NEW EUROPE PROPERTY INVESTMENTS PLC

AUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 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")

DIRECTORS' COMMENTARY

DISTRIBUTABLE EARNINGS

The Group has achieved distributable earnings of 13.92 euro cents per share for the second half of the financial year ended 31 December 2013, which is in line with the earnings guidance issued on 6 August 2013. This result, combined with the 11.87 euro cents per share for the first half of the financial year, represents a 23.5% improvement in recurring income per share when compared to 2012.

This improvement is due to the continued strong performance of the Group's assets and the favourable impact of acquisitions and developments completed during the financial year, which are detailed below.

DISTRIBUTION

The Board of Directors has resolved to set the 2013 full year distribution to 26.79 euro cents per share, an improvement of 15% over the 23.29 euro cents distribution declared in relation to 2012. Accordingly, the Board has declared a final distribution of 13.86 euro cents per share for the six months ended 31 December 2013.

OPTION TO RECEIVE CAPITAL RETURN

Consistent with the practice introduced in 2012, the Board has resolved to offer shareholders the option to receive their distribution as either cash or an issue of fully-paid shares up at a ratio of 2.742 new shares for each 100 held.

A circular that contains details of this resolution, accompanied by announcements on the Stock Exchange News Service (SENS) of the Johannesburg Stock Exchange (JSE), the Regulatory News Service (RNS) of the London Stock Exchange (LSE) and the Bucharest Stock Exchange (BVB), will be issued in due course.

RETAINED DISTRIBUTABLE EARNINGS

In recent years the Board has adopted a policy of retaining non-recurring distributable earnings and considering them for distribution as the Group increasingly pursued various property developments that are expected to have a positive impact on per share distributions once complete, but that are earnings dilutive during construction. This policy was devised during the 2011 financial year to maintain a constant growth profile in per share distributions during the construction phase at an annualised target rate of 15% over a three-year period (from the 2010 base). In the second half of the 2013 financial year, the Group achieved its three year growth target in distribution per share without making use of retained distributable earnings. The balance of retained distributable earnings carried forward from prior financial periods on 31 December 2013, after the final period distribution of 2013, is €6.7 million.

This amount will be considered for distribution during 2014 and 2015. The Group will continue to focus on maximising long-term distribution per share by investing in further development opportunities with acceptable risk profiles, even if these lead to a short-term reduction in year-on-year distribution growth. As a result the growth in distributable earnings per share could be irregular in the future.

ACQUISITIONS AND DEVELOPMENTS

The Group completed the acquisition and development of a number of properties during 2013. The effective date of an acquisition, or opening date of a development, is detailed in brackets after the property name. Further information is available in previous announcements. All figures relating to populations are estimates.

RETAIL PROPERTY ACQUISITIONS AND DEVELOPMENTS

Aupark Zilina (31 July 2013): The Group has acquired Aupark Zilina, a regional mall with 21,958m² of retail Gross Leasable Area (GLA), situated in the historic centre of Zilina, Slovakia, 200 km from the capital Bratislava and close to the Czech and Polish borders. Zilina, with a population of 85,000 is the country's third largest city, an important industrial hub and the capital of a region with 700,000 residents. Within 30-minute drive of the shopping centre are 380,000 citizens. Major tenants include international brands such as Billa, C&A, Deichmann, H&M and New Yorker.

City Park (31 October 2013): The Group has acquired City Park, a mall of 29,284m² GLA situated in Constanta, Romania. It is located on a busy intersection close to the centre and a short distance from Mamaia, the country's most popular seaside resort. The Constanta metropolitan area has 425,000 residents, while Mamaia attracts large numbers of visitors each summer holiday. City Park hosts a wide range of global fashion brands such as Bershka, Koton, LC Waikiki, Mango, Marks & Spencer, Orsay, Oysho, Pull & Bear, Stradivarius and Zara, as well as a Cora hypermarket, several international fast food brands like KFC, McDonalds and Pizza Hut, and various other international and national tenants. City Park has existing, approved building rights, which NEPI intends to utilise to develop a substantial fashion and leisure extension.

Deva Shopping Centre (31 July 2013): The Group has acquired a regional shopping centre with 42,180m² GLA in Deva, Romania, the capital of Hunedoara county. In addition to Deva's population of 56,000, the catchment area includes 220,000 residents within a 45-minute drive of the centre. Major tenants include Metro Cash & Carry, Real Hypermarket (in the process of being re-branded as an Auchan Hypermarket), Praktiker DIY, dm, Domo, Jysk and Takko. The acquisition includes 29,000m² of land intended for extensions.

Severin Shopping Center (1 May 2013): The Group has acquired Severin Shopping Center in Drobeta-Turnu Severin, Romania, which has 16,546m² GLA and 23,000m² of additional land intended for extensions. Major tenants include Altex, Carrefour, Deichmann, Lee Cooper, New Yorker, Orsay and Takko.

Shopping City Galati (21 November 2013): The Group has completed the development of Shopping City Galati in Romania. The completed shopping centre, which has 27,206m² of GLA, houses various international brands, including Carrefour, CCC, C&A, Deichmann, dm, H&M, Intersport, KFC and New Yorker. It was completed in six months from the issue of the building permit and the Group owns enough land for a substantial future extension.

Strip mall developments: The Group opened four Kaufland extensions in Romania: Alexandria (2 May 2013), Petrosani (24 October 2013), Sighisoara (14 November 2013) and Sfantu Gheorghe (21 November 2013).

OFFICE PROPERTY ACQUISITIONS

The Lakeview (1 January 2013): The Group has acquired The Lakeview in north-east Bucharest, Romania, a landmark A-grade building, including office space and ground-floor retail. The building comprises a total GLA of 25,564m² and 485 parking spaces. It is located close to NEPI's Floreasca Business Park in the emerging office corridor between Floreasca and Barbu Vacarescu streets. Tenants include Alcon, Colgate-Palmolive, Huawei, Philips, PricewaterhouseCoopers and Royal Bank of Scotland.

DISPOSALS

Retail Park Pitesti (29 April 2013): As announced in August 2012, the hypermarket section of Retail Park Pitesti was sold to the Auchan Group for a total consideration of €29.4 million.

DEVELOPMENT PIPELINE

The Group has steadily been increasing its exposure to developments in the past few years. Developments and redevelopments of a number of properties in 2011, 2012 and 2013 have made significant contributions to growth in recurring income per share. The Group's development pipeline, including redevelopment opportunities and extensions of secured acquisitions, has increased to €386 million (estimated at cost), of which €91 million had been incurred by 31 December 2013. This represents an increase of €179 million compared to the position on 31 December 2012.

RETAIL PROPERTY DEVELOPMENTS AND EXTENSIONS

Mega Mall: The Group has acquired a 70% interest in a permitted development on the former Electroaparataj factory site in Bucharest, and in conjunction with Austrian development group Real4You commenced construction of a 70,000m² GLA mall. The 51,000m² site is located close to the national football stadium, in the city's densely populated east area which currently lacks retail space. Mega Mall is visible from a major vehicle artery and has excellent access to public transport, including trams, buses and trolley buses. A metro station is planned in front of the mall and the centre is expected to connect to it. Leasing efforts are progressing well and the opening is planned for the second quarter of 2015.

Shopping City Targu Jiu: The Group has secured a series of adjoining plots of land with a total area of 40,000m² in Targu Jiu, Romania, and has commenced construction of a regional shopping centre with 27,000m² GLA. Targu Jiu is the capital of Gorj county, and with its population of 78,000 is its largest city. Employment levels in the county are high, it has one of the highest per capita income levels in the country, and purchasing power is relatively high. A series of large industrial developments are anticipated to occur in the area, which could stimulate further economic growth. Currently there are no major retail developments in Targu Jiu. The site is located in the most densely populated area of the city, near the existing Kaufland hypermarket, and there are an additional 150,000 residents within a 30-minute drive. Lease agreements have been signed with tenants for 50% of the GLA, including Carrefour, the anchor hypermarket. The target opening date is October 2014.

Vulcan Value Centre: The Group owns a 78,000m² former factory site, located in an under-serviced and densely populated area of Bucharest, where it is developing a value centre with 24,900m² GLA, anchored by a hypermarket and other value tenants. The site has good vehicular access to two major boulevards, excellent access to trams and buses, and should attract many pedestrians from the surrounding densely populated area. A building permit has recently been issued after an unplanned delay which was outside the Group's control, and construction commenced. The targeted opening date is September 2014. More than 65% of the development has been let to international and national tenants, including a Carrefour hypermarket, dm, C&A, Domo, H&M, Takko and KFC.

Strip mall developments: Further to the four Kaufland value centres opened during 2013, the Group expects to open a similar centre in Vaslui in the second quarter of 2014, and intends to pursue other opportunities in similar sized Romanian cities which are under-serviced by modern retail facilities.

Retail extensions: Various retail extensions are planned to commence subject to obtaining the necessary authorisations, permits and tenant commitments. These include extensions to NEPI's retail assets in Brasov, Braila, Constanta, Deva and Drobeta-Turnu Severin.

OFFICE PROPERTY DEVELOPMENTS

City Business Centre: The Group owns City Business Centre in Timisoara, Romania, a city that is home to a growing back-office activities and services market that offers a skilled labour force, low costs and proximity to Western Europe. The Group also has a forward purchase agreement for two additional buildings in City Business Centre, with 20,000m² GLA, the second is still under development. An initial early payment of €8 million was made to the vendor in February 2013 through a secured loan.

The Office Cluj-Napoca: In February 2013 the Group commenced the first of three phases of a joint venture office development situated in the city centre of Cluj-Napoca. This will include up to 54,400m² of A-grade office GLA. Cluj is in the north-west of Romania and is the country's second largest city by population. The first phase of 19,600m² GLA is planned to be completed and delivered in April 2014. Significant tenant interest has been generated for what will be Cluj's first A-grade office development.

Piata Victoriei Office Development: Permits should soon be available for a landmark office development on land owned by NEPI in a prime location in central Bucharest.

OTHER HIGHLIGHTS

The Group has grown significantly during 2013 and as a result NEPI has been included in the JSE mid-cap index. The total number of shareholders increased from 3,479 at the end of 2012 to 6,011 at the end of 2013; the daily trade in shares also increased.

On 31 December 2013, the Adjusted Net Asset Value (NAV) was 28.5% higher than it was at the end of the previous year. Vacancy level is decreasing: calculated as a portion of available rentable area (excluding the rentable areas covered by earn-out arrangements in City Business Centre, Timisoara) at the end of 2013 it was 2.33% compared to 4.8% the previous year (3.56% on a like-for-like basis). Non-recoverable tenant income for 2013 amounted to €87,963, equivalent to 0.14% of contractual rental income and expense recoveries for the year.

Due to the growth in activity, the Group increased its focus on corporate governance to ensure that adequate internal controls are in place to manage risks.

Two new directors joined the Board in September 2013, Alexandru Morar and Tiberiu Smaranda. The Group also augmented its management team by recruiting additional experienced asset management, leasing, project development and finance professionals.

SIBIU SHOPPING CITY DEBT ACQUISITION

Further to the previous announcements regarding Argo Real Estate Opportunities Fund Limited (Argo), an AIM listed company, which was suspended from trading on 30 August 2013 and had commenced unsubstantiated and vexatious legal proceedings against NEPI and Volksbank in relation to the Sibiu Shopping City debt acquisition by the Group, the Board has decided not to pursue the acquisition of the debt any further due to the refusal of KBC bank (the lead arranger and agent for a consortium of banks) to approve the transfer of debt from Volksbank to NEPI. The Group is considering available legal remedies.

CASH MANAGEMENT AND DEBT

Throughout the financial year the Company raised €253 million via the issue of new ordinary shares, €84 million in new third-party debt facilities and €63 million in extended secured third-party debt facilities. On 31 December 2013 the Group's gearing ratio (interest bearing debt less cash divided by investment property and listed property shares) decreased to 22.5%, compared to 25% at 31 December 2012. The average interest rate (including hedging costs) of the debt was approximately 4.6% during the financial year. The weighted-average margin may increase further in the coming financial periods as further loans are taken, while the impact of a potential increase in the base rate (Euribor) has been limited by extending or concluding new interest rate hedges to five years or more, mostly by means of acquiring interest rate caps.

The Group ended the year with €117 million in cash and listed property shares, and will continue to hold relatively large cash and liquid resources to fund its development pipeline and take advantage of new investment opportunities, as and when they arise.

In addition to the cash balances, the Group has an undrawn, secured revolving facility with UniCredit Tiriac Bank for €9.5 million. Further secured debt facilities will be considered during the current financial year.

PROSPECTS

NEPI has maintained high levels of growth in recurring distributable earnings per share over the course of the past six years, and as a result has achieved a nominal average compounded annual growth rate of 12.7% in distribution per share from 2008 to 2013.

The development pipeline detailed above ensures that the Group is well placed to pursue further attractive investment opportunities and grow its recurring distributable earnings in 2014 and beyond. In addition, the Group will continue to explore further acquisitions and development opportunities in Romania and other central-eastern European countries, with initiatives already underway. Relevant announcements will be made as and when appropriate.

EARNINGS GUIDANCE

The Board is confident that recurring distributable earnings per share for the first half of 2014 will range from 13.90 to 14.20 euro cents per share (compared to 11.87 euro cents per share for the six months ended on 30 June 2013) based on the assumptions that a stable macroeconomic environment prevails, no major corporate failures occur and no further shares will be issued during the period.

Consequently growth in distribution per share of 15% is expected to be achieved for the interim period ending 30 June 2014. This forecast has not been audited or reviewed by NEPI's auditors.

By order of the Board of Directors,

Martin Slabbert — Chief Executive Officer
Victor Semionov — Finance Director

5 February 2014

Transfer secretaries and settlement agent
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Directors
Dan Pascariu (Chairman)*, Martin Slabbert (Chief Executive Officer), Alexandru Morar#, Desmond de Beer**, Dewald Joubert*, Jeffrey Zidel*, Michael Mills*, Tiberiu Smaranda#, Victor Semionov (Finance Director)
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All amounts in € unless otherwise stated

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
ASSETS				
Non-current assets	**920 924 337**	444 666 197	**898 039 548**	418 853 914
Investment property	**872 465 600**	416 674 175	**807 465 172**	356 732 724
Investment property at fair value	**758 623 401**	393 966 226	**703 811 000**	339 851 226
Investment property under development	**113 842 199**	22 707 949	**103 654 172**	16 881 498
Goodwill	**16 217 650**	13 188 795	**16 217 650**	13 134 609
Investments in joint ventures	–	–	**5 054 897**	3 546 212
Long-term loans granted to joint ventures	–	–	**37 063 751**	30 368 931
Other long-term assets	**29 831 099**	14 727 635	**29 828 090**	14 995 846
Financial assets at fair value through profit or loss	**2 409 988**	75 592	**2 409 988**	75 592
Current assets	**148 359 320**	185 176 059	**141 606 515**	176 894 494
Trade and other receivables	**31 443 288**	15 798 975	**28 035 680**	9 748 620
Financial investments at fair value through profit or loss	**61 078 624**	81 865 443	**61 078 624**	81 865 443
Cash and cash equivalents	**55 837 408**	87 511 641	**52 492 211**	85 280 431
Investment property held for sale	**1 561 080**	28 665 158	**1 561 080**	28 665 158
Total assets	**1 070 844 737**	658 507 414	**1 041 207 143**	624 413 566
EQUITY AND LIABILITIES				
Equity attributable to equity holders	**712 236 188**	393 622 378	**712 236 188**	393 622 378
Share capital	**1 946 514**	1 352 629	**1 946 514**	1 352 629
Share premium	**611 949 336**	355 026 520	**611 949 336**	355 026 520
Share-based payment reserve	**23 851 992**	15 491 810	**23 851 992**	15 491 810
Currency translation reserve	**(1 228 783)**	(1 228 783)	**(1 228 783)**	(1 228 783)
Accumulated profit	**76 595 473**	22 980 202	**76 595 473**	22 980 202
Non-controlling interest	**(878 344)**	–	**(878 344)**	–
Total liabilities	**358 608 549**	264 885 036	**328 970 955**	230 791 188
Non-current liabilities	**244 542 953**	147 151 095	**232 259 858**	120 605 636
Loans and borrowings	**185 624 100**	117 100 152	**173 567 674**	92 935 525
Deferred tax liabilities	**50 160 259**	22 321 189	**50 677 581**	21 567 836
Other long term liabilities	**4 059 129**	–	**4 059 129**	–
Financial liabilities at fair value through profit or loss	**4 699 465**	7 729 754	**3 955 474**	6 102 275
Current liabilities	**114 065 596**	117 733 941	**96 711 097**	110 185 552
Trade and other payables	**29 973 879**	12 985 200	**28 807 208**	9 773 420
Loans and borrowings	**80 511 506**	102 048 042	**64 465 953**	97 781 406
Tenant deposits	**3 580 211**	2 700 699	**3 437 936**	2 630 726
Total equity and liabilities	**1 070 844 737**	658 507 414	**1 041 207 143**	624 413 566

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Net asset value per the Statement of financial position	**712 236 188**	393 622 378	**712 236 188**	393 622 378
Loans in respect of the Initial Share Scheme	**11 574 006**	12 489 022	**11 574 006**	12 489 022
Deferred tax liabilities	**50 160 259**	22 321 189	**50 677 581**	21 567 836
Goodwill	**(16 217 650)**	(13 188 795)	**(16 217 650)**	(13 188 795)
Deferred tax liabilities for joint ventures	–	–	**(517 322)**	753 353
Adjusted net asset value	**757 752 803**	415 243 794	**757 752 803**	415 243 794
Net asset value per share	**3.56**	2.83	**3.56**	2.83
Adjusted net asset value per share	**3.70**	2.88	**3.70**	2.88
Number of shares for net asset value per share purposes	**199 836 882**	139 258 914	**199 836 882**	139 258 914
Number of shares for adjusted net asset value per share purposes	**204 544 236**	144 362 152	**204 544 236**	144 362 152

CONSOLIDATED STATEMENTS OF INCOME

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Net rental and related income	**45 188 418**	30 432 771	**41 419 968**	28 344 410
Contractual rental income and expense recoveries	**60 926 990**	40 176 801	**55 322 054**	37 312 436
Property operating expenses	**(15 738 572)**	(9 744 030)	**(13 902 086)**	(8 968 026)
Administrative expenses	**(2 452 817)**	(2 211 006)	**(2 181 193)**	(2 103 006)
Acquisition fees	**(4 986 222)**	(1 594 393)	**(4 986 222)**	(915 212)
Fair value adjustments of investment property	**19 913 135**	6 450 485	**19 786 927**	1 063 940
Fair value gains of financial investments at fair value through profit or loss	**969 595**	10 287 980	**969 595**	10 287 980
Net result on sale of listed securities investments	**586 421**	26 280	**586 421**	26 280
Dividends received from listed securities investments	**2 905 611**	796 411	**2 905 611**	796 411
Share-based payment expense	**(954 637)**	(996 909)	**(954 637)**	(996 909)
Foreign exchange loss	**(289 712)**	(2 529 495)	**(236 670)**	(2 352 634)
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
Impairment of goodwill	**(815 709)**	–	**(815 709)**	–
Profit before net finance (expense)/income	**66 138 195**	50 926 390	**62 568 203**	44 415 526
Net finance (expense)/income	**(1 815 992)**	(12 574 251)	**1 783 349**	(9 537 659)
Finance income	**5 300 033**	1 853 838	**7 513 732**	4 098 704
Finance expense	**(7 116 025)**	(14 428 089)	**(5 730 383)**	(13 636 363)
Share of profit of joint ventures			**1 241 326**	2 720 919
Profit before tax	**64 322 203**	38 352 139	**65 592 878**	37 598 786
Deferred tax expense	**(7 736 595)**	(5 248 690)	**(9 007 270)**	(4 495 337)
Profit after tax	**56 585 608**	33 103 449	**56 585 608**	33 103 449
Non-controlling interest	**878 344**	–	**878 344**	–
Profit for the year attributable to equity holders	**57 463 952**	33 103 449	**57 463 952**	33 103 449
Weighted average number of shares in issue	**163 836 991**	116 238 121	**163 836 991**	116 238 121
Diluted weighted average number of shares in issue	**168 827 400**	121 391 646	**168 827 400**	121 391 646
Basic weighted average earnings per share (euro cents)	**35.07**	28.48	**35.07**	28.48
Diluted weighted average earnings per share (euro cents)	**34.04**	27.27	**34.04**	27.27
Distributable earnings per share (euro cents)	**25.79**	25.95	**25.79**	25.95
Headline earnings per share (euro cents)	**21.58**	22.93	**21.58**	22.93
Diluted headline earnings per share (euro cents)	**20.94**	21.96	**20.94**	21.96

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Profit for the year attributable to equity holders	**57 463 952**	33 103 449	**57 463 952**	33 103 449
Other comprehensive income				
– currency translation differences	–	1 421 739	–	1 421 739
Total comprehensive income for the year	**57 463 952**	34 525 188	**57 463 952**	34 525 188

RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Profit for the year attributable to equity holders	**57 463 952**	33 103 449	**57 463 952**	33 103 449
Fair value adjustment of investment property	**(19 913 135)**	(6 450 485)	**(19 786 927)**	(6 450 485)
Gain on sale of investment property held for sale	**(527 258)**	–	**(527 258)**	–
Gain on acquisition of subsidiaries	**(5 546 854)**	–	**(5 546 854)**	–
Impairment of goodwill	**815 709**	–	**815 709**	–
Total tax effects of adjustments	**3 055 588**	–	**3 035 395**	–
Fair value adjustment of investment property for joint ventures	–	–	**(126 208)**	–
Total tax effects of adjustments for joint ventures	–	–	**20 193**	–
Headline earnings	**35 348 002**	26 652 964	**35 348 002**	26 652 964

RECONCILIATION OF PROFIT FOR THE YEAR TO DISTRIBUTABLE EARNINGS

	Pro forma Unaudited 31 Dec 13	IFRS Reported Audited 31 Dec 12	IFRS Audited 31 Dec 13	IFRS Restated Audited 31 Dec 12
Profit for the year attributable to equity holders	**57 463 952**	33 103 449	**57 463 952**	33 103 449
Unrealised foreign exchange loss	**256 141**	2 529 495	**256 141**	2 352 634
Acquisition fees	**4 986 222**	1 594 393	**4 986 222**	915 212
Share-based payment expense	**954 637**	996 909	**954 637**	996 909
Accrued interest on share-based payments	**562 913**	569 597	**562 913**	569 597
Fair value adjustments of investment property	**(19 913 135)**	(6 450 485)	**(19 786 927)**	(1 063 940)
Fair value gains of financial investments at fair value through profit or loss	**(969 595)**	(10 287 980)	**(969 595)**	(10 287 980)
Financial assets at fair value	**(2 039 736)**	6 328 495	**(1 156 248)**	5 937 204
Amortisation of financial assets	**(475 600)**	(572 063)	**(475 600)**	(572 063)
Net result on sale of listed securities investments	**(586 421)**	(26 280)	**(586 421)**	(26 280)
Dividends received from listed securities investments	**(2 905 611)**	(796 411)	**(2 905 611)**	(796 411)
Accrued income from financial investments at fair value through profit or loss	**4 363 556**	3 092 147	**4 363 556**	3 092 147
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 expense	**7 736 595**	5 248 690	**9 007 270**	4 495 337
Impairment of goodwill	**815 709**	–	**815 709**	–
Shares issued *cum* distribution	**3 577 266**	3 156 648	**3 577 266**	3 156 648
Non-distributable portion of the vendor settlement income	–	(3 144 561)	–	(3 144 561)
Adjustments related to joint ventures				
Fair value adjustments of investment property	–	–	**(126 208)**	(5 386 545)
Financial assets at fair value	–	–	**(883 488)**	391 291
Deferred tax expense	–	–	**(1 270 675)**	753 353
Acquisition fees	–	–	–	679 181
Unrealised foreign exchange loss	–	–	–	176 861
Adjustments related to non-controlling interest				
Fair value adjustments of investment property	**584**	–	**584**	–
Deferred tax expense	**(106 975)**	–	**(106 975)**	–
Acquisition fees	**(275 480)**	–	**(275 480)**	–
Distributable earnings for the year	**47 370 910**	35 342 043	**47 370 910**	35 342 043
Distribution from reserves	**1 573 539**	–	**1 573 539**	–
Less: distribution declared	**(48 944 449)**	(31 497 562)	**(48 944 449)**	(31 497 562)
Interim distribution	**(20 594 618)**	(14 101 923)	**(20 594 618)**	(14 101 923)
Final distribution	**(28 349 831)**	(17 395 639)	**(28 349 831)**	(17 395 639)
Earnings not distributed	–	3 844 481	–	3 844 481
Number of shares entitled to distribution	**204 544 236**	144 362 152	**204 544 236**	144 362 152
Distributable earnings per share (euro cents)	**25.79**	25.95	**25.79**	25.95
Distribution from reserves per share (euro cents)	**1.00**	–	**1.00**	–
Less: distribution declared per share (euro cents)	**(26.79)**	(23.29)	**(26.79)**	(23.29)
Interim distribution per share (euro cents)	**(12.93)**	(11.24)	**(12.93)**	(11.24)
Final distribution per share (euro cents)	**(13.86)**	(12.05)	**(13.86)**	(12.05)
Earnings per share not distributed (euro cents)	–	2.66	–	2.66

LEASE EXPIRY PROFILE

	2014	2015	2016	2017	2018	2019	2020	2021	2022	≥2023	Total
Total based on rental income	7.3%	17.3%	13.0%	8.9%	13.6%	9.5%	5.2%	4.5%	4.1%	16.6%	100%
Total based on rented area	6.5%	14.1%	8.6%	7.5%	14.3%	8.2%	4.6%	4.3%	7.7%	24.2%	100%

SEGMENTAL ANALYSIS

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Contractual rental income and expense recoveries				
Retail	**31 329 530**	18 567 825	**26 055 375**	15 932 097
Office	**27 643 735**	19 715 918	**27 312 954**	19 487 281
Industrial	**1 953 725**	1 893 058	**1 953 725**	1 893 058
Total	**60 926 990**	40 176 801	**55 322 054**	37 312 436
Profit before net finance expense				
Retail	**46 846 605**	19 067 337	**43 734 777**	12 750 110
Office	**16 976 981**	12 012 525	**16 518 818**	11 818 888
Industrial	**1 339 330**	1 501 942	**1 339 330**	1 501 942
Corporate	**975 279**	18 344 586	**975 278**	18 344 586
Total	**66 138 195**	50 926 390	**62 568 203**	44 415 526

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Pro forma Unaudited 31 Dec 2013	IFRS Reported Audited 31 Dec 2012	IFRS Audited 31 Dec 2013	IFRS Restated Audited 31 Dec 2012
Cash flows from operating activities	**28 284 508**	25 644 072	**26 822 655**	25 151 416
Cash flows from financing activities	**293 347 217**	139 575 360	**293 676 500**	125 279 594
Cash flows used in investing activities	**(353 305 958)**	(132 603 532)	**(353 287 375)**	(119 342 933)
Net (decrease)/increase in cash and cash equivalents	**(31 674 233)**	32 615 900	**(32 788 220)**	31 088 077
Cash and cash equivalents brought forward	**87 511 641**	55 065 100	**85 280 431**	54 361 713
Translation effect on cash and cash equivalents	–	(169 359)	–	(169 359)
Cash and cash equivalents carried forward	**55 837 408**	87 511 641	**52 492 211**	85 280 431

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SAME AMOUNTS FOR *PRO FORMA* AND IFRS)

	Share capital	Share premium	Share-based payment reserve	Currency translation reserve	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2012	955 693	227 844 770	7 456 257	(2 650 522)	1 652 742	–	235 258 940
Transactions with owners	396 936	127 181 750	8 035 553	–	(11 775 989)	–	123 838 250
– Issue of shares	391 735	125 943 296	–	–	–	–	126 335 031
– Issue cost recognised to equity	–	(332 117)	–	–	–	–	(332 117)
– Share-based payment reserve	–	–	9 258 789	–	–	–	9 258 789
– Sale of shares issued under the Initial Share Scheme	1 110	326 324	–	–	–	–	327 434
– Sale of shares issued under the Current Share Scheme	530	183 367	(158 795)	–	–	–	25 102
– Vesting of shares issued under the Current Share Scheme	3 561	1 060 880	(1 064 441)	–	–	–	–
– Earnings distribution	–	–	–	–	(11 775 989)	–	(11 775 989)
Total comprehensive income	–	–	–	1 421 739	33 103 449	–	34 525 188
– Other comprehensive income	–	–	–	1 421 739	–	–	1 421 739
– Profit for the year	–	–	–	–	33 103 449	–	33 103 449
Balance at 31 December 2012	1 352 629	355 026 520	15 491 810	(1 228 783)	22 980 202	–	393 622 378
Balance at 1 January 2013	**1 352 629**	**355 026 520**	**15 491 810**	**(1 228 783)**	**22 980 202**	**–**	**393 622 378**
Transactions with owners	**593 885**	**256 922 816**	**8 360 182**	**–**	**(3 848 681)**	**–**	**262 028 202**
– Issue of shares	**578 530**	**251 690 691**	**–**	**–**	**–**	**–**	**252 269 221**
– Share-based payment reserve	**–**	**–**	**11 388 810**	**–**	**–**	**–**	**11 388 810**
– Sale of shares issued under the Initial Share Scheme	**3 959**	**1 260 256**	**–**	**–**	**–**	**–**	**1 264 215**
– Sale of shares issued under the Current Share Scheme	**1 369**	**489 590**	**(490 959)**	**–**	**–**	**–**	**–**
– Vesting of shares issued under the Initial Share Scheme	**–**	**–**	**954 637**	**–**	**–**	**–**	**954 637**
– Vesting of shares issued under the Current Share Scheme	**10 027**	**3 482 279**	**(3 492 306)**	**–**	**–**	**–**	**–**
– Earnings distribution	**–**	**–**	**–**	**–**	**(3 848 681)**	**–**	**(3 848 681)**
Total comprehensive income	**–**	**–**	**–**	**–**	**57 463 952**	**(878 344)**	**56 585 608**
– Profit for the year	**–**	**–**	**–**	**–**	**57 463 952**	**(878 344)**	**56 585 608**
Balance at 31 December 2013	**1 946 514**	**611 949 336**	**23 851 992**	**(1 228 783)**	**76 595 473**	**(878 344)**	**712 236 188**

BANK LOANS AND BORROWINGS REPAYMENT PROFILE (SAME AMOUNTS FOR *PRO FORMA* AND IFRS)

Borrower	Outstanding amount	Available for drawdown	2014	2015	2016	2017	2018 and beyond
Floreasca Business Park	56 577 248	–	3 920 000	3 920 000	3 920 000	3 920 000	40 897 248
Aupark Zilina	53 826 669	–	2 973 946	1 953 951	48 898 772	–	–
Promenada Mall Braila	35 688 696	–	35 688 696	–	–	–	–
The Lakeview	29 824 138	–	2 110 345	2 110 345	2 110 345	2 110 345	21 382 758
City Business Centre	26 887 758	–	1 265 202	1 314 149	1 365 022	1 417 895	21 525 490
Ploiesti Shopping City (joint venture)	15 075 378	–	2 840 799	768 665	768 665	768 665	9 928 584
German Portfolio (joint venture)	12 862 905	–	12 862 905	–	–	–	–
Retail Park Pitesti	12 279 140	–	1 042 071	11 237 069	–	–	–
New Europe Property Investments plc	10 409 281	–	10 409 281	–	–	–	–
Regional Offices Portfolio	6 298 637	–	6 298 637	–	–	–	–
Street Segment Retail Portfolio and Brasov Strip Mall	6 137 500	–	250 000	250 000	5 637 500	–	–
Rasnov Industrial Facility and Otopeni Warehouse	–	9 500 000	–	–	–	–	–
Total	**265 867 350**	**9 500 000**	**79 661 882**	**21 554 179**	**62 700 304**	**8 216 905**	**93 734 080**

The weighted average margin for the loans outstanding as at 31 December 2013 was 3.3% paid on top of a reference base rate (EONIA, 1 month EURIBOR, 3 month EURIBOR) hedged with a weighted average interest rate cap of 2% for 51% of the outstanding notional amount and a weighted average interest rate swap of 2.1% for 49% of the notional amount.

BASIS OF PREPARATION

These audited condensed consolidated financial results for the year ended 31 December 2013 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Board ("IASB"), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting and the Listings Requirements of the JSE.

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 unaudited *pro forma* statement of financial position and unaudited *pro forma* statement of income. The main difference between the *pro forma* statements and the condensed consolidated financial results prepared in accordance with IFRS is that the *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 *pro forma* statement of financial position and *pro forma* statement of income have been prepared by and are the responsibility of the Directors of NEPI. Due to its nature, the *pro forma* statements of financial position and income may not fairly reflect the financial position and results of the Group after the differences set out above. The directors are not aware of any matters or circumstances arising subsequent to 31 December 2013 that require any additional disclosure or adjustment to the audited condensed consolidated financial results.

Ernst & Young have audited the Group's financial statements for the year ended 31 December 2013. These audited condensed consolidated financial results have been derived from the Group financial statements and are consistent with these in all material respects. A copy of their unmodified audit report is available for inspection at the Company's registered office. The independent auditor's report will be included in NEPI's 2013 Annual Report.