shares has been based;
- 15.2.1.1.2 the aggregate number of new NEPI shares which have been provisionally allotted to such qualifying shareholder;
- 15.2.1.1.3 instructions regarding acceptances and payment for the new NEPI shares; and
- 15.2.1.1.4 the circumstances in which a qualifying shareholder will receive his entitlement to new NEPI shares in uncertificated form in CREST.

On the basis that provisional allotment letters are posted (other than (subject to certain exceptions) to qualifying shareholders with registered addresses in the United States or any of the other Excluded Territories) on Monday, 14 November 2011 the latest time and date for acceptance and payment in full will be 10.00 a.m. on Friday, 2 December 2011.

If the rights offer is delayed so that provisional allotment letters cannot be despatched on Monday, 14 November 2011, the expected timetable as set out on page 8 of this document will be adjusted accordingly and the revised dates will be set out in the provisional allotment letters and announced through a regulatory information service such as RNS. References to dates and times in this document should be read as subject to any such adjustment.

The maximum number of new NEPI shares that a qualifying shareholder may take up (unless such shareholder successfully applies for excess rights offer shares) is up to that which is set out in the relevant provisional allotment letter which has been provisionally allotted to that qualifying shareholder. The minimum number of new NEPI shares a qualifying shareholder may take up is one.

15.2.1.2 *Procedure for acceptance and payment*

15.2.1.2.1 Qualifying shareholders who wish to accept in full

Holders of provisional allotment letters who wish to take up all of their entitlements must sign in box 4 on page 1 of the provisional allotment letter and return the provisional allotment letter, in accordance with the instructions thereon, by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE or by post to the company's UK receiving agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive as soon as possible and in any event so as to be received not later than 10.00 a.m. on Friday, 2 December 2011. If you post your provisional allotment letter within the UK by first class post, it is recommended that you allow at least seven days for delivery. A reply paid envelope for use in the UK will be enclosed with the provisional allotment letter for this purpose.

Holders of provisional allotment letters must pay by cheque or banker's draft must make them payable to "New Europe Property Investments PLC rights offer" and

crossed "A/C payee only", for the full amount payable on acceptance, and return it with the provisional allotment letter duly completed in accordance with the instructions above so as to be received not later than 10.00 a.m. on Friday, 2 December 2011.

15.2.1.2.2 Qualifying shareholders who wish to accept in part

Holders of provisional allotment letters who wish to take up some but not all of their rights should sign box 5 on page 1 of the original provisional allotment letter and return it by hand (during normal business hours only) or post to the company's UK receiving agent, Computershare Investor Services PLC, together with a covering letter confirming the number of new NEPI shares in respect of which they would like to take up their entitlement under the rights offer.

Those holders of provisional allotment letters must pay by cheque or banker's draft must enclose with such provisional allotment letter a cheque or banker's draft for the appropriate amount payable to "New Europe Property Investments PLC rights offer" and crossed "A/C payee only" to pay for this number of shares and in this case, the provisional allotment letter and cheque or banker's draft must be received by Computershare Investor Services PLC by 10.00 a.m. on Friday, 2 December 2011.

15.2.1.2.3 Company's discretion as to validity of acceptances

If payment is not received in full by 10.00 a.m. on Friday, 2 December 2011, the provisional allotment will (unless the company has exercised its right to treat as valid an acceptance as set out below) be deemed to have been declined and may be transferred or re-allotted for the benefit of the company or it will simply lapse. The company may, with the agreement of Smith & Williamson, but shall not be obliged to, treat as valid applications in respect of which remittances are received prior to 10.00 a.m. on Friday, 2 December 2011 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of new NEPI shares to be acquired and accompanied by an undertaking by that person to lodge the relevant provisional allotment letter duly completed in due course. The company also reserves the right, with the agreement of Smith & Williamson, to treat a provisional allotment letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

15.2.1.2.4 Payments

All payments must be in Euro and must be made by a holder of a provisional allotment letter either by cheque or by banker's draft and not a combination thereof. Computershare Investor Services PLC will not accept electronic transfers of funds from holders of a provisional allotment letter and will only accept cheques and banker's drafts.

Cheques or banker's drafts should be made payable to "New Europe Property Investments PLC rights offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the UK or Isle of Man/Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited and must bear the appropriate sort code in the top right hand corner. Cheques must be drawn on the personal account of the individual investor to which they have sole or joint title to the funds. Cheques drawn on most major high street banks and building societies in the UK will be satisfactory. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society of the bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application form. All documents, cheques or banker's drafts sent to, by, from or on behalf of shareholders are sent entirely at their own risk. The company reserves the right to instruct Computershare Investor Services PLC to seek special clearance of cheques and banker's drafts to allow the company to obtain value for remittances at the earliest opportunity. Cheques or banker's drafts will be presented for payment upon receipt. No interest will be allowed on payments made before they are due

(whether by cheque, banker's draft or electronic transfer of funds) and any interest on such payments will accrue to the benefit of the company. It is a term of the rights offer that cheques shall be honoured on first presentation and the company may elect to treat as invalid acceptances in respect of which cheques are not so honoured or acceptances accompanied by cheques which the company has reason to suspect will not be paid. Payment by BACS, CHAPS and electronic transfer will not be accepted.

15.2.1.3 *Money Laundering Regulations*

If the value of your application exceeds €15 000 (the approximate equivalent of £12 500) (or is one of a series of linked applications, the aggregate value of which exceeds that amount) and either you do not pay from an account in your own name (whether by cheque, banker's draft or by electronic transfer of funds), or and/or the account from which payment is to be made is not held within an institution that is authorised in the UK by the FSA under FSMA or that is an EU authorised credit institution, as defined in Article 1 of the Banking Consolidation Directive (2000/12/EEC), as referred to in the verification of identity requirements of the Money Laundering Regulations, such regulations will apply. Computershare Investor Services PLC and the company are entitled to require, at their absolute discretion, verification of identity from any person lodging a provisional allotment letter (the "**applicant**") including, without limitation, any person who either tenders payments by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the applicant, who transfers funds from the account of a person or persons other than the applicant or who appears to Computershare Investor Services PLC or the company to be acting on behalf of some other person. Submission of a provisional allotment letter with the appropriate remittance will constitute a warranty by the applicant in favour of Computershare Investor Services PLC and the company that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to Computershare Investor Services PLC and the company such information as may be specified by Computershare Investor Services PLC and the company as being required for the purpose of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare Investor Services PLC and the company as to identity, in respect of any new NEPI shares which would otherwise be treated as taken up in accordance with the procedure for acceptance and payment set out in this document, Computershare Investor Services PLC and the company may, after consultation with Smith & Williamson and having taken into account their representations, retain the relevant provisional allotment letter lodged by an applicant for new NEPI shares and/or the cheque, banker's draft or other remittance relating to it but not enter the new NEPI shares to which it relates on the register of members or issue any share certificate in respect of them. If evidence of identity satisfactory to Computershare Investor Services PLC and/or the company has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the company to take proceedings to recover any loss suffered by it as a result of the failure of the applicant to provide satisfactory evidence. In that case the application monies (without interest) will be returned to the bank or building society account from which payment was made. Computershare Investor Services PLC and/or the company shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any applicant and whether such requirements have been satisfied and none of Computershare Investor Services PLC, the company or Smith & Williamson will be liable to any person for any loss incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of Computershare Investor Services PLC and/or the company to require verification of identity as stated above).

- (a) Applicants are requested if possible to make their payment by their own cheque. If this is not practicable and an applicant uses a cheque drawn by a building society or a banker's draft, the applicant should:
 - write the applicant's name and address on the back of the building society cheque or banker's draft and, in the case of an individual, record his date of birth against his name; and

- if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add their stamp.
- (b) If an application is delivered by hand, the applicant should ensure that he has with him evidence of identity bearing his photograph, for example, a valid full passport together with evidence of his address.

If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, Computershare Investor Services PLC and/or the company are obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organization required to comply with the EU Money Laundering Directive (91/308/EEC), or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts (indicating whether or not the agent has dealt with such person face to face) together with original evidence of identity of the person for whom it acts.

All enquiries in relation to the provisional allotment letter should be addressed to Computershare Investor Services PLC.

Applicants making an application as agent should specify on the provisional allotment letter if they are a UK or EU regulated person or institution.

15.2.1.4 *Dealings in nil paid rights*

Application has not been nor will it be made for the admission of nil paid rights to trading on AIM. Accordingly there will be no dealings on AIM in the nil paid rights represented by provisional allotment letters and the same will not be negotiable (nil paid) on the capital market.

15.2.1.5 *Dealings in fully paid rights*

Fully paid provisional allotment letters will not be sent to qualifying shareholders who take up their entitlements to new NEPI shares. Accordingly there will be no dealings on AIM in fully paid rights represented by provisional allotment letters and the same will not be negotiable (fully paid) on the capital market.

After Monday, 5 December 2011, the new NEPI shares will be in registered form and transferable in the usual way (see paragraph 12 of this document). Pending the issue of share certificates and CREST accounts being credited with the new NEPI shares, transfers of new NEPI shares will be certified by Computershare Investor Services PLC against the register.

15.2.1.6 *Renunciation and splitting of provisional allotment letters*

The provisional allotment letters may not be renounced, transferred or split except in order to satisfy *bona fide* market claims.

15.2.1.7 *Registration in names of qualifying shareholders*

A qualifying shareholder who wishes to have all the new NEPI shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and the provisional allotment letter.

15.2.1.8 *Deposit of nil paid rights or fully paid rights into CREST*

Neither the nil paid rights nor fully paid rights represented by a provisional allotment letter may be converted into uncertificated form, that is, deposited into CREST. However, where a qualifying shareholder's existing shares are held in CREST, any new NEPI shares in respect of which such shareholder takes up his entitlement under the rights offer will be credited to such shareholder's CREST account unless and except in the event of the unavailability of the system or the relevant CREST account for any reason in which case the right is reserved by the company to issue the relevant new NEPI shares in certificated form.

15.2.1.9 *Issue of new NEPI shares in definitive form*

Definitive share certificates in respect of new NEPI shares to be held in certificated form are expected to be despatched by post by Wednesday, 7 December 2011 to accepting qualifying shareholders whose existing shares are not held in CREST, at their registered address unless lodging agent's details have been completed on page 1 of the provisional allotment letter. After despatch of definitive share certificates, provisional allotment letters will cease to be valid for any purpose whatsoever. Pending the issue of definitive share certificates and CREST accounts being credited with the new NEPI shares, transfers of new NEPI shares will be certified by Computershare Investor Services PLC against the register.

15.3 **Shareholders registered in Romania**

15.3.1 *Acceptance or sale of pre-emptive rights*

15.3.1.1 Shareholders who intend to exercise their pre-emptive rights and subscribe for shares in terms of the rights offer should complete the actions as per the Presentation Document, including:

15.3.1.1.1 complete the attached subscription form;

15.3.1.1.2 make available or transfer the funds required to subscribe for the shares; and

15.3.1.1.3 instruct their broker to credit their individual account with the number of pre-emptive rights to which such shareholder is entitled.

15.3.1.2 Shareholders who intend to sell their pre-emptive rights on the BVB should instruct their broker to credit their accounts with the number of pre-emptive rights to which they are entitled and thereafter proceed with the sale.

15.3.2 *New NEPI shares*

The new NEPI shares will be credited to the account of the Central Depository on or about Wednesday, 7 December 2011 and the Central Depository will credit the global accounts of the brokers and custodians. Should shareholders wish to credit their individual accounts with their new NEPI shares, shareholders must instruct their brokers and custodians. Shareholders should, however, liaise with their broker or custodian in this regard

15.4 **Procedure in respect of new NEPI shares not taken up**

If an entitlement to new NEPI shares is not validly taken up by 12.00 p.m. South African time, 10:00 a.m. London time or 12:00 p.m. Romanian time, as applicable, on Friday, 2 December 2011 in accordance with the procedure laid down for acceptance and payment in this document, then that provisional allotment will be deemed to have been declined and may be sold or re-allotted for the benefit of the company or simply lapse.

16. **EXCHANGE CONTROL REGULATIONS (FOR SHAREHOLDERS ON THE SA REGISTER)**

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations applicable to shareholders on the SA register. NEPI shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

The new NEPI shares to be issued pursuant to the rights offer are not freely transferable from South Africa and must be dealt with in terms of the South African Exchange Control Regulations.

NEPI shareholders who are not resident in the common monetary area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights in terms of the rights offer.

Please note that certificated shareholders on the SA register are required to complete the addendum enclosed with the form of instruction. The addendum to the form of instruction is required for South African Reserve Bank reporting purposes. Failure to return a fully completed addendum will render the form of instruction invalid.

16.1 **Non-residents of the common monetary area**

In terms of the South African Exchange Control Regulations and upon specific approval by the South African Reserve Bank, non-residents, excluding former residents, of the common monetary area will be allowed to:

- take up rights allocated to them in terms of the rights offer;

- purchase rights on the JSE; and
 - subscribe for the new NEPI shares in terms of the rights offer,
- provided payment is received in foreign currency through normal banking channels or in Rand from a non-resident account.

Share certificates issued pursuant to the application must be endorsed “non-resident”.

In respect of NEPI shareholders taking up their rights in terms of the rights offer:

- a “non-resident” endorsement will be applied to forms of instruction issued to non-resident certificated shareholders; or
- a “non-resident” annotation will appear in the CSDP or broker’s register for non-resident dematerialised shareholders.

All applications by non-residents for the above purposes must be made through a South African authorised dealer.

Where rights are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through a South African authorised dealer in foreign exchange.

16.2 Former residents of the common monetary area (“emigrants”)

Where a right in terms of the rights offer falls due to an emigrant, which right is based on shares blocked in terms of South African Exchange Control Regulations, then only blocked funds may be used to:

- take up rights allocated to such emigrant in terms of the rights offer;
- purchase rights on the JSE; and
- subscribe for new NEPI shares in terms of the rights offer.

Applications by emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. NEPI share certificates issued pursuant to blocked Rand transactions must be endorsed “non-resident” and placed under the control of the authorised dealer through whom the payment was made.

In respect of NEPI shareholders taking up their rights in terms of the rights offer:

- a “non-resident” endorsement will be applied to forms of instruction issued to non-resident certificated shareholders; or
- a “non-resident” annotation will appear in the CSDP or broker’s register for non-resident dematerialised shareholders.

Where rights are sold on the JSE on behalf of emigrants, which rights are based on an investment which is blocked in terms of the South African Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the NEPI shareholders concerned.

Non-resident and emigrant dematerialised shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

17. FOREIGN SHAREHOLDERS

17.1 Introduction

Foreign shareholders on the SA share register may be affected by the rights offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of each foreign shareholder to satisfy himself/herself as to the full observance of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction.

Any foreign shareholder who is in doubt as to its position with respect to the rights offer in any jurisdiction, including, without limitation, his/her tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. Foreign shareholders are reminded that they may dispose of their NEPI shares prior to the last date to trade, in which case they will not participate in the rights offer.

Foreign shareholders accordingly must take their own advice on whether they are entitled, after the rights offer, to continue beneficially to hold any NEPI shares distributed to them and take the appropriate action in accordance with that advice.

17.2 General

The comments set out in this paragraph 17 are intended as a general guide only and any foreign shareholder who is in doubt as to his/her position should consult his/her professional advisor without delay.

This paragraph 17 sets out the restrictions applicable to foreign shareholders who have registered addresses outside South Africa, who are citizens or residents of countries other than South Africa or who are persons (including without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold NEPI shares for the account of any such person.

New NEPI shares will be provisionally allotted to all NEPI shareholders. However provisional allotment letters and/or letters of allocation have not been and will not be sent to, and rights to subscribe for new NEPI shares will not be credited in electronic form to any accounts with an appointed CSDP or broker of, any NEPI shareholders with addresses in, or who are otherwise known to the company to be residents of, any Excluded Territories or to their agent or intermediary except where the company and Smith & Williamson are satisfied in their absolute discretion that such action would not result in a contravention of any registration or other legal requirement in such jurisdiction.

Neither the receipt of this circular and/or any letter of allocation or provisional allotment letter nor the receipt of any rights to subscribe for new NEPI shares in electronic form to an account with an appointed CSDP or broker, shall constitute an invitation or offer to a person in any of those jurisdictions in which it would be illegal to make an invitation or offer and in those circumstances, this circular and/or a letter of allocation or provisional allotment letter must be treated as sent for information only and should not be copied or redistributed. Accordingly, no person in any territory outside South Africa who receives a copy of this circular and/or a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares in electronic form to an account with an appointed CSDP or broker, should treat the same as constituting any invitation or offer to him/her or use or deal with any letter of allocation or provisional allotment letter or rights to subscribe for new NEPI shares held in electronic form, unless and except to the extent that such an invitation or offer can be made or any letter of allocation or provisional allotment letter or rights to subscribe for new NEPI shares held in electronic form can be used or dealt with lawfully, without contravention of any registration or other legal or regulatory requirements.

Accordingly, any person (including without limitation, any custodian, nominee or trustee) who receives a copy of this circular and/or a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares in electronic form to an account with an appointed CSDP or broker, should not in connection with the rights offer, distribute or send the same in, into or from, or transfer any nil paid rights or fully paid rights in, into or from, any of the Excluded Territories. If a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares in electronic form is received by any person in such territory, or by his/her agent or nominee, he/she must not seek to take up the rights comprised therein or in this circular or renounce the letter of allocation or provisional allotment letter or transfer any rights to subscribe for new NEPI shares held in electronic form, unless the company and Smith & Williamson determine in their absolute discretion that such actions would not violate applicable legal or regulatory requirements.

Any person (including without limitations, custodians, nominees or trustees) who does forward this circular and/or a letter of allocation or provisional allotment letter in, into or from any Excluded Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 17.

The company and Smith & Williamson reserve the right to treat as invalid any acceptance or purported acceptance (whether by the qualifying shareholder originally entitled thereto or any renounee or transferee of nil paid rights or fully paid rights) of a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares credited in electronic form to an account with an appointed CSDP or broker and any renunciation or purported renunciation of a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares credited in electronic form to an account with an appointed CSDP or broker, which:

17.2.1 appears to the company or Smith & Williamson or their agents in their absolute discretion to have been executed, effected or despatched from any Excluded Territory or in a manner which may involve a breach of the laws or regulations of any jurisdiction;

- 17.2.2 in the case of a letter of allocation or provisional allotment letter provides an address for delivery of any share certificates which is in any of the Excluded Territories;
- 17.2.3 in the case of any rights to subscribe for new NEPI shares credited in electronic form to an account with an appointed CSDP or broker, provides an address for the account holder or any other person accepting an entitlement to the new NEPI shares which is in any of the Excluded Territories; or
- 17.2.4 the company or Smith & Williamson or their agents believe may violate applicable legal or regulatory requirements.

Notwithstanding any other provision of this circular and/or a letter of allocation or provisional allotment letter, the company and Smith & Williamson reserve the right in their absolute discretion to permit any NEPI shareholder to take up his/her rights, and in connection therewith may impose such additional conditions or restrictions, including without limitation any stipulation that any letter of allocation or provisional allotment letter shall not be renounceable, as they may in their absolute discretion deem fit, if the company and Smith & Williamson are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the company and/or Smith & Williamson are so satisfied, the company will arrange for a letter of allocation or provisional allotment letter as appropriate.

17.3 Representations of foreign shareholders

Any person accepting or renouncing a letter of allocation or provisional allotment letter or requesting registration of the new NEPI shares comprised therein represents and warrants to the company and to Smith & Williamson that, except where proof has been provided to the company's satisfaction that such person's use of the letter of allocation or provisional allotment letter will not result in the contravention of any applicable legal requirement in any jurisdiction:

- 17.3.1 such person is not accepting and/or renouncing the letter of allocation or provisional allotment letter, nil paid rights, fully paid rights or new NEPI shares from within any of the Excluded Territories;
- 17.3.2 such person is not in any of the Excluded Territories;
- 17.3.3 such person is not acting on a non-discretionary basis for a person resident in any Excluded Territory at the time the instruction to accept or renounce was given; and
- 17.3.4 such person is not acquiring new NEPI shares with a view to the offer, resale, transfer, delivery or distribution directly or indirectly, of any such new NEPI shares into any Excluded Territory.

The company and Smith & Williamson reserve the right in their absolute discretion to treat as invalid any acceptance or purported acceptance of a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares credited in electronic form to an account with an appointed CSDP or broker or the renunciation or purported renunciation of a letter of allocation or provisional allotment letter or any rights to subscribe for new NEPI shares credited in electronic form to an account with an appointed CSDP or broker, if it purports in any such case to modify or exclude the representation or warranty required by this paragraph.

18. TAX CONSEQUENCES OF THE RIGHTS OFFER

The directors of the company are of the opinion that the purchase, holding and disposal of the letters of allocation or provisional allotment letters or rights offer shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue and accordingly NEPI shareholders are advised to consult their professional advisors regarding the tax consequences of the rights offer.

19. JURISDICTION

The distribution of this circular and/or accompanying documents and/or the transfer of the new NEPI shares and/or the rights to subscribe for new NEPI shares in jurisdictions other than South Africa, the Isle of Man, the United Kingdom and Romania may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a rights offer. In such circumstances, this circular, the form of instruction and provisional allotment letter are sent for information purposes only.

20. SHARE CAPITAL OF THE COMPANY

Provided below is information relating to the authorised and issued share capital and share premium of the company.

20.1 NEPI's share capital

The authorised and issued share capital of NEPI before the rights offer, as at the last practicable date, is as follows:

Before the rights offer:	EUR
Share capital	
<i>Authorised</i>	
150 000 000 ordinary shares of €0.01 each	1 500 000
<i>Issued share capital</i>	
88 497 979 ordinary shares of €0.01 each	884 979
Share premium	207 670 858
Total	208 555 837

Assuming that all of the rights shares will be subscribed for, the authorised and issued share capital of NEPI after the rights offer will be as follows:

After the rights offer:	EUR
Share capital	
<i>Authorised</i>	
150 000 000 ordinary shares of €0.01 each	1 500 000
<i>Issued share capital</i>	
102 783 693 ordinary shares of €0.01 each	1 027 837
Share premium	247 127 053
Total	248 154 890

For purposes of the consolidated financial statements, shares which were issued before 2011 as part of the share incentive scheme were accounted for as treasury shares in accordance with IFRS. Accordingly, the issued share capital included in the consolidated financial statements prepared in accordance with IFRS is lower than presented above.

20.2 The share price and volume history of NEPI shares on the JSE

20.2.1 in the twelve months preceding the last practicable date;

20.2.2 in each quarter over the preceding two years; and

20.2.3 in the thirty days preceding the last practicable date,

are set out in **Annexure 3**.

21. INFORMATION RELATING TO DIRECTORS

21.1 Directors' names, ages, roles, qualifications and business addresses

The table below sets out information pertaining to the current directors of NEPI and its material subsidiaries.

Director	Age	Role	Qualification	Business address
Corneliu Dan Pascariu	61	Independent non-executive Chairman	MBA	23 – 25 Ghetarilor Street, RO-014106, Bucharest-1, Romania
Martin Johannes Christoffel Slabbert [^]	40	Chief Executive Officer	BCom, LLB (<i>cum laude</i>), MCom (<i>cum laude</i>), Dip FMI, CF (England and Wales)	71 – 73 Caramfil Street, 4 th Floor, Bucharest, Romania
Victor Semionov [^]	34	Financial Director	BCom	71 – 73 Caramfil Street, 4 th Floor, Bucharest, Romania
Desmond de Beer	51	Non-executive director	BProc, MAP	4 th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, Johannesburg, South Africa
Dewald Lambertus Joubert	38	Independent non-executive director	BCom, LLB, Adv Cert Tax – UP	25 Athol Street, Douglas, Isle of Man, IM2 1LB
Michael John Mills	64	Independent non-executive director	BSc, FCA (Fellow of the Institute of Chartered Accountants in England and Wales)	Maple Heath, Parsonage Lane, Farnham Common, Slough, SL2 3NZ England
Jeffrey Nathan Zidel	60	Independent non-executive Director	–	4 th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, Johannesburg, South Africa

[^] Martin Slabbert and Victor Semionov, whose details are disclosed in the table above, are the founders of NEPI.

21.2 Directors' remuneration

There will be no variation in the remuneration payable to directors as a consequence of the rights offer.

21.3 Directors' interests in NEPI shares

21.3.1 The interests of the directors in the issued share capital of NEPI, at the last practicable date and the end of the preceding financial year being 31 December 2010, are set out below:

Beneficial holdings of directors as at the last practicable date				Percentage of issued shares (%)
	Direct holdings	Indirect holdings	Total holdings	
Desmond de Beer	–	5 339 599	5 339 599	6.03
Jeffrey Zidel	180 000	1 300 356	1 480 356	1.67
Martin Slabbert	–	4 916 529	4 916 529	5.56
Victor Semionov	–	1 133 656	1 133 656	1.28
Total	180 000	12 690 140	12 870 140	14.54

Beneficial holdings of directors as at 31 December 2010	Direct holdings	Indirect holdings	Total holdings	Percentage of issued shares (%)
Desmond de Beer	–	4 712 929	4 712 929	6.1
Jeffrey Zidel	–	1 093 652	1 093 652	1.4
Martin Slabbert	–	4 579 029	4 579 029	6.0
Victor Semionov	–	963 656	963 656	1.3
Total	–	11 349 266	11 349 266	14.8

Other than as described in 21.3.2 below, there were no other changes in directors' holdings between the end of the preceding financial year and the date of issue of this circular.

Mr Zidel and Mr de Beer intend to follow all their rights in terms of the rights offer. Mr Slabbert intends to follow at least 145 000 of his rights and Mr Semionov intends to follow at least 10 000 of his rights.

21.3.2 The following information relates to the acceptance of shares (“**scheme shares**”) as offered to directors and officers in terms of the rules of the share purchase scheme as announced on Tuesday, 10 May 2011 on SENS.

In terms of the rules of the share purchase scheme, ownership in such shares vests in the beneficiaries stated below, but such shares have been pledged to the trustees of the trust created for purposes of administering the share purchase scheme until the outstanding balance due in respect of scheme shares (including interest) is paid.

The pricing of the scheme shares was based on the 30-day volume weighted average price immediately prior to 9 May 2011, the day on which the scheme shares were offered to the share purchase scheme participants.

Name of associate	Name of director	Transaction date	Class of securities	Number of securities	Price per security	Total value	Nature of transaction	Nature and extent of director's interest
Slabbert Family Limited	Martin Slabbert, who has an indirect beneficial interest in Slabbert Family Limited, the entity which entered into the transaction	9 May 2011	Ordinary shares	337 500	EUR2.99	EUR1 009 125	Acceptance of shares offered in terms of The NEPI Share Purchase Scheme	Indirect beneficial
Focus CEE Investments Limited	Victor Semionov, who is a shareholder of Focus CEE Investments Limited, the entity which entered into the transaction	9 May 2011	Ordinary shares	170 000	EUR2.99	EUR508 300	Acceptance of shares offered in terms of The NEPI Share Purchase Scheme	Indirect beneficial

21.4 Directors' interests in transactions

The directors of the group have no interests in transactions entered into by NEPI during the current or preceding financial year and which remain in any respect outstanding or unperformed.

22. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the twelve months preceding the date of this circular, had a material effect on the financial position of the group. NEPI is not aware of any other proceedings that would have a material effect on the financial position of the group or which are pending or threatened against the group.

23. CORPORATE GOVERNANCE

The corporate governance statement of the company is set out in **Annexure 4**.

24. EXPENSES OF THE RIGHTS OFFER

The following expenses and provisions are expected to or have been provided for by the group in connection with the rights offer and will be settled out of the proceeds of the rights offer. All costs are stated exclusive of VAT:

	R [^]	EUR [^]
Fortress – underwriter (0.5%)	2 142 857	200 267
JSE fees – document inspection fee	19 466	1 819
– listing fee	165 013	15 422
Java Capital (Proprietary) Limited – corporate and legal advisor fees	600 000	56 075
Smith & Williamson – Nominated adviser and broker fees	53 500	5 000
Ernst & Young Inc. – independent reporting accountants’ fees	45 000	4 206
Consilium Limited – Isle of Man legal advisors’ fees	31 400	2 935
Maitland Advisor LLP – English legal advisors’ fees	107 000	10 000
Reff & Asociatii SCA – Romanian legal advisors’ fees	53 500	5 000
Ince (Proprietary) Limited – printing costs	250 000	23 364
Ince (Proprietary) Limited – press announcements	160 000	14 953
South African transfer secretaries	40 000	3 738
Total	3 667 736	342 779

[^] The expenses and provisions have been converted using a ZAR:EUR exchange rate of R10.70:€1.00

25. CONSENTS

Each of the corporate advisor, legal advisor as to South African law and JSE sponsor, the nominated adviser and broker in the UK, the company secretary, the legal advisor as to the Isle of Man law, the legal advisor as to Romanian law, the legal advisor as to English law, the Romanian advisor, the Isle of Man administrator and registrar, the South African transfer secretaries, the UK transfer secretaries, the UK receiving agent and the independent reporting accountants, whose names are set out in the “Corporate information” section, have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

The independent reporting accountants have consented to the inclusion of their report in the form and context in which it is included in this circular, which consent has not been withdrawn prior to the publication of this circular.

26. DIRECTORS’ RESPONSIBILITY STATEMENT

The directors, whose names are given on page 17, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements.

27. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of NEPI, the offices of the sponsor and the offices of the nominated adviser from Monday, 14 November 2011, up to and including Friday, 2 December 2011:

- 27.1 the articles of association of NEPI and its subsidiaries;
- 27.2 the group audited financial statements for the financial years ended 31 December 2010, 2009 and 2008, and the interim financial statements for the six months ended 30 June 2011;
- 27.3 this circular, signed by or on behalf of the directors and the form of instruction;
- 27.4 the letters of consent referred to in paragraph 25 of this circular;

- 27.5 the valuation reports prepared by the independent property valuers in respect of the properties owned by the group as at 31 December 2010; and
- 27.6 the independent reporting accountants' signed assurance report on the unaudited *pro forma* financial information set out in **Annexure 2**.

Signed in Johannesburg by Des de Beer on his own behalf and on behalf of all the other directors of the company on 17 October 2011, he being duly authorised in terms of powers of attorney granted to him by such other directors.

Des de Beer

Director

14 November 2011

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF NEPI

The unaudited *pro forma* consolidated statement of comprehensive income and unaudited *pro forma* consolidated statement of financial position 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 financial position of NEPI, assuming the rights offer had been implemented on 1 January 2011 and 30 June 2011, respectively. Due to its nature, the unaudited *pro forma* financial information may not give a fair reflection of NEPI's results of operations and financial position subsequent to the rights offer. The independent reporting accountants' limited assurance report on the unaudited *pro forma* financial information of the rights offer is set out in **Annexure 2**.

The unaudited *pro forma* financial information has been prepared in accordance with the accounting policies of the NEPI group that were used in the preparation of the unaudited interim results for the six months ended 30 June 2011.

1. UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2011.

Set out below is the unaudited *pro forma* consolidated statement of comprehensive income of the group reflecting the effects of the rights offer:

	Before the rights offer ¹ EUR	Adjustments for the rights offer EUR	After the rights offer EUR
Net rental and related income	11 996 800		11 996 800
Contractual rental income and expense recoveries	16 184 734		16 184 734
Property operating expenses	(4 187 934)		(4 187 934)
Share based payments	(440 384)		(440 384)
Foreign exchange gain	227 552		227 552
Administrative expenses	(813 007)		(813 007)
Fair value adjustment on investment property	–		–
Profit before net finance expense	10 970 961		10 970 961
Net finance expense	(3 809 261)	858 579	(2 950 682)
Finance income	143 453		143 453
Finance expense	(3 952 714)	858 579 ^{4/5}	(3 094 135)
Profit before tax	7 161 700	858 579	8 020 279
Tax	–		–
Profit for the period attributable to equity holders	7 161 700	858 579	8 020 279
Weighted average number of shares in issue	75 963 602	14 285 714 ³	90 249 316
Diluted weighted average number of shares in issue	81 628 632	14 285 714 ³	95 914 346
Basic weighted average earnings per share (EUR cents)	9.43		8.89
Diluted weighted average earnings per share (EUR cents)	8.77		8.36
Distributable earnings per share (EUR cents)	9.77		9.23
Headline earnings per share (EUR cents)	9.43		8.89
Diluted headline earnings per share (EUR cents)	8.77		8.36

Reconciliation of profit for the period to distributable earnings

	Before the rights offer ¹ EUR	Adjustments for the rights offer EUR	After the rights offer EUR
Profit for the period attributable to equity holders	7 161 700	858 579	8 020 279
Unrealised foreign exchange gain	(227 552)		(227 552)
Share based payment fair value	440 384		440 384
Accrued interest on share based payments	338 206		338 206
Fair value adjustment	–		–
Financial assets at fair value	23 166		23 166
Amortisation of the financial assets	(464 722)		(464 722)
Deferred tax expense	–		–
Share issue cum distribution	1 022 551		1 022 551
Distributable earnings for the period	8 293 733	858 579	9 152 312
Number of shares entitled to distribution	84 910 831	14 285 714 ³	99 196 545
Distributable earnings per share for the period (EUR cents)	9.77		9.23

Reconciliation of profit for the period to headline earnings

	Before the rights offer ¹ EUR	Adjustments for the rights offer EUR	After the rights offer EUR
Profit for the period attributable to equity holders	7 161 700	858 579	8 020 279
Changes in currency translation reserve of foreign subsidiaries	–		–
Fair value adjustment of investment property	–		–
Headline earnings	7 161 700	858 579	8 020 279

Notes and assumptions:

1. The figures set out in the “Before the rights offer” column above have been extracted from the published unaudited interim consolidated statement on comprehensive income for the six months ended 30 June 2011.
2. The rights offer is assumed to have been implemented on 1 January 2011.
3. 14 285 714 rights offer shares are assumed to be issued pursuant to the rights offer, thereby raising capital of €40 million.
4. Although the proceeds of the rights offer are intended to be used to finance yield enhancing investment opportunities in direct property in Romania, there are no firm commitments at the date of this circular to deploy the proceeds which will be received from the rights offer. Accordingly, there is no factually supportable financial information regarding potential investments. Consequently, it has been assumed that the net proceeds of the rights offer (after payment of estimated costs of approximately €0.3 million, including an underwriting fee of €0.2 million) have been utilised to partially repay interest-bearing borrowings of approximately €39.7 million.
5. Finance expense is assumed to be reduced as a result of the repayment of approximately €39.7 million of interest-bearing borrowings at the beginning of the six months ended 30 June 2011. A cost of debt of 4.33%, (being the interest rate on the loans which are assumed to be repaid), is assumed to apply throughout the six months ended 30 June 2011.
6. A ZAR:EUR exchange rate of R10.70:€1.00 is assumed to apply.
7. All adjustments have a continuing effect.

2. UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

Set out below is the unaudited *pro forma* consolidated statement of financial position of the group reflecting the effects of the rights offer:

	Before the rights offer ¹ EUR	Adjustments for the rights offer EUR	After the rights offer EUR
ASSETS			
Non-current assets	345 483 741		345 483 741
Investment property	321 839 207		321 839 207
Investment property at fair value	307 077 251		307 077 251
Investment property under development	14 761 956		14 761 956
Goodwill	13 849 887		13 849 887
Financial assets at fair value through profit or loss	3 706 983		3 706 983
Loans	6 087 664		6 087 664
Current assets	39 578 986		39 578 986
Trade and other receivables	4 139 975		4 139 975
Cash and cash equivalents	35 439 011	– ^{3/4/6}	35 439 011
Total assets	385 062 727	–	385 062 727
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	190 900 189	39 657 221	230 557 410
Share capital	808 328	142 857 ⁵	951 185
Share premium	188 019 113	39 514 364 ^{5/6}	227 533 477
Share based payment reserve	7 179 934		7 179 934
Currency translation reserve	(3 108 678)		(3 108 678)
Accumulated loss	(1 998 508)		(1 998 508)
Total liabilities	194 162 538	(39 657 221)	154 505 317
Non-current liabilities	181 677 497	(39 657 221)	142 020 276
Interest bearing borrowings	165 139 885	(39 657 221) ⁴	125 482 664
Deferred tax liabilities	15 586 362		15 586 362
Financial liabilities at fair value through profit or loss	951 250		951 250
Current liabilities	12 485 041		12 485 041
Trade and other payables	5 143 621		5 143 621
Loans and borrowings	5 114 911		5 114 911
Tenant deposits	2 226 509		2 226 509
Total equity and liabilities	385 062 727	–	385 062 727
Net asset value per share (EUR)	2.30		2.37
Net tangible asset value per share (EUR)	2.14		2.23
Adjusted net asset value per share (EUR)	2.33		2.39
Net asset value per the statement of financial position	190 900 189	39 657 221	230 557 410
Issued value of the shares in respect of the share incentive scheme	13 748 436		13 748 436
Deferred tax	15 586 362		15 586 362
Goodwill	(13 849 887)		(13 849 887)
Adjusted net asset value	206 385 100	39 657 221	246 042 321
Number of shares for net asset value per share purposes	82 832 949	14 285 714 ³	97 118 663
Number of shares for adjusted net asset value per share purposes	88 497 979	14 285 714 ³	102 783 693

Notes and assumptions:

1. The figures set out in the "Before the rights offer" column above have been extracted from the published unaudited interim consolidated statement of financial position as at 30 June 2011.
2. The rights offer is assumed to have been implemented on 30 June 2011.
3. 14 285 714 rights offer shares are assumed to be issued pursuant to the rights offer thereby raising capital of €40 million.
4. Although the proceeds of the rights offer are intended to be used to finance yield enhancing investment opportunities in direct property in Romania, there are no firm commitments at the date of this circular to deploy the proceeds which will be received from the rights offer. Accordingly, there is no factually supportable financial information regarding potential investments. Consequently, it has been assumed that the net proceeds of the rights offer (after payment of estimated costs of approximately €0.3 million, including an underwriting fee of €0.2 million) have been utilised to partially repay interest-bearing borrowings of approximately €39.7 million.
5. The adjustment represents the share capital and share premium arising from the issue of 14 285 714 rights offer shares at EUR2.80 (R30.00) per share, net of estimated costs related to the rights offer of approximately €0.3 million, which have been written off against share premium.
6. The costs of the rights offer are assumed to be approximately €0.3 million which includes an underwriting fee of €0.2 million.
7. A ZAR:EUR exchange rate of R10.70:€1.00 is assumed to apply.

**INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT
ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF NEPI**

“18 October 2011
The Directors
New Europe Property Investments plc
2nd Floor, Anglo International House
Lord Street
Douglas
Isle of Man, IM1 4LN

Dear Sirs,

**INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED
PRO FORMA FINANCIAL INFORMATION OF NEW EUROPE PROPERTY INVESTMENTS PLC****Introduction**

We have performed our limited assurance engagement in respect of the unaudited *pro forma* financial effects, the *unaudited pro forma* consolidated statement of comprehensive income, and the unaudited *pro forma* consolidated statement of financial position (“the unaudited *pro forma* financial information”) as set out in Annexure 1 to the Circular to New Europe Property Investments plc (hereafter ‘NEPI’) shareholders (“the Circular”) in connection with the rights offer to NEPI shareholders.

The unaudited *pro forma* financial information has been prepared in accordance with the listings requirements of the JSE Limited (the “JSE Listings Requirements”), for illustrative purposes only, to provide information about how the corporate action might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or date of the unaudited *pro forma* consolidated statement of financial position being reported on.

Directors' responsibility

The directors of NEPI are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of NEPI; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountant's responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed at their dates of issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of NEPI, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of NEPI in respect of the corporate action that is the subject of the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of NEPI and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of sections 8.17 and 8.33 of the JSE Listings Requirements:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of NEPI, and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed.

Consent

We consent to the inclusion of this report, which will form part of the Circular in the form and context in which it will appear.

Yours faithfully

ERNST & YOUNG INC.

Per: Allister Carshagen
Chartered Accountant (SA)
Director

Ernst & Young Inc.
Wanderers Office Park
52 Corlett Drive
Illovo”

PRICE AND VOLUME HISTORY OF NEPI SHARES ON THE JSE

NEPI shares

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Quarterly					
2009					
June ¹	2 275	2 025	2 275	294 678	6 553 902
September	2 950	2 275	2 900	3 140 416	76 914 010
December	3 100	2 600	2 820	488 168	13 494 750
2010					
March	3 113	2 560	2 850	2 249 150	62 503 103
June	3 098	2 705	2 900	3 646 614	104 427 447
Monthly					
2010					
July	3 100	2 751	3 000	894 348	25 867 005
August	3 450	2 850	3 000	1 996 930	59 907 710
September	3 200	2 920	3 100	1 222 670	36 927 002
October	3 150	3 001	3 100	168 298	5 157 214
November	3 450	2 920	3 150	522 697	16 223 619
December	3 300	2 800	3 000	69 301	2 071 331
2011					
January	3 000	2 800	2 950	496 028	14 371 387
February	3 225	2 870	3 075	2 402 625	71 533 251
March	3 100	2 981	3 080	194 290	5 919 576
April	3 346	3 040	3 100	730 824	22 315 049
June	3 652	2 900	3 350	946 163	30 690 528
July	3 600	3 300	3 350	3 550 722	117 358 536
August	3 625	3 250	3 400	1 371 429	45 685 661
Daily					
2011					
1 September	3 400	3 400	3 400	797 240	27 106 160
2 September	3 400	3 400	3 400	26 600	904 400
5 September	3 300	3 255	3 280	14 100	459 794
6 September	3 300	3 265	3 280	13 700	448 220
7 September	3 300	3 270	3 270	3 100	101 820
8 September	3 280	3 280	3 280	8 650	283 720
9 September	3 280	3 280	3 280	31 900	1 046 320
12 September	3 280	3 280	3 280	1 575	51 660
13 September	3 270	3 250	3 260	99 170	3 226 783
14 September	3 250	3 155	3 250	45 950	1 488 040
15 September	3 250	3 230	3 230	140 864	4 551 030
16 September	3 400	3 260	3 400	13 025	427 866
19 September	3 550	3 260	3 300	25 477	852 523
20 September	3 425	3 300	3 360	25 073	834 807
21 September	3 360	3 360	3 360	–	–
22 September	3 700	3 400	3 475	12 955	447 058
23 September	3 475	3 475	3 475	–	–
26 September	3 400	3 375	3 400	6 900	233 850
27 September	3 400	3 250	3 400	126 600	4 187 421

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Daily					
2011					
28 September	3 400	3 400	3 400	5 889	200 226
30 September	3 400	3 400	3 400	8 750	297 500
3 October	3 400	3 400	3 400	99 170	3 226 783
4 October	3 390	3 300	3 390	28 789	951 220
5 October	3 400	3 310	3 400	29 400	981 074
6 October	3 400	3 400	3 400	–	–
7 October	3 655	3 390	3 539	84 242	2 886 746
10 October	3 550	3 230	3 310	260 733	8 690 672
11 October	3 350	3 300	3 350	39 250	1 308 600
12 October	3 399	3 350	3 390	9 700	328 487
13 October	3 399	3 390	3 399	11 000	372 909
14 October	3 400	3 275	3 400	24 701	810 465
17 October	3 390	3 276	3 281	17 689	585 985

¹ Quarter ended 30 June 2009 includes data from date of listing on the AltX of 17 April 2009.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

The board recognises the importance of sound corporate governance and endorses and monitors compliance with the Quoted Companies Alliance Corporate Governance Guidelines for AIM Companies and the King III Report on Corporate Governance in South Africa. The board of directors confirms that the company is compliant with the provisions of King III in all material respects, except for the following:

King III principle	Notes
1.21 Training and development of directors should be conducted through formal processes.	Training and development of directors has not been conducted through a formal process. This has not been necessary as the directors have been familiar with group's operations and business environment.
1.23 The performance of the board, its committees and individual directors should be evaluated annually.	No formal evaluation of the board, sub-committees or individual directors was undertaken in 2011.
6.5 Sustainability reporting and disclosure should have independent assurance.	No formal process of assurance by an independent party has been undertaken in 2011.
9 Integrated reporting and disclosure.	The company does not currently prepare an integrated report but intends to prepare one in respect of the next financial year

In so doing, the directors recognise the need to conduct the enterprise with integrity and provide effective leadership based on an ethical foundation. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders providing a proper and objective perspective of the company and its activities, direct the strategy and operations of the company to build a sustainable business and consider short and long term impacts of the strategy on the economy, society and the environment. The board will ensure that the group is seen to be a responsible corporate citizen through the implementation of the corporate governance policies provided below.

Board of directors

The board comprises four independent non-executive directors, one non-independent non-executive director and two executive directors. The directors of the company are listed on page 17.

The main functions of the board include:

- adopting strategic plans and ensuring that these plans are carried out by management;
- approving major company activities, including capital funding, acquisitions, disposals, capital expenditure and financial statements;
- monitoring the operational performance of the business and the performance of the management at both operational and executive level;
- overseeing the effectiveness of the internal controls of the company designed to ensure that the assets of the company are safeguarded, that proper accounting records are maintained and that the financial information on which business decisions are made and which is issued for publication is reliable.

The directors' varied backgrounds and experience give NEPI a good mix of the knowledge and expertise necessary to manage the business effectively. Further to this, a clear division of responsibilities at board level is in place to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The board aims to meet formally at least four times a year.

Appointment of directors

Directors are appointed by the board or at the annual general shareholders' meeting. Board appointed directors need to be re-appointed by the shareholders in the first subsequent annual general shareholders' meeting to confirm such appointments. The longest serving third of the directors are required to be re-appointed by the shareholders annually. Board appointments are conducted in a formal and transparent manner by the board as a whole.

Investment committee

Members: J Zidel (chairman), D de Beer and M Slabbert.

The investment committee, comprising three directors, considers all acquisitions and sales of investments and capital expenditures. Appropriate investments or disposals are then presented to the board.

Remuneration committee

Members: D Joubert (chairman), D de Beer and D Pascariu.

The remuneration committee, comprising three directors, assesses and recommends to the board the remuneration and incentivisation of the management and staff of the company.

Nomination committee

Members: D Pascariu (chairman), M Mills and M Slabbert.

The nomination committee, comprising three directors, assists the board in identifying qualified individuals to become board members and makes recommendations on the composition of the board.

Audit and Risk committee

Members: M Mills (chairman), D Joubert and J Zidel.

The Audit and Risk committee, comprising three non-directors, meets at least four times a year and is responsible for ensuring that the financial performance of the group is properly reported on and monitored, including reviewing the annual and interim accounts, results announcements, internal control systems and procedures, accounting policies and risk management.

The board has delegated the responsibility for developing and monitoring the group's risk management policies to the audit and risk committee. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The directors assume overall responsibility for the group's system of internal control and for reviewing its effectiveness.

The controls are designed to identify and manage risks faced by the group and not to completely eliminate the risk of failure to achieve business objectives. To this end, internal controls provide reasonable, but not absolute assurance against material misstatement or loss. The implementation and operation of such systems resides with the management and the processes are communicated regularly to its staff who are made aware of the areas for which they are responsible. Such systems include strategic planning, the appointment of appropriately qualified staff, regular reporting and monitoring of performance and effective control over capital expenditure and investments. Significant risks that are identified by this system are communicated to the board with recommendations for actions to mitigate these. The group may use independent agents to undertake any specialist analysis, investigation or action that is needed. The system is regularly reviewed by the audit and risk committee.

Internal financial controls are based on a comprehensive and regular reporting structure. Detailed revenue, cash flow and capital forecasts are prepared and updated regularly throughout the year and approved by the board.

The Audit and Risk committee has primary responsibility for making recommendations to the board on the appointment, re-appointment and removal of the external auditor and of the internal auditors. It ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated. The committee also oversees the appointment of auditors for non-audit services, in line with company policy. The committee reviews audit plans for the audits and the outcome of the work performed in executing these plans. The committee meets with the auditors and discusses and reviews the accounts, the audit procedures and the group's internal controls. They further ensure that items identified for action are followed up.

The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairman has the requisite experience in accounting and financial management. The Audit and Risk committee has considered and found appropriate the expertise and experience of the financial director.

The external auditors reported to the committee to confirm that they are and have remained independent from the group during the year. The Audit and Risk committee considered information pertaining to the external auditors' relationships with the group that might reasonably have a bearing on the external auditors' independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, and has concluded that the external auditors' independence was not impaired. The committee approved the external auditors' terms of engagement and scope of work. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The committee also examined and discussed with the auditors the appropriateness of internal controls and utilisation of internal auditors and made recommendations to the board.

The committee met five times during the 2010 financial year. In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the Audit and Risk committee reviewed accounting principles, policies and practices adopted in the preparation of financial information and examined documentation relating to the annual report and interim financial report. The clarity and disclosures included in the financial statements were reviewed by the Audit and Risk committee, as was the basis for significant estimates and judgements. The Audit and Risk committee complied with its legal and regulatory obligations and the company's charter and recommended the annual report to the board for approval.

Company secretary

All directors have access to the advice of the company secretary, who provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should properly be discharged in the best interests of the company.

Communication

The board recognises that it is accountable to shareholders for the performance and activities of the group. NEPI communicates with its shareholders principally through its website and the annual report. Annual general meetings of the company give the directors the opportunity to report to shareholders on current and proposed operations and enable shareholders to express their views on the group's business activities.

Directors' dealings and professional advice

Dealing in company's securities by directors and company officials is regulated and monitored as required by the JSE Listings Requirements and the AIM Rules. In addition, NEPI maintains a closed period from the end of a financial period to the date of publication of the financial results.

Ethics

NEPI is committed to promoting the highest standards of ethical behaviour among all its employees and business associates.

TABLE OF ENTITLEMENT

NEPI shareholders will be offered a total of 14 285 714 new NEPI shares in the ratio of 16.14242 new NEPI shares for every 100 NEPI shares held on Friday, 11 November 2011, for shareholders on either the SA register or the UK register, and 16.14242 pre-emptive rights for every 100 NEPI shares held on Monday, 7 November 2011 for shareholders registered in Romania. No fractions of rights offer shares will be issued to shareholders and the rights offer shares will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of shareholders to receive rights offer shares is set out below:

Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled
1	0.16	0.00	53	8.56	9.00
2	0.32	0.00	54	8.72	9.00
3	0.48	0.00	55	8.88	9.00
4	0.65	1.00	56	9.04	9.00
5	0.81	1.00	57	9.20	9.00
6	0.97	1.00	58	9.36	9.00
7	1.13	1.00	59	9.52	10.00
8	1.29	1.00	60	9.69	10.00
9	1.45	1.00	61	9.85	10.00
10	1.61	2.00	62	10.01	10.00
11	1.78	2.00	63	10.17	10.00
12	1.94	2.00	64	10.33	10.00
13	2.10	2.00	65	10.49	10.00
14	2.26	2.00	66	10.65	11.00
15	2.42	2.00	67	10.82	11.00
16	2.58	3.00	68	10.98	11.00
17	2.74	3.00	69	11.14	11.00
18	2.91	3.00	70	11.30	11.00
19	3.07	3.00	71	11.46	11.00
20	3.23	3.00	72	11.62	12.00
21	3.39	3.00	73	11.78	12.00
22	3.55	4.00	74	11.95	12.00
23	3.71	4.00	75	12.11	12.00
24	3.87	4.00	76	12.27	12.00
25	4.04	4.00	77	12.43	12.00
26	4.20	4.00	78	12.59	13.00
27	4.36	4.00	79	12.75	13.00
28	4.52	5.00	80	12.91	13.00
29	4.68	5.00	81	13.08	13.00
30	4.84	5.00	82	13.24	13.00
31	5.00	5.00	83	13.40	13.00
32	5.17	5.00	84	13.56	14.00
33	5.33	5.00	85	13.72	14.00
34	5.49	5.00	86	13.88	14.00
35	5.65	6.00	87	14.04	14.00
36	5.81	6.00	88	14.21	14.00
37	5.97	6.00	89	14.37	14.00
38	6.13	6.00	90	14.53	15.00
39	6.30	6.00	91	14.69	15.00
40	6.46	6.00	92	14.85	15.00

Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled
41	6.62	7.00	93	15.01	15.00
42	6.78	7.00	94	15.17	15.00
43	6.94	7.00	95	15.34	15.00
44	7.10	7.00	96	15.50	15.00
45	7.26	7.00	97	15.66	16.00
46	7.43	7.00	98	15.82	16.00
47	7.59	8.00	99	15.98	16.00
48	7.75	8.00	100	16.14	16.00
49	7.91	8.00	1 000	161.42	161.00
50	8.07	8.00	10 000	1 614.24	1 614.00
51	8.23	8.00	100 000	16 142.42	16 142.00
52	8.39	8.00			

INFORMATION ON THE UNDERWRITER

Directors:	Nicolaas Willem Hanekom Mark Walter Stevens Willem Jakob Serfontein
Company secretary:	Stephanie Jessica Botha
Date and place of incorporation:	24 March 2009 (Johannesburg, South Africa)
Registration number:	2009/005857/07
Registered office:	3rd Floor, Rivonia Village Rivonia Boulevard Rivonia 2191
Auditors:	Deloitte & Touche
Bankers:	The Standard Bank of South Africa Limited
Authorised share capital:	1 000 ordinary shares of R1.00 each
Issued share capital:	100 ordinary shares of R1.00 each

For use by certificated shareholders on the SA register only

FORM OF INSTRUCTION FOR A NEPI SHAREHOLDER IN RESPECT OF A LETTER OF ALLOCATION

IMPORTANT: If you are in doubt as to how to deal with this form of instruction, you should consult your CSDP, broker, attorney, accountant, banker or other professional advisor without delay.

This form of instruction in respect of a letter of allocation should be read together with the circular to NEPI shareholders dated 14 November 2011 (**“the circular”**). Words and expressions defined in the circular shall have the same meanings in this form of instruction. The rights to new NEPI shares have been issued in dematerialised form, are negotiable and can be sold on the JSE. The electronic record for certificated shareholders is being maintained by Computershare Investor Services (Proprietary) Limited (**“the South African transfer secretaries”** or **“Computershare SA”**). This has made it possible for certificated shareholders, who are eligible to participate in the rights offer, to enjoy the same rights and opportunities as those shareholders who have already dematerialised their NEPI shares.

Should you wish to take up, sell or renounce all or part of your rights to the new NEPI shares to which you are entitled in terms of the rights offer, you must complete this form of instruction and return it to the South African transfer secretaries at the address set out overleaf.

Each alteration must be signed in full and not merely initialled.

EXCHANGE CONTROL
REGULATIONS
ENDORSEMENT
(see page 3 paragraph 5)

NOTE: PLEASE COMPLETE THE ADDENDUM ENCLOSED WITH THIS FORM OF INSTRUCTION. THE ADDENDUM TO THE FORM OF INSTRUCTION IS REQUIRED FOR SOUTH AFRICAN RESERVE BANK REPORTING PURPOSES. FAILURE TO RETURN A FULLY COMPLETED ADDENDUM WILL RENDER THE FORM OF INSTRUCTION INVALID



NEW EUROPE PROPERTY INVESTMENTS PLC
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”

Directors: Corneliu Dan Pascariu (*Chairman*)[^], Martin Johannes Christoffel Slabbert (*Chief Executive Officer*), Victor Semionov (*Financial Director*),
Desmond de Beer*, Dewald Lambertus Joubert[^], Michael John Mill[^], Jeffrey Nathan Zidel[^]
*Non-executive ^Independent non-executive

A form of instruction in respect of a letter of allocation relating to the rights offer to be made to NEPI shareholders of a total of 14 285 714 new NEPI shares at an issue price of R30.00 each in the ratio of 16.14242 new NEPI shares for every 100 NEPI shares held at the close of business on Friday, 11 November 2011

Form of instruction for a NEPI shareholder in respect of a letter of allocation

Name and address of NEPI shareholder	Serial number
(1)	<p>Enquiries in connection with this form of instruction should be made to the South African transfer secretaries quoting the serial number below:</p>

Account number	Number of NEPI shares registered in your name at the close of business on Friday, 11 November 2011	Number of new NEPI shares to which you are entitled	Amount payable for maximum number of new NEPI shares at the cost of R30.00 per new NEPI share
	(2)	(3)	R (4)

Acceptance of rights in terms of paragraph 3 of this form of instruction (to be completed by the applicant)	Number of new NEPI shares subscribed for	Amount due at the cost of R30.00 per new NEPI share
	(5)	R (6)

Application for additional new NEPI shares <i>(To be completed by applicants wishing to apply for additional new NEPI shares)</i>	Number of additional new NEPI shares for which application is made	Amount due at R30.00 per additional new NEPI share
	(7)	(8)

Please note that the same or a lesser number of new NEPI shares as the number marked in Block (3) may be accepted	Total amount of cheque/banker's draft
	R (9)

This form of instruction must be completed in its entirety and returned to the South African transfer secretaries:

Computershare Investor Services (Proprietary) Limited
 Ground Floor, 70 Marshall Street, Johannesburg, 2001
 (PO Box 61763, Marshalltown, 2107)
 Telephone (011) 370-5000

Applicant's telephone number (office hours) and Cell phone number _____ Signature _____ Date _____
 (_____) _____ (_____) _____

Salient dates and times for shareholders on the SA register

2011

Finalisation announcement released on SENS on	Friday, 28 October
Last day to trade in NEPI shares in order to participate in the rights offer on	Friday, 4 November
Listing and trading of letters of allocation on the JSE on	Monday, 7 November
NEPI shares commence trading on the JSE ex-rights offer entitlement on	Monday, 7 November
Record date for determination of shareholders entitled to participate in the rights offer (initial record date) on	Friday, 11 November
Rights offer opens at 09:00 on	Monday, 14 November
Rights offer circular and form of instruction posted to shareholders, where applicable, on	Monday, 14 November
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their entitlement on	Monday, 14 November
Certificated shareholders on the SA register will have their entitlement credited to a nominee account held with the South African transfer secretaries on	Monday, 14 November
Last day to trade letters of allocation on the JSE on	Friday, 25 November
Maximum number of rights offer shares listed and trading therein commences on the JSE on	Monday, 28 November
Rights offer closes at 12:00 on (see note 2)	Friday, 2 December
Record date for letters of allocation (final record date) on	Friday, 2 December
New NEPI shares issued on	Monday, 5 December
Dematerialised shareholders' accounts updated and debited by CSDP or broker with new NEPI shares on	Monday, 5 December
Results of rights offer announced on SENS on	Monday, 5 December
Results of rights offer announced in the press on	Tuesday, 6 December
Certificates posted to certificated shareholders (in respect of the rights offer shares) on or about	Wednesday, 7 December
Refunds (if any) to certificated shareholders in respect of unsuccessful applications made on or about	Wednesday, 7 December
New NEPI shares issued in respect of successful excess shares applications for dematerialised shareholders and certificated shareholders on or about	Wednesday, 7 December
Dematerialised shareholders' accounts updated and debited by their CSDP or broker (in respect of successful excess shares applications), and certificates posted to certificated shareholders (in respect of successful excess shares applications) on or about	Wednesday, 7 December

Notes:

- All times indicated are South African times.
- Dematerialised shareholders are required to inform their CSDP or broker of their instructions in terms of the rights offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and its CSDP or broker.
- Share certificates may not be dematerialised or rematerialised between Monday, 7 November 2011 and Friday, 11 November 2011, both days inclusive.
- Transfers between the SA register and the UK register may not take place between Tuesday, 1 November 2011 and Friday, 11 November 2011, both days inclusive.
- Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their rights and certificated shareholders will have their rights credited to a nominee account at Computershare Investor Services (Proprietary) Limited.
- CSDP's effect payment in respect of dematerialised shareholders on a delivery-versus-payment method.

Dear Sir/Madam

1. RIGHTS OFFER

NEPI hereby offers, upon the terms and conditions stated in the circular dated Monday, 14 November 2011 (which shall, if in conflict with the information set out below, take precedence) to the holder(s) of the number of NEPI shares in Block (2), recorded in the register at the close of business on Friday, 11 November 2011 ("**the initial record date**"), rights to subscribe for the number of new NEPI shares set out in Block (3).

The subscription price is R30.00 per new NEPI share, payable in Rand.

2. ALLOCATION

The number of new NEPI shares stated in Block (3) has been allocated for subscription to the NEPI shareholder/s named in Block (1). The allocation of new NEPI shares will be such that NEPI shareholders will not be allocated a fraction of a new NEPI share.

3. ACCEPTANCE

NEPI shareholders who wish to accept the rights offer to subscribe for new NEPI shares must complete Blocks (5), (6) and (9).

- If the NEPI shareholder whose name appears in Block (1), wishes to subscribe for the new NEPI shares stated in Block (3) (or any lesser number), this form of instruction, duly completed together with payment in terms of 3.2 below, must be delivered or sent by registered post (in the latter case at the sender's risk) to the South African transfer secretaries above, to be received by 12:00 on Friday, 2 December 2011 ("**the final record date**"). All acceptances of the rights offer sent by post by the beneficial holder will be accepted provided the envelope is received by no later than 12:00 on Friday, 2 December 2011. No late postal acceptances will be accepted.
- Payment for the new NEPI shares subscribed for must be made in full by a cheque drawn on a South African bank or banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable", and in the case of a cheque with the words "or bearer" deleted) in favour of "NEPI – Rights Offer":
 - payable in South African Rand; and
 - lodged together with this duly completed form of instruction.
- The lodging or posting of this duly completed form of instruction and the payment of the relevant cheque/banker's draft in compliance with 3.1 and 3.2 above will be an acceptance of the rights offer by the shareholder concerned and an irrevocable authority to allot the new NEPI shares in question, subject to the memorandum and articles of association of NEPI.
- No receipt will be given for a cheque/banker's draft received in accordance with this rights offer.
- All cheques and bankers' drafts received will be deposited immediately for payment. Should any payment be refused, NEPI may in its sole discretion treat the relevant acceptance of new NEPI shares, if any, as void or may tender delivery of the appropriate NEPI share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.
- If this form of instruction is not lodged and completed fully and properly (the South African transfer secretaries shall be entitled to determine in their sole and absolute discretion whether such form of instruction has been completed fully and properly), and payment of the required amount is not received, by 12:00 on Friday, 2 December 2011, in terms of the provisions of 3.1 above, then the NEPI shareholder will be deemed to have declined the offer to subscribe for new NEPI shares in terms of the rights offer and the right to subscribe for new NEPI shares offered in terms of this form of instruction will lapse irrespective of who holds it.

4. RENUNCIATION OR SALE

- 4.1 If the NEPI shareholder whose name appears in Block (1) wishes to sell or renounce part or all of his/her rights, then:
- 4.1.1 such NEPI shareholder must complete Form A or Form B on page 4 of this form of instruction. This must be sent to Computershare SA in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 25 November 2011 if you wish to sell your entitlement and by no later than 12:00 on Friday, 17 December 2011 if you wish to renounce your entitlement. Computershare SA will endeavour to procure the sale of the rights on the JSE on behalf of such certificated shareholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses. Computershare SA will not have any obligation, or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such entitlements;
- 4.1.2 the renounee who wishes to accept the rights offer must complete Form C on page 4 of this form of instruction. The renounee must also lodge this form of instruction and make payment, in terms of paragraph 3, for the new NEPI shares in respect of which the rights offer is accepted.
- 4.2 The lodging of this form of instruction, with Form B purporting to be signed by the NEPI shareholder/s whose name/s appears thereon, will be conclusive evidence of the right of the renounee:
- 4.2.1 to deal with this form of instruction; or
- 4.2.2 to have the rights in question allotted and receive certificates in respect thereof.
- NEPI will not be obliged to investigate whether Form B or Form C has been properly signed or investigate any fact surrounding the signing or lodging of such forms.

5. EXCESS APPLICATIONS

Offerees and/or their renounees have the right to apply for new NEPI shares in excess of their entitlement. The right to apply for excess shares is transferable upon renunciation. Applications for additional new NEPI shares may be made by completing Blocks (7) and (8) above. Such excess shares will be equitably attributed based on the number of shares held as at the initial record date, the number of new shares applied for and the number of excess shares applied for, as set out in paragraph 8 of the circular.

By order of the board

New Europe Property Investments plc

Isle of Man
14 November 2011

GENERAL INSTRUCTIONS AND NOTES:

1. POWERS OF ATTORNEY

If this form of instruction is signed under a power of attorney then such power of attorney must be sent to Computershare SA, the South African transfer secretaries of NEPI, for registration, unless it has already been registered by them.

2. DECEASED ESTATES AND TRUSTS

New NEPI shares will not be allocated in the name of a deceased estate, a trust or a person under contractual disability.

Therefore, when the right to new NEPI shares has accrued to a deceased person, an estate or a trust, the executor or trustee, parent/guardian or curator (as the case may be) must complete Form B on page 4 of this form of instruction in his/her representative capacity (which authority must be lodged with the South African transfer secretaries) and Form C on page 4 of this form of instruction must be completed by the person in whose name the new NEPI shares are to be allocated without any reference to the estate, the trust or the beneficial owner. Letters of Executorship (if not previously registered) should be submitted to the South African transfer secretaries for record purposes.

3. JOINT HOLDERS

All joint holders of NEPI shares must sign where applicable.

4. SHARE CERTIFICATES

- 4.1 If the rights offer is accepted, then the NEPI share certificate will be posted, on or about Wednesday, 7 December 2011, to the certificated shareholder's address as shown in the register of shareholders of NEPI at such certificated shareholder's risk or, if an alternate address is given in the "Postal instructions" on page 4 of this form of instruction, to such address.
- 4.2 As NEPI uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, "block" certificates will be issued in respect of new NEPI shares.

5. EXCHANGE CONTROL REGULATIONS

- 5.1 The following summary is intended only as a guide and is, therefore, not comprehensive. If you are in any doubt as to the appropriate course of action, please consult your professional advisor.
- 5.2 In terms of the Exchange Control Regulations governing the rights offer, a "non-resident" endorsement has been applied to letters of allocation issued to shareholders who are non-residents of the common monetary area.
- 5.3 In terms of the Exchange Control Regulations non-residents who are not former residents may:
- 5.3.1 take up rights allocated to them in terms of the rights offer;
- 5.3.2 purchase rights on the JSE; and/or
- 5.3.3 subscribe for the new NEPI shares in terms of the rights offer,
- provided payment is received through normal banking channels or from a non-resident account. Share certificates issued pursuant to the application must be endorsed "non-resident".
- 5.4 Where rights are sold on the JSE on behalf of NEPI shareholders who are non-residents of the common monetary area, the proceeds of such shares are freely remittable through an authorised dealer in foreign exchange.
- 5.5 Where a right in terms of the rights offer falls due to an emigrant of the common monetary area ("emigrant"), which right is based on an investment which is blocked in terms of the Exchange Control Regulations, then blocked funds may be used to:
- 5.5.1 take up rights allocated to such emigrant in terms of the rights offer;
- 5.5.2 purchase rights on the JSE; and/or
- 5.5.3 subscribe for new NEPI shares in terms of the rights offer.
- 5.6 All applications by emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. NEPI share certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.
- 5.7 Where rights are sold on the JSE on behalf of NEPI shareholders or renounees who are emigrants, which rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to their respective blocked Rand accounts.

6. NON-RESIDENT SHAREHOLDERS

The attention of shareholders resident outside the common monetary area is drawn to paragraph 17 of the circular. It is the responsibility of all such persons (including without limitation, nominees and trustees) wishing to accept the rights offer to satisfy themselves of the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes in connection therewith due in such territory.

7. JSE LISTINGS

The JSE has granted a listing of the rights (in terms of the letters of allocation) to be issued in respect of a total of 14 285 714 new NEPI shares with effect from Monday, 7 November 2011 to Friday, 25 November 2011, both days inclusive and for the total number of 14 285 714 new NEPI shares from Monday, 28 November 2011.

FORM A: INSTRUCTION TO COMPUTERSHARE INVESTOR SERVICES (PROPRIETARY) LIMITED TO ENDEAVOUR TO PROCURE THE SALE OF THE RIGHTS ON THE JSE

Stamp and endorsement of selling broker (if any)

(To be signed by NEPI shareholder named in Block (1) if the right to the new NEPI shares is to be sold on the JSE)

Stamp and endorsement of selling broker (if any)

To the directors,

New Europe Property Investments plc

I/We hereby instruct Computershare Investor Services (Proprietary) Limited to pay the proceeds, if any, of the sale of the rights allocated to me/us in terms of this form of instruction (less R131.10 (inclusive of VAT) for trades of less than or equal to R40 000 and R131.00 (inclusive of VAT) plus 0.25% of the value of trades plus VAT for amounts greater than R40 000).

Signed _____

Date _____ 2011

Payment Instructions:

Tick appropriate box

1. By cheque, which should be posted at my/our own risk to the following address:

2. By electronic funds transfer to the following bank account:

Bank _____ Branch _____ Account number _____

3. To a charitable organisation to be selected by NEPI.

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE IN PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN THE NEPI SHAREHOLDER REGISTER.

In terms of the Financial Intelligence Centre Act ("FICA") regulations, Computershare Investor Services (Proprietary) Limited will not be able to record your banking details for EFT payment, unless the following documents are submitted:

- certified true copy of your Identification Document ("ID") and
- certified true copy of your bank statement.

FORM B: FORM OF RENUNCIATION

(To be signed by NEPI shareholder named in Block (1) if the right to the new NEPI shares is renounced.)

If all of the shareholder's rights to NEPI shares are not being renounced, please specify in the block how many of the rights are being renounced

To directors,

New Europe Property Investments plc

I/We hereby renounce the number of new NEPI shares specified in the above block and if no number is specified, all my/our rights allocated to me/us in terms of this form as stipulated in Block (3) on page 1, in favour of the person completing Form C.

Signed _____

Date _____ 2011

Stamp and endorsement of selling broker (if any)

(Note: Renouncees must attach a certified true copy of their Identification Document to the form of instruction, when Form B: Form of Renunciation has been completed)

FORM C: REGISTRATION APPLICATION FORM

(To be completed by the renouncee to whom the new NEPI shares are to be allotted.) This form will not be negotiable once this form is completed.

To the directors,

New Europe Property Investments plc

I/We

(a) authorise you to procure the allotment and issue of the number of new NEPI shares specified in Form B above or, if no number is specified the number of new NEPI shares stipulated in Block (3) on page 1 of this form of instruction in my/our own name(s) upon the conditions set out in the circular to NEPI shareholders issued on 14 November 2011 as read with this form of instruction; and

(b) authorise NEPI to place my/our names on the register of NEPI shareholders.

USE BLOCK LETTERS

Mr/Mrs/Miss/Ms/Dr/Prof _____

First names in full _____

Postal address (Preferably PO Box) _____

Telephone number (office hours) () _____

Cellphone number: _____

Email address: _____

Signed _____

Date _____

2011

Stamp and endorsement of buying broker (if any)

FORM D: POSTAL INSTRUCTIONS

NEPI share certificates should be forwarded at my/our risk, to the following address:

(BLOCK LETTERS)

Postal code _____

(If no specific instructions are given here, the NEPI share certificate will be forwarded to the address shown on page 1.)

Signed _____

Date _____

2011

A shareholder wishing to collect his/her/its new NEPI share certificate from the South African transfer secretaries must tick this block:

If the postal address to which the new NEPI share certificate is to be sent is different from the registered address, shareholders are required to attach a certified copy of their Identity Document ("ID") when returning this form.

Shareholders should read carefully the shareholder circular relating to New Europe Property Investments plc (the “company”) dated 14 November 2011 (the “circular”) before deciding whether to take any other action relating to the rights offer. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, legal advisor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or if not, from another appropriately authorised independent financial adviser.

IMPORTANT – THIS DOCUMENT REQUIRES YOUR IMMEDIATE ATTENTION. The offer contained herein expires at 10.00 a.m. (London Time) on 2 December 2011. This entire document must be presented when payment is made.

Holders of ordinary shares (“NEPI shares” or “ordinary shares”) in the company should read this provisional allotment letter (“PAL”) in conjunction with the circular. Save where the context requires otherwise, words and expressions defined in the circular shall have the same meaning in this PAL. Copies of the circular can be obtained from, or inspected at, the offices of Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH in each case during normal business hours on any weekday.

Application has been made to the London Stock Exchange for the admission of the new NEPI shares to trading on AIM. No application has been or will be made to the London Stock Exchange for the admission of the nil paid rights to AIM. This PAL is not negotiable and may not be renounced or dealt in by the original allottee in whole or in part, except to satisfy bona fide market claims. There will therefore be no dealings on AIM in the nil paid rights under the rights offer. No nil paid or fully paid rights will be listed or tradeable in the UK and entitlements to new NEPI shares will be as shown on a provisional allotment letter sent to qualifying shareholders to whom an offer can be made lawfully without publication of a prospectus in accordance with the Prospectus Directive. All reference to nil paid and fully paid rights in the UK are references to an entitlement under the rights offer but are not a reference to a tradable security.

[Name]	SRN:	[C0123456789]
[Address Line 1]		C0123456789]
[Address Line 2]		
[Address Line 3]		
[Address Line 4]	Entitlement No:	[12345678]
[Address Line 5]		12345678]
[Post Code]		

New Europe Property Investments plc

(incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006 with number 001211V)

A rights offer of a total of 14 285 714 new NEPI shares in the ratio of 16.14242 new NEPI shares for every 100 NEPI shares held on 11 November 2011 at an issue price of EUR2.80 per new NEPI share payable in full on acceptance no later than 10.00 a.m. (London time) on 2 December 2011

Provisional Allotment Letter (“PAL”)

<p style="text-align: center;">Box 1</p> <p style="text-align: center;">Registered holding of existing ordinary shares at close of business on 11 November 2011</p> <p style="text-align: center;">[●]</p>	<p style="text-align: center;">Box 2</p> <p style="text-align: center;">Number of new NEPI shares provisionally allotted to you</p> <p style="text-align: center;">[●]</p>	<p style="text-align: center;">Box 3</p> <p style="text-align: center;">Amount payable in full on acceptance at EUR2.80 per new NEPI share by not later than 10.00 a.m. on 2 December 2011</p> <p style="text-align: center;">€ [●]</p>
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<p>Action to be taken:</p> <p>If you wish to apply for all the new NEPI shares provisionally allotted to you, please sign Box 4 and return the whole of this PAL together with a cheque or banker’s draft in Euros for the full amount payable shown in Box 3 on page 1 of this PAL, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH.</p>	<p style="text-align: center;">Box 4</p> <p style="text-align: right;"><i>Holder signature</i></p>
<p>If you wish to apply for part of the new NEPI shares provisionally allotted to you, please sign Box 5 and return the whole of this PAL together with a covering letter confirming the whole number of NEPI shares that you would like to accept under the rights offer and a cheque or banker’s draft in Euros for an amount equal to the whole number of NEPI shares for which you wish to accept the rights offer multiplied by the EUR2.80, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH.</p>	<p style="text-align: center;">Box 5</p> <p style="text-align: right;"><i>Holder signature</i></p>
<p>If you wish to apply for excess NEPI rights offer shares, please sign Box 6 and return the whole of this PAL together with a covering letter confirming the whole number of NEPI excess rights offer shares that you would like to apply for and include with your payment for new NEPI shares accepted as above, an amount equal to the whole number of excess NEPI rights offer shares for which you wish to apply multiplied by the EUR2.80, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH.</p>	<p style="text-align: center;">Box 6</p> <p style="text-align: right;"><i>Holder signature</i></p>

<p>Delivery/enquiry addresses</p> <p><i>Deliver by post to or by hand (during normal business hours only) to:</i></p> <p>Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH</p> <p>Shareholder enquiries should be directed to Computershare Investor Services PLC at the address above or by phone on 0870 707 4040 or if calling from outside the UK on +44870 707 4040.</p>	<p>Schedule of key dates and times</p> <p><i>Latest time and date for:</i></p> <p>Acceptance and payment in full10.00 a.m. on 2 December 2011</p> <p>Dealing in new NEPI shares expected to commence on AIM.....8.00 a.m. on 5 December 2011</p> <p>Despatch of share certificates for new NEPI shares in certificated form expected..... by 7 December 2011</p>
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IMPORTANT: THIS DOCUMENT IS NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, OR ANY OTHER JURISDICTIONS WHERE TO DO SO WOULD BE UNLAWFUL. THE NEW NEPI SHARES TO WHICH THIS PAL RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933. EXCEPT AS OTHERWISE STATED IN THE CIRCULAR THE RIGHTS OFFER IS NOT BEING MADE TO PERSONS IN THE EXCLUDED TERRITORIES. NEITHER THE CIRCULAR NOR THIS PAL CONSTITUTES OR FORMS PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE NEW NEPI SHARES TO WHICH THIS PAL RELATES IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION WOULD BE UNLAWFUL. NEITHER THIS PAL NOR THE NEW NEPI SHARES TO WHICH THIS PAL RELATES WILL BE REGISTERED UNDER THE SECURITIES LAWS OF ANY OF THE EXCLUDED TERRITORIES AND NEITHER THIS PAL NOR THE NEW NEPI SHARES TO WHICH THIS PAL RELATES WILL QUALIFY FOR DISTRIBUTION UNDER ANY OF THE RELEVANT SECURITIES LAWS OF ANY OF THE EXCLUDED TERRITORIES (OTHER THAN PURSUANT TO ANY APPLICABLE EXCEPTIONS AS AGREED WITH THE COMPANY AND SMITH & WILLIAMSON). ACCORDINGLY, THIS PAL AND THE NEW NEPI SHARES TO WHICH THIS PAL RELATES (SUBJECT TO CERTAIN EXCEPTIONS) MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP EXERCISED, RESOLD, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, INTO OR WITHIN ANY OF THE EXCLUDED TERRITORIES. SHAREHOLDERS WITH REGISTERED ADDRESSES IN ANY OF THE EXCLUDED TERRITORIES ARE REFERRED TO PARAGRAPH 17 OF THE CIRCULAR. PERSONS INTO WHOSE POSSESSION THIS PAL MAY COME SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS.

If you have sold or otherwise transferred all or part of your ordinary shares (other than ex-rights) before 7 November 2011 (the “ex rights date”) please contact Computershare Investor Services PLC by phone on 0870 707 4040 or if calling from outside the UK on +44870 707 4040 and return this PAL to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH together with a covering letter. Computershare Investor Services PLC will arrange for this PAL to be split or transferred to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to, subject to certain exceptions, the US and the Excluded Territories. You should note that split PALs will only be issued to the extent necessary to meet bona fide market claims and that any split PAL returned to you in respect of the balance of your entitlement under the rights offer will be marked “Original duly renounced”.

To accept this provisional allotment in full or in part, please return the whole of this PAL with a cheque or banker’s draft for the appropriate amount payable to “New Europe Property Investments plc rights offer” and crossed “A/C Payee Only” in the reply paid envelope to arrive not later than 10.00 a.m. on 2 December 2011. If you wish to apply for excess shares, please include payment for the number of excess shares you wish to apply for with your payment for the rights which you wish to accept. If you wish to have the new NEPI shares registered in your name you do not have to complete any of the details in the rest of this PAL save that if your existing NEPI shares are held in uncertificated form in CREST you the new NEPI shares will be credited to your CREST account. Following payment on acceptance of the provisional allotment, this PAL will not be returned to you unless the new NEPI shares are to be credited to your CREST account in uncertificated form, the next document you will receive will be a share certificate for your new NEPI shares.

<p>Name and address of lodging agent:</p> <p>NAME.....</p> <p>ADDRESS.....</p> <p>POST CODE.....</p> <p>(If this box is not completed by the agent lodging this form for payment, this provisional allotment letter will be returned, if requested, to the person(s) named above)</p>	<p>Received the amount payable on acceptance, as stated in Box 3 above:</p> <p>For Computershare Investor Services PLC</p>	<p>Number of ordinary shares:</p> <p>Allotment No.:</p>
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Dear Shareholder,**1. PROVISIONAL ALLOTMENT**

Subject to and in accordance with the terms and conditions of this PAL and the circular and subject to the memorandum and articles of association of the company, you have been provisionally allotted, but conditional upon (amongst other things) Admission occurring by no later than 8.00 a.m. on 5 December 2011 (or such later time and/or date as the company may agree), the number of new NEPI shares set out in Box 2 on page 1 of this PAL. New NEPI shares have been provisionally allotted to qualifying shareholders on the basis of 16,14242 new NEPI shares for every 100 NEPI shares held and registered in the name of the qualifying shareholder at close of business on 11 November 2011. Fractions of new NEPI shares have not been allotted and entitlements have been rounded down to the nearest whole number of new NEPI shares. You have the right to subscribe for the new NEPI Shares provisionally allotted to you at a price of EUR2.80 per new NEPI share, payable in full on acceptance, in the manner set out in note 3 below, by no later than 10.00 a.m. on 2 December 2011. The new NEPI shares, when issued, will rank *pari passu* in all respects with the existing ordinary shares, including the right to receive dividends or other distributions made, paid or declared after the date of the circular. You may, subject to note 5 below, elect to accept all or any lesser whole number of new NEPI shares offered to you hereunder. Any balance you do not elect to accept may be sold or re-allotted for the benefit of the company or may simply lapse. You will not be able to sell or otherwise deal in any nil paid or fully paid rights in respect of all or any of the new NEPI shares to which this PAL relates. You may also apply for excess NEPI rights offer shares by completing the relevant section of this Provisional Allotment Letter.

2. ACCEPTANCE, APPLICATION FOR EXCESS SHARES AND PAYMENT

Except as provided in note 5 below, persons wishing to accept the provisional allotment of all of the new NEPI shares to which they are entitled should sign Box 4 on page 1 and then return the whole of this PAL, together with a cheque or banker's draft in Euros for the full amount payable shown in Box 3 on page 1 of this PAL, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to arrive as soon as possible and in any event so as to be received no later than 10.00 a.m. on 2 December 2011, being the latest time and date for acceptance and payment in full. A reply-paid envelope is enclosed for the purpose of lodging this PAL by post. Return of the PAL with payment in full will constitute acceptance of the provisional allotment upon the terms and subject to the conditions in the circular and this PAL and subject to the memorandum and articles of association of the company. Save as stated in the circular, if this PAL accompanied by payment in full for the new NEPI shares provisionally allotted has not been received by 10.00 a.m. on 2 December 2011, this provisional allotment will be deemed to have been declined and may be sold or re-allotted for the benefit of the company or may simply lapse. The company may elect, but shall not be obliged, to treat as valid PALs and accompanying remittances for the full amount due which are received through the post prior to 10.00 a.m. on 2 December 2011. The company may also, with the agreement of Smith & Williamson, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required. You may accept all or any of the new NEPI shares offered to you.

If you wish to accept only part of the rights offered to you hereunder, you should sign Box 5 on page 1 and return the whole of this PAL to Computershare Investor Services PLC, accompanied by a covering letter confirming the number of new NEPI shares to be taken up by you, together with a cheque or banker's draft in Euros for an amount equal to the whole number of shares that you would like to accept under the rights offer multiplied by EUR 2.80, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to arrive as soon as possible and in any event so as to be received no later than 10.00 a.m. on 2 December 2011, being the latest time and date for acceptance and payment in full.

If you wish to apply for excess NEPI rights offer shares not taken up by other shareholders, you should sign Box 6 on page 1 and return the whole of this PAL to Computershare Investor Services PLC, accompanied by a covering letter confirming the number of NEPI excess rights offer shares that you would like to apply for and you should include with your payment for the new NEPI shares you have accepted in terms of this PAL, an amount equal to the number of excess NEPI rights offer shares for which you wish to apply multiplied by EUR 2.80, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. Excess shares will be attributed equitably and refunds (if any) in respect of unsuccessful applications will be made on or about 7 December 2011. **All payments made must be made in Euro by cheque or banker's draft and should be made payable to "New Europe Property Investments plc Rights offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society in the United Kingdom or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited, or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. The company reserve the right to instruct Computershare Investor Services PLC to seek special clearance of cheques and banker's drafts to allow value to be obtained for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the rights offer that cheques shall be honoured on first presentation and the company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post to, from, by or on behalf of shareholders will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. You should not send cash.**

Such remittance, when received together with this PAL, will constitute acceptance of this provisional allotment for the relevant number of new NEPI shares in accordance with the terms and conditions in this PAL and those set out in the circular and subject to the memorandum and articles of association of the company. If requested, this PAL, duly receipted, will be returned to the first-named registered holder or if the lodging agent's box on page 1 is completed, to that person's name and address. It is a term of the rights offer that, to ensure compliance with the Money Laundering Regulations, Computershare Investor Services PLC may require verification of the identity of the person by whom or on whose behalf a PAL is lodged with payment. The person(s) (the "acceptor") who, by lodging a PAL with payment, as described above, accept(s) the allotment of the new NEPI shares (the "relevant shares") comprised in such PAL shall thereby be deemed to agree to provide Computershare Investor Services PLC and/or the company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If Computershare Investor Services PLC determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which Computershare Investor Services PLC shall in its absolute discretion determine) by 10.00 a.m. on 2 December 2011, the company may, in its absolute discretion, and without prejudice to any other rights of the company, treat the acceptance as invalid or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the rights offer) such shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which Computershare Investor Services PLC shall in its absolute discretion determine). If the acceptance is not treated as valid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, as the company may in its absolute discretion allow, the company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. Computershare Investor Services PLC is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the company nor Computershare Investor Services PLC will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a PAL with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in the acceptance being treated as invalid or in delays in the despatch of a share certificate.

3. DEFINITIVE SHARE CERTIFICATES AND CREDITS TO CREST STOCK ACCOUNTS

Definitive share certificates in respect of the new NEPI shares to be held in certificated form are expected to be despatched by post by 7 December 2011 to relevant accepting shareholders who elect or are deemed to elect to hold the new NEPI shares in certificated form, or, in the case of joint holdings, to the first-named shareholders (or to the lodging agent whose details are set out on page 4). All certificates will be despatched through the post at the risk of the person entitled thereto. Where the existing ordinary shares are held in CREST, new NEPI shares are expected to be credited to the relevant CREST account on 5 December 2011. After despatch of the share certificates or crediting of CREST accounts, this PAL will cease to be valid for any purpose whatsoever.

4. STAMP DUTY AND STAMP DUTY RESERVE TAX ("SDRT")

Please refer to paragraph 18 of the circular. If you are in any doubt as to your liability to stamp duty or SDRT, you should contact your professional adviser without delay.

5. OVERSEAS SHAREHOLDERS

The making or acceptance of the proposed offer of new NEPI shares to persons who have registered addresses outside South Africa, or who are resident in, or citizens of, countries outside South Africa, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights. Subject to the provisions of the circular, it is the responsibility of all persons (including, without limitation, custodians, nominees and trustees) outside South Africa wishing to take up their rights under the rights offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territory. Neither the receipt of the circular and/or a PAL will constitute an invitation or offer to any person in those jurisdictions in which it would be illegal to make an invitation or offer, and, in those circumstances, the circular and/or a PAL must be treated as sent for information only and should not be copied or redistributed. No person in a territory outside South Africa who receives a copy of the circular or this PAL may treat the same as constituting any invitation or offer to him, or use or deal with this PAL or take up any rights to new NEPI shares unless, in the relevant territory, such an invitation or offer can be made or the rights to the new NEPI shares can be taken up lawfully, without contravention of any registration or other legal or regulatory requirements. The attention of qualifying shareholders who are citizens or residents of countries outside South Africa is drawn to paragraph 17 of the circular.

Any person accepting this PAL or requesting registration of the new NEPI shares comprised herein represents and warrants to the company and Smith & Williamson that, except where proof has been provided to the company's satisfaction that such person's use of this PAL to take up rights to new NEPI shares will not result in the contravention of any applicable legal requirement in any jurisdiction, (a) such person is not accepting any allotment of new NEPI shares, from within the US or any of the Excluded Territories; (b) such person is not acting on a non-discretionary basis for a person located within the US or any of the Excluded Territories at the time the instruction to accept was given; and (c) such person is not acquiring new NEPI shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such new NEPI shares in or into the US or any of the Excluded Territories. The company and Smith & Williamson reserve the right to treat as invalid any acceptance or purported acceptance of the allotment of new NEPI shares which purports to modify or exclude such warranty. The company and Smith & Williamson also reserve the right to treat as invalid any acceptance or purported acceptance of the allotment of new NEPI shares which (a) appears to the company or Smith & Williamson to have been executed, effected or despatched from the US or any of the Excluded Territories or otherwise in a manner which may involve a breach of the laws or regulations of any territory; (b) provides an address in the US or any of the Excluded Territories for delivery of definitive share certificates to which it would be unlawful to deliver such certificates; or (c) purports to exclude the warranty required by this paragraph.

If you are located in the United States, you have provided an executed investor letter to the company confirming that you are, or are acting on behalf of, a qualified institutional buyer ("QIB") as defined in Rule 144A under the United States Securities Act of 1933 (the "Securities Act") and such investor letter has been accepted by the company in writing. If you have not provided such documentation in advance of returning this PAL, this PAL may be treated as invalid and may be rejected in the sole and absolute discretion of the company.

THE NEW NEPI SHARES TO WHICH THIS PAL RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, THE NEW NEPI SHARES MAY, SUBJECT TO CERTAIN EXCEPTIONS, BE OFFERED, SOLD, RESOLD, TAKEN UP, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS.

NEITHER THE CIRCULAR NOR THIS PAL CONSTITUTES OR FORMS PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE NEW NEPI SHARES TO WHICH THIS PAL RELATES IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION WOULD BE UNLAWFUL. NEITHER THIS PAL NOR THE NEW NEPI SHARES WILL BE REGISTERED UNDER THE SECURITIES LAWS OF ANY OF THE EXCLUDED TERRITORIES AND NEITHER THIS PAL NOR THE NEW NEPI SHARES WILL QUALIFY FOR DISTRIBUTION UNDER ANY OF THE RELEVANT SECURITIES LAWS OF ANY OF THE EXCLUDED TERRITORIES (OTHER THAN PURSUANT TO ANY APPLICABLE EXCEPTIONS AS AGREED WITH THE COMPANY AND SMITH & WILLIAMSON).

Registered office: New Europe Property Investments plc 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man IM1 4LN 14 November 2011	By order of the board Dan Pascariu Chairman
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Kindly note: This PAL is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This PAL is not transferable between different (i) account holders, (ii) classes of security, or (iii) uniquely designed accounts. The company and Computershare Investor Services PLC accept no liability for any instruction that does not comply with these conditions.



NEW EUROPE PROPERTY INVESTMENTS PLC

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”)

PRESENTATION DOCUMENT OF PRE-EMPTIVE RIGHTS

Share capital increase

It was announced on the Securities Exchange News Service (SENS – the news service operated by the JSE), Regulatory News Service (RNS – the regulatory information service operated by the London Stock Exchange) and on the Bucharest Stock Exchange (“BVB”) on Friday, 28 October 2011 that it was decided by NEPI corporate bodies namely, the board of directors of NEPI to undertake a rights offer to NEPI shareholders in order to raise EUR40 million.

NOTE: “shareholders registered in Romania” – for the purpose of this document, means the NEPI shareholders that have their NEPI shares registered in the accounts of the intermediaries opened with the Romanian Central Depository.

Entitlement

NEPI shareholders registered in Romania shall be entitled to receive 16.14242 pre-emptive rights for 100 NEPI shares owned at 7 November 2011.

For the shareholders owning less shares than 100 NEPI shares or fractions of their owned shares of less than 100 NEPI shares please find in the table attached as **Annex 1** the number of pre-emptive rights that you are entitled to.

NEPI shareholders registered in Romania and the investors holding pre-emptive rights on the Romanian record date (being 23 November 2011) will receive the right to subscribe for 1 new NEPI share for every 1 pre-emptive right held.

The pre-emptive rights are negotiable securities and can be traded on the BVB.

BVB TRADING

The pre-emptive rights and the rights offer shares will be available for trading as follows:

- pre-emptive rights in respect of new NEPI shares will be available for trading between 15 November 2011 and 18 November 2011, both days inclusive, under the BVB code: NEPR01 and ISIN code: IM00B510GN84; and
- the new NEPI shares should be available for trading from 7 December 2011.

Please note that in order to trade the pre-emptive rights on the BVB and to subscribe for new NEPI shares the shareholders should instruct their broker where the pre-emptive rights are held, to register in their individual accounts the corresponding number of pre-emptive rights. The transfer of the pre-emptive rights from the Central Depository to individual accounts is mandatory in order to subscribe for the rights offer shares, even if it is not intended by the respective investors to trade such rights on the BVB.

Number of pre-emptive rights necessary for the acquisition of the new share, value and number of the new shares

In terms of the rights offer a total of 14 285 714 new NEPI shares will be available at an issue price of EUR2.80, thereby raising a total amount of EUR40 million.

Please note that 1 pre-emptive right is required to be held on the Romania record date (being 23 November 2011) in order to be able to subscribe for 1 new NEPI share.

Subscription period

Rights offer opens (in respect of pre-emptive rights holders registered in Romania) at 12:00 Romanian time on

Wednesday, 23 November 2011

Rights offer closes (in respect of pre-emptive rights holders registered in Romania) at 12:00 Romanian time on

Monday, 28 November 2011

Price of subscription of new shares based on pre-emptive rights

The subscription price for rights offer shares is EUR2.80 per share for shareholders on the Romania register.

Subscription procedure

In order to subscribe for shares in terms of the rights offer please fill in the subscription form enclosed herein as **Annex 2**, which can be also obtained from NEPI's website (www.nepinvest.com) or on the BVB's website (www.bvb.ro) or at the office of Intercapital Invest SSIF located in 33 Aviatorilor Boulevard, 1st Floor, Sector 1, Bucharest, Romania, and submit it to your intermediary upon completion and signing. From the moment that pre-emptive rights holders exercise their pre-emptive rights by subscribing for NEPI shares, the pre-emptive rights holders registered in Romania at the Romania record date (being 23 November 2011) have the right to also apply for any excess rights offer shares not taken up by other shareholders and any such excess shares will be attributed equitably based on the number of shares held by the shareholder concerned and the number of excess shares applied for, taking cognisance of the number of shares and rights held by the shareholder prior to such allocation, including those taken up as a result of the rights offer, and the number of excess rights applied for by such shareholder.

In order to validly subscribe for NEPI shares (including subscribing for excess shares) the pre-emptive rights holders registered in Romania must express their intention to subscribe for NEPI shares by completing and signing the subscription form and by crediting their account with the intermediary, through which the subscription is made, with payment in full for the shares for which they are subscribing (including subscribing for excess shares, if applicable).

The payment for shares for which a pre-emptive rights holder is subscribing shall be done by the intermediaries from your accounts opened with them, within the accounts specially opened with the Central Depository. The payment shall in turn be transferred directly/indirectly to NEPI. If you are allocated less shares than the number of shares for which you have validly subscribed for, the Central Depository will refund the amount paid but for which no shares have been allocated, by repaying the difference to your intermediary which will in turn be disbursed to you.

New NEPI shares will only be issued to you based on the duly completed and signed subscription form and upon confirmation of the crediting of the full corresponding payment to the NEPI bank account.

Essential information provided in the last financial reports

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group Unaudited 30 June 2011 Euro	Group Audited 31 December 2010 Euro	Group Unaudited 30 June 2010 Euro
ASSETS			
Non-current assets	345 483 741	328 991 707	211 084 981
Investment property	321 839 207	313 755 281	196 914 767
Investment property at fair value	307 077 251	300 899 292	189 752 881
Investment property under development	14 761 956	12 855 989	7 161 886
Goodwill	13 849 887	13 849 887	12 790 551
Financial assets at fair value through profit or loss	3 706 983	1 386 539	1 379 663
Loans	6 087 664	—	—
Current assets	39 578 986	31 185 529	27 932 073
Trade and other receivables	4 139 975	7 338 247	4 465 634
Cash and cash equivalents	35 439 011	23 847 282	23 466 439
Total assets	385 062 727	360 177 236	239 017 054

	Group Unaudited 30 June 2011 Euro	Group Audited 31 December 2010 Euro	Group Unaudited 30 June 2010 Euro
<i>EQUITY AND LIABILITIES</i>			
Total equity attributable to equity holders	190 900 189	155 087 026	114 862 261
Share capital	808 328	712 686	562 686
Share premium	188 019 113	159 308 324	119 042 233
Share-based payment reserve	7 179 934	759 550	542 246
Currency translation reserve	(3 108 678)	(2 964 825)	(3 318 045)
Accumulated loss	(1 998 508)	(2 728 709)	(1 966 859)
Total liabilities	194 162 538	205 090 210	124 154 793
Non-current liabilities	181 677 497	185 374 433	116 257 774
Interest-bearing borrowings	165 139 885	168 564 379	105 223 417
Deferred tax liabilities	15 586 362	15 586 362	9 952 647
Financial liabilities at fair value through profit or loss	951 250	1 223 692	1 081 710
Current liabilities	12 485 041	19 715 777	7 897 019
Trade and other payables	5 143 621	7 656 857	6 335 216
Loans and borrowings	5 114 911	9 847 153	1 561 803
Tenant deposits	2 226 509	2 211 767	–
Total equity and liabilities	385 062 727	360 177 236	239 017 054
Net asset value per share	2.30	2.18	2.04
Adjusted net asset value per share	2.33	2.22	2.03
CONSOLIDATED STATEMENT OF INCOME			
Net rental and related income	11 996 800	16 224 196	7 797 115
Contractual rental income and expense recoveries	16 184 734	21 269 338	10 126 772
Property operating expenses	(4 187 934)	(5 045 142)	(2 329 657)
Share-based payments	(440 384)	(524 650)	(307 346)
Foreign exchange gain	227 552	178 175	421 927
Investment advisory fees	–	(703 323)	(679 627)
Administrative expenses	(813 007)	(1 991 478)	(461 517)
Fair value adjustment on investment property	–	1 111 927	–
Profit before net finance expense	10 970 961	14 294 847	6 770 552
Net finance expense	(3 809 261)	(5 906 809)	(3 827 037)
Finance income	143 453	581 765	196 896
Finance expense	(3 952 714)	(6 488 574)	(4 023 933)
Profit before tax	7 161 700	8 388 038	2 943 515
Tax	–	(1 476 694)	(9 813)
Profit for the period attributable to equity holders	7 161 700	6 911 344	2 933 702

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Unaudited 30 June 2011 Euro	Group Audited 31 December 2010 Euro	Group Unaudited 30 June 2010 Euro
Cash flows from operating activities	8 755 571	3 335 524	1 872 019
Cash flows from financing activities	11 708 126	53 813 129	18 346 688
Cash flows from investing activities	(8 955 636)	(45 441 330)	(8 697 486)
Net increase in cash and cash equivalents	11 508 061	11 707 323	11 521 221
Cash and cash equivalents brought forward	23 847 282	12 276 543	12 276 543
Translation effect on cash and cash equivalents	83 668	(136 584)	(331 325)
Cash and cash equivalents carried forward	35 439 011	23 847 282	23 466 439

Summary information on the medium term development strategy of the company

NEPI's property portfolio continues to perform well supported by the length of its lease profile and tenants with strong corporate covenants.

The group is actively pursuing further acquisition and investment opportunities and is in negotiations to conclude three transactions, which include a sizeable office acquisition, a land acquisition and a joint venture shopping centre development.

Destination of the amounts obtained as result of the share capital increase

The proceeds from the rights offer are expected to be used to fund potential acquisitions which NEPI is in the process of negotiating. Should the acquisitions not be completed, the proceeds from the rights offer will be used to repay existing borrowings.

Procedure of managing the non-subscribed shares as a result of exercising the pre-emptive rights

If an entitlement to subscribe for new NEPI shares is not validly taken up by 12:00 on 28 November 2011 in accordance with the procedure laid down for acceptance and payment in this document, then subscription will be deemed to have been declined and the shares may be sold or re-allotted for the benefit of NEPI or simply lapse.

A circular prepared in accordance with the rules of the JSE and AIM will be available for consultation for the Romanian investors, on NEPI's website (www.nepinvest.com) and on the website of Intercapital Invest (www.intercapital.ro).

Annex 1 to the Presentation Document – TABLE OF ENTITLEMENT

TABLE OF ENTITLEMENT

NEPI shareholders will be offered a total of 14 285 714 new NEPI shares in the ratio of 16.14242 new NEPI shares for every 100 NEPI shares held on Monday, 7 November 2011. No fractions of rights offer shares will be issued to shareholders and the rights offer shares will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of shareholders to receive rights offer shares is set out below:

Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing NEPI shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled
1	0.16	0.00	53	8.56	9.00
2	0.32	0.00	54	8.72	9.00
3	0.48	0.00	55	8.88	9.00
4	0.65	1.00	56	9.04	9.00
5	0.81	1.00	57	9.20	9.00
6	0.97	1.00	58	9.36	9.00
7	1.13	1.00	59	9.52	10.00
8	1.29	1.00	60	9.69	10.00
9	1.45	1.00	61	9.85	10.00
10	1.61	2.00	62	10.01	10.00
11	1.78	2.00	63	10.17	10.00
12	1.94	2.00	64	10.33	10.00
13	2.10	2.00	65	10.49	10.00
14	2.26	2.00	66	10.65	11.00
15	2.42	2.00	67	10.82	11.00
16	2.58	3.00	68	10.98	11.00
17	2.74	3.00	69	11.14	11.00
18	2.91	3.00	70	11.30	11.00
19	3.07	3.00	71	11.46	11.00
20	3.23	3.00	72	11.62	12.00
21	3.39	3.00	73	11.78	12.00
22	3.55	4.00	74	11.95	12.00
23	3.71	4.00	75	12.11	12.00
24	3.87	4.00	76	12.27	12.00
25	4.04	4.00	77	12.43	12.00
26	4.20	4.00	78	12.59	13.00
27	4.36	4.00	79	12.75	13.00
28	4.52	5.00	80	12.91	13.00
29	4.68	5.00	81	13.08	13.00
30	4.84	5.00	82	13.24	13.00
31	5.00	5.00	83	13.40	13.00
32	5.17	5.00	84	13.56	14.00
33	5.33	5.00	85	13.72	14.00
34	5.49	5.00	86	13.88	14.00
35	5.65	6.00	87	14.04	14.00
36	5.81	6.00	88	14.21	14.00
37	5.97	6.00	89	14.37	14.00
38	6.13	6.00	90	14.53	15.00
39	6.30	6.00	91	14.69	15.00
40	6.46	6.00	92	14.85	15.00
41	6.62	7.00	93	15.01	15.00
42	6.78	7.00	94	15.17	15.00
43	6.94	7.00	95	15.34	15.00
44	7.10	7.00	96	15.50	15.00
45	7.26	7.00	97	15.66	16.00
46	7.43	7.00	98	15.82	16.00
47	7.59	8.00	99	15.98	16.00
48	7.75	8.00	100	16.14	16.00
49	7.91	8.00	1 000	161.42	161.00
50	8.07	8.00	10 000	1 614.24	1 614.00
51	8.23	8.00	100 000	16 142.42	16 142.00
52	8.39	8.00			

SUBSCRIPTION FORM FOR SHAREHOLDERS REGISTERED IN ROMANIA

The undersigned:

Personal identification number/Fiscal code

For legal persons: Registered at the Commerce Register under the number _____ headquartered in _____. Legally represented by _____ as _____ represented by _____, identified with ID card number _____.

For individuals: ID card/passport number _____ issued by _____ on the date of _____.

Address:

Phone number:

e-mail:

Represented by _____ identified with ID card number _____ based on _____

Section 1 – SUBSCRIPTION

Holding a number of _____ pre-emptive rights issued by **New Europe Property Investments plc** at the Romanian record date of _____, I hereby agree to subscribe for _____ new **New Europe Property Investments plc** shares at the price of EUR _____ per share from a total of _____ new **New Europe Property Investments plc** shares that I have the right to subscribe.

I hereby instruct my broker respectively _____ to:

- credit my individual account with _____ pre-emptive rights held in the global account from the Central Depository;
- pay the amount of _____, representing the value of the new shares subscribed, to **New Europe Property Investments plc** by transferring it from my account to the account of the Central Depository;
- provide any information that might be required by the Central Depository or **New Europe Property Investments plc**.

Section 2 – EXCESS SHARES APPLICATION (shares not taken up by other shareholders in the rights offer)

I opt to acquire excess shares:	YES		NO	
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Note: In the case where none of the options above are selected, it will be considered that shareholders holding pre-emptive rights do not wish to subscribe for excess shares.

Section 3 – PROCEDURE RELATED TO EXCESS SHARES

IMPORTANT NOTE: THIS SECTION SHOULD BE FILLED AND SHALL APPLY ONLY TO THE SHAREHOLDERS WHO CHOOSE TO OPT FOR EXCESS SHARES AND ANSWERED YES IN SECTION 2 – EXCESS SHARES ABOVE.

I agree to subscribe, acquire and pay up to a number of _____ new **New Europe Property Investments plc** shares, in excess to the those subscribed following the exercise of the pre-emptive rights (the “excess shares”), at the price of EUR_____ per share totalling an amount of EUR_____.

I hereby instruct my broker respectively _____ to:

- pay the amount of EUR_____, representing the value of the excess shares toward **New Europe Property Investments plc** by transferring it from my account into the account of the Central Depository at the date of this subscription
- provide any information that might be required by the Central Depository or **New Europe Property Investments plc** for the purpose of finalising the subscription procedure.

I hereby confirm that I have read the information from the the “Presentation Document”, available on the web page of **New Europe Property Investments plc** (<http://www.nepinvest.com/>) and on the web page of BVB.

Subscription date: _____

Name of shareholder: _____

Shareholder signature (and stamp, if applicable): _____

Intermediary name: _____

Name of intermediary representative: _____

Intermediary stamp: _____