



NEW EUROPE PROPERTY INVESTMENTS PLC

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

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

Registered office: 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, IM1 4LN

AIM share code: NEPI BVB share code: NEP JSE share code: NEP ISIN: IM00B23XCH02 ("NEPI", "the Group" or "the Company")

The Company is required to publish financial results for the nine months ended 30 September 2013 in terms of the rules of the Romanian Financial Supervisory Authority ("RFSA") and the Rule Book of the Bucharest Stock Exchange ("BVB"). Accordingly, this announcement presents the unaudited condensed consolidated financial results of the Group in respect of the financial period from 1 January 2013 to 30 September 2013 in a form compliant with the requirements of the RFSA and the BVB.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Pro forma Unaudited 30 Sep 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 30 Sep 2012	IFRS Unaudited 30 Sep 2013	IFRS Restated Unaudited 31 Dec 2012	IFRS Restated Unaudited 30 Sep 2012
	€	€	€	€	€	€
ASSETS						
Non-current assets	797 392 182	444 666 197	446 150 035	773 611 559	418 853 914	429 573 598
Investment property	736 950 075	416 674 175	418 385 813	674 736 143	356 732 724	374 721 508
Investment property at fair value	609 635 525	393 966 226	387 672 978	555 052 079	339 851 226	361 026 154
Investment property under development	127 314 550	22 707 949	30 712 835	119 684 064	16 881 498	13 695 354
Goodwill	28 933 146	13 188 795	13 912 760	28 933 146	13 134 609	13 858 629
Investments in joint ventures	-	-	-	4 074 706	3 546 212	(1 437 606)
Long-term loans granted to joint ventures	-	-	-	34 361 557	30 368 931	29 127 907
Other long-term assets	29 845 532	14 727 635	13 703 706	29 842 578	14 995 846	13 155 404
Financial assets at fair value through profit or loss	1 663 429	75 592	147 756	1 663 429	75 592	147 756
Current assets	148 758 457	185 176 059	98 168 464	142 245 362	176 894 494	90 149 031
Trade and other receivables	30 254 573	15 798 975	11 479 924	26 949 110	9 748 620	7 644 189
Financial investments at fair value through profit or loss	60 554 270	81 865 443	54 850 042	60 554 270	81 865 443	54 850 042
Cash and cash equivalents	57 949 614	87 511 641	31 838 498	54 741 982	85 280 431	27 654 800
Investment property held for sale	1 075 509	28 665 158	-	1 075 509	28 665 158	-
Total assets	947 226 148	658 507 414	544 318 499	916 932 430	624 413 566	519 722 629
EQUITY AND LIABILITIES						
Equity attributable to equity holders	641 760 646	393 622 378	318 322 499	641 760 646	393 622 378	318 322 499
Share capital	1 855 188	1 352 629	1 199 308	1 855 188	1 352 629	1 199 308
Share premium	561 761 838	355 026 520	293 287 953	561 761 838	355 026 520	293 287 953
Share-based payment reserve	24 296 603	15 491 810	13 946 514	24 296 603	15 491 810	13 946 514
Currency translation reserve	(1 228 783)	(1 228 783)	136 392	(1 228 783)	(1 228 783)	136 392
Accumulated profit	55 075 800	22 980 202	9 752 332	55 075 800	22 980 202	9 752 332
Total liabilities	305 465 502	264 885 036	225 996 000	275 171 784	230 791 188	201 400 130
Non-current liabilities	198 416 151	147 151 095	204 827 698	172 036 776	120 605 636	185 720 584
Loans and borrowings	156 627 887	117 100 152	178 712 888	131 824 679	92 935 525	161 518 487
Deferred tax liabilities	35 323 328	22 321 189	19 205 561	34 505 568	21 567 836	18 452 208
Other long-term liabilities	1 608 904	-	-	1 608 904	-	-
Financial liabilities at fair value through profit or loss	4 856 032	7 729 754	6 909 249	4 097 625	6 102 275	5 749 889
Current liabilities	107 049 351	117 733 941	21 168 302	103 135 008	110 185 552	15 679 546
Trade and other payables	28 899 479	12 985 200	6 721 971	28 043 949	9 773 420	3 257 038
Loans and borrowings	74 854 458	102 048 042	11 709 194	71 902 831	97 781 406	9 728 738
Tenant deposits	3 295 414	2 700 699	2 737 137	3 188 228	2 630 726	2 693 770
Total equity and liabilities	947 226 148	658 507 414	544 318 499	916 932 430	624 413 566	519 722 629

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE

	Pro forma Unaudited 30 Sep 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 30 Sep 2012
	€	€	€
Adjusted net asset value	659 749 479	415 243 794	336 120 813
Net asset value per the Statement of financial position	641 760 646	393 622 378	318 322 499
Loans in respect of the Initial Share Scheme	11 598 651	12 489 022	12 505 513
Deferred tax liabilities	35 323 328	22 321 189	19 205 561
Goodwill	(28 933 146)	(13 188 795)	(13 912 760)
Net asset value per share	3.36	2.83	2.58
Adjusted net asset value per share	3.37	2.88	2.61
Number of shares for net asset value per share purposes	190 804 302	139 258 914	123 576 781
Number of shares for adjusted net asset value per share purposes	195 523 392	144 362 152	128 686 411

KEY PERFORMANCE INDICATORS

	Pro forma Unaudited 30 Sep 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 30 Sep 2012
Current liquidity ratio	1.40	1.82	2.05
Gearing ratio (debt to equity)	2.4:10	3.0:10	5.6:10
Tenant receivables turnover	15.46 days	10.02 days	5.5 days
Return on investment property	7% per annum	8% per annum	8% per annum

BASIS OF PREPARATION

These unaudited condensed consolidated financial results for the nine months ended 30 September 2013 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Board ("IASB").

The accounting policies which have been applied are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2012, with the following exceptions:

- As a result of the adoption of IFRS 11 "Joint Arrangements" effective 1 January 2013, the Group is now accounting for its investments in joint ventures under the equity method. The Group has restated the presentation of the Statement of Financial Position and Statement of Income starting 1 January 2012, which previously included joint ventures accounted for under the proportionate consolidation method.
- The Group has changed the functional currency to Euro effective 1 January 2013. According to IFRS, previously issued financial statements are not restated in this respect.

As the Group is focusing on being consistent on those areas of reporting that are seen to be of most relevance to investors and on providing a meaningful basis of comparison for users of the financial information, it has prepared an unaudited pro forma statement of financial position and an unaudited pro forma statement of income.

CONSOLIDATED STATEMENTS OF INCOME

	Pro forma Unaudited 30 Sep 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 30 Sep 2012	IFRS Unaudited 30 Sep 2013	IFRS Restated Unaudited 31 Dec 2012	IFRS Restated Unaudited 30 Sep 2012
	€	€	€	€	€	€
Net rental and related income	30 918 059	30 432 771	22 252 206	27 997 207	28 344 410	20 907 479
Contractual rental income and expense recoveries	41 869 346	40 176 801	28 813 628	37 628 001	37 312 436	26 970 868
Property operating expenses	(10 951 287)	(9 744 030)	(6 561 422)	(9 630 794)	(8 968 026)	(6 063 389)
Administrative expenses	(1 536 597)	(2 211 006)	(1 413 143)	(1 338 642)	(2 103 006)	(1 388 409)
Acquisition fees	(2 348 747)	(1 594 393)	(963 436)	(2 348 747)	(915 212)	(509 752)
Fair value adjustments of investment property	-	6 450 485	-	-	1 063 940	-
Fair value gains of financial investments at fair value through profit or loss	660 054	10 287 980	6 391 471	660 054	10 287 980	6 391 471
Net result on sale of listed securities investments	586 421	26 280	26 250	586 421	26 280	26 250
Dividends received from listed securities investments	1 940 223	796 411	308 692	1 940 223	796 411	308 692
Share-based payment expense	(972 544)	(996 909)	(877 193)	(972 544)	(996 909)	(877 193)
Foreign exchange loss	(411 778)	(2 529 495)	(4 736 641)	(426 131)	(2 352 634)	(4 493 137)
Gain on acquisition of subsidiaries	5 546 854	-	-	5 546 854	-	-
Gain on disposal of investment property held for sale	527 258	-	-	527 258	-	-
Other operating income	-	10 264 266	10 264 266	-	10 264 266	10 264 266
Profit before net finance (expense)/income	34 909 203	50 926 390	31 252 472	32 171 953	44 415 526	30 629 667
Net finance (expense)/income	(732 149)	(12 574 251)	(9 939 362)	1 679 559	(9 537 659)	(8 323 281)
Finance income	4 978 627	1 853 838	1 578 966	6 335 191	4 098 704	3 120 878
Finance expense	(5 710 776)	(14 428 089)	(11 518 328)	(4 655 632)	(13 636 363)	(11 444 159)
Share of profit / (loss) of joint ventures	-	-	-	261 135	2 720 919	(1 746 629)
Profit before tax	34 177 054	38 352 139	21 313 110	34 112 647	37 598 786	20 559 757
Deferred tax expense	1 767 225	(5 248 690)	(1 409 097)	1 831 632	(4 495 337)	(655 744)
Profit for the period attributable to equity holders	35 944 279	33 103 449	19 904 013	35 944 279	33 103 449	19 904 013

RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS

	Pro forma Unaudited 30 Sep 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 30 Sep 2012	IFRS Unaudited 30 Sep 2013
	€	€	€	€
Profit for the period attributable to equity holders	35 944 279	33 103 449	19 904 013	35 944 279
Unrealised foreign exchange loss	220 238	2 529 495	4 736 641	219 067
Acquisition fees	2 348 747	1 594 393	963 436	2 348 747
Share-based payment expense	972 544	996 909	877 193	972 544
Accrued interest on share-based payments	424 152	569 597	434 156	424 152
Fair value adjustments of investment property	-	(6 450 485)	-	-
Fair value gains of financial investments at fair value through profit or loss	(660 054)	(10 287 980)	(938 264)	(660 054)
Financial assets at fair value	(2 635 310)	6 328 495	-	(1 766 238)
Amortisation of financial assets	(306 270)	(572 063)	(572 063)	(306 270)
Net result on sale of listed securities investments	(586 421)	(26 280)	-	(586 421)
Dividends received from listed securities investments	(1 940 223)	(796 411)	-	(1 940 223)
Accrued income from financial investments at fair value through profit or loss	3 755 076	3 092 147	1 329 538	3 755 076
Gain on disposal of investment property held for sale	(527 258)	-	-	(527 258)
Gain on acquisition of subsidiaries	(5 546 854)	-	-	(5 546 854)
Deferred tax (income) / expense	(1 767 225)	5 248 690	1 409 097	(1 831 632)
Shares issued cum distribution	2 497 976	3 156 648	1 778 338	2 497 976
Non-distributable portion of the vendor settlement income	-	(3 144 561)	(3 144 561)	-
Adjustments related to joint ventures				
Unrealised foreign exchange loss	-	-	-	1 171
Financial assets at fair value	-	-	-	(869 072)
Deferred tax expense	-	-	-	64 408
Distributable earnings for the period	32 193 397	35 342 043	26 777 524	32 193 397
Distribution from reserves	1 691 799	-	-	1 691 799
Less: distribution declared	(20 594 618)	(31 497 562)	(14 101 923)	(20 594 618)
Interim distribution	(20 594 618)	(14 101 923)	(14 101 923)	(20 594 618)
Final distribution	-	(17 395 639)	-	-
Earnings not distributed	13 290 578	3 844 481	12 675 601	13 290 578
Number of shares entitled to distribution	195 523 392	144 362 152	128 686 411	195 523 392
Distributable earnings per share (euro cents)	18.67	25.95	21.09	18.67
Distribution from reserves per share (euro cents)	1.06	-	-	1.06
Less: distribution declared per share (euro cents)	(12.93)	(23.29)	(11.24)	(12.93)
Interim distribution per share (euro cents)	(12.93)	(11.24)	(11.24)	(12.93)
Final distribution per share (euro cents)	-	(12.05)	-	-
Earnings per share not distributed (euro cents)	6.80	2.66	9.85	6.80

The main difference between the unaudited pro forma statements and the unaudited condensed consolidated financial results for the nine months ended 30 September 2013 prepared in accordance with IFRS is that the unaudited pro forma statements are prepared using the proportionate consolidation method for the investments in joint ventures, consistent with financial statements prepared in accordance with IFRS reported in prior periods. The unaudited pro forma statement of financial position and the unaudited pro forma statement of income have been prepared by and are the responsibility of the directors of NEPI.

Due to its nature, the unaudited pro forma statements of financial position and income may not fairly reflect the financial position and results of the Group after the difference set out above.

The condensed consolidated financial results for the nine months ended 30 September 2013 prepared in accordance with IFRS, the pro forma statement of financial position and the pro forma statement of income have not been reviewed or reported on by the Group's external auditors.

14 November 2013

For further information please contact: New Europe Property Investments Pl