CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

NEW EUROPE PROPERTY INVESTMENTS PLC

Incorporated and registered in the Isle of Man with registration 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')

www.nepinvest.com
For further information please email: office@nepinvest.com

DIRECTORS' COMMENTARY

DISTRIBUTABLE EARNINGS

The Group achieved 15.53 euro cents distributable earnings per share for the second half of the 2014 financial year. This result, combined with the 14.16 euro cents distributable earnings per share for the first half of the financial year, represents a 15% improvement in recurring distributable earnings per share compared to 2013. This improvement is due to the continuing strong performance of Group assets and the favourable impact of acquisitions and developments completed during the financial year.

DISTRIBUTION OF RETAINED DISTRIBUTABLE EARNINGS

The Company has maintained a constant 15% per annum growth in distributions per share from the 2010 base to the 2014 interim period distribution. This was achieved by balancing variations in distribution growth per share, stemming partly from significant, but irregular, growth in recurring distributable income from completed property developments which have a dilutive effect during construction, by retaining and offsetting the distribution of non-recurring distributable earnings to date. Following the 2014 interim distribution, the balance of retained distributable earnings carried forward from prior financial periods was €5.1 million. Earnings guidance for the 2015 financial year predicts robust growth in recurring distributable earnings per share, therefore the Company is distributing the balance of retained distributable earnings carried forward from prior financial periods.

FINAL DISTRIBUTION AND OPTION TO RECEIVE CAPITAL RETURN

The Board has declared a final distribution of 17.35 euro cents per share for the six months ended 31 December 2014. This results in a 32.22 euro cents per share distribution for 2014, an improvement of 20% compared to the previous year. Shareholders have the option to receive their distribution as cash or an issue of fully-paid shares at a ratio of 2.05 new shares for every 100 held. A circular detailing this resolution, accompanied by announcements on the Stock Exchange News Service (SENS) of the Johannesburg Stock Exchange Limited (JSE), the Regulatory News Service (RNS) of the London Stock Exchange (LSE) and the Bucharest Stock Exchange (BVB), will be issued in due course.

ACQUISITIONS AND DEVELOPMENTS

The Group completed the acquisition and development of a number of properties during 2014 discussed below. The effective date or opening date of acquisitions and developments, as the case may be, is included in parentheses. Further information is available in previous announcements. All figures relating to populations are estimates.

RETAIL PROPERTY ACQUISITIONS AND COMPLETED DEVELOPMENTS

The Group acquired and developed four malls and three value centres during the financial year, and the acquisition of another mall became unconditional in January 2015. Including these, NEPI owns nine malls and nine value centres in Romania, two malls in Slovakia and one mall in Serbia. Two additional malls are currently being constructed by NEPI in Romania.

VASLUI VALUE CENTRE (22 MAY 2014)

The Group completed a value centre extension to a Kaufland hypermarket in Vaslui, Romania. Vaslui has 55,400 inhabitants, with 221,900 residents living within a 45-minute drive of the shopping centre. The value centre has 6,700m² Gross Leasable Area (GLA), of which NEPI owns 1,782m². The Company's tenants are international and national brands Altex, Deichmann and Takko.

AURORA SHOPPING MALL, BUZAU AND ALBA IULIA VALUE CENTRE (13 AUGUST 2014)

The Group has acquired Aurora Shopping Mall, Buzau, a 17,959m² GLA under-performing mall, and the Alba Iulia Value Centre, a 3,220m² GLA extension to a Kaufland hypermarket, in a three party transaction including the seller's lending bank.
Aurora Shopping Mall is situated on the main boulevard of Buzau, Romania, a major transit hub for two of the country's main historical regions. Buzau is the capital of Buzau county that has 432,000 residents, 430,000 of which are living within a 45-minute drive of the mall. Major tenants include international and national brands such as Altex, Carrefour, Deichmann and New Yorker. NEPI plans to reconfigure and refurbish the mall, including building a cinema, improving the layout and tenant configuration.
The Alba Iulia Value Centre is located near the intersection of two busy roads, in Alba Iulia, Romania, adjacent to a Kaufland hypermarket and a Profi supermarket, that combined form a retail platform of approximately 10,000m² GLA. Historical Alba Iulia has 64,000 inhabitants, with 137,000 residents of the county living within a 45-minute drive of the value centre. NEPI's tenants are international and national brands Altex, Deichmann, dm and Takko.

KRAGUJEVAC PLAZA (1 SEPTEMBER 2014)

The Group has acquired Kragujevac Plaza, a regional mall of 21,870m² GLA next to a busy intersection in Kragujevac, Serbia, 145km from the capital Belgrade. The centre is one of three modern malls in Serbia. Kragujevac, the country's fourth largest city, has 150,000 inhabitants, and there are 280,000 people living within a 45-minute drive of the mall. The city's economy is best known for its automotive production and has been an important regional industrial and commercial centre for over two centuries. Tenants include international and national brands, such as Adidas, C&A, Cineplexx, Deichmann, Idea, McDonalds, New Yorker, Orsay and Tom Tailor. This is the Group's first acquisition in Serbia that will serve as a platform for careful further expansion in the country and former Yugoslavia. Serbia is on the accession path to the European Union and NEPI's management believes its retail market has the potential for high growth.

VULCAN VALUE CENTRE (4 SEPTEMBER 2014)

The Group has completed the development of Vulcan Value Centre, Bucharest, Romania. The 24,700m² GLA centre is located in the city's densely populated south west and tenants include international and national brands, such as C&A, Carrefour, CCC, Deichmann, dm, Domo, Hervis Sports, H&M, Jysk, Lems, Noriel and Takko. There are 49,000 residents living within a fifteen-minute walk, while the centre is visible, and accessible, from a major boulevard and has convenient bus and tram stops. Trading has been very strong, with a healthy number of tenants paying turnover rent in excess of base rent during the first few months. The value centre was 94.8% let at year-end and is expected to be fully let by May 2015. The centre was opened within nine months of the issuance of the building permit. Construction permits for the planned KFC drive-through had not been obtained by the date of this report.

SHOPPING CITY TARGU JIU (16 OCTOBER 2014)

The Group has completed the development of a regional mall in Targu Jiu, Romania. The city has a population of 78,600, is the capital of Gorj county and this is its only modern mall. There are 323,500 inhabitants living within a 45-minute drive from the mall. The 26,800m² GLA mall, currently houses various international and national brands, such as Carrefour, CCC, Cinema City, Deichmann, dm, H&M, Jysk and KFC. The mall is 99.2% let and expected to be fully occupied by the beginning of the Easter 2015 sales period when C&A and New Yorker open. The mall was opened within a year of the issuance of the building permit.

PROMENADA MALL (31 OCTOBER 2014)

The Group has acquired the 40,300m² GLA Promenada Mall, situated in the emerging Floreasca-Barbu Vacarescu business district of Bucharest, close to some of the city's most affluent neighbourhoods. NEPI also owns two office buildings in the area. Promenada Mall opened in 2013 and is located in an area significantly developed in recent years, including new A-grade offices and infrastructure. There are 385,000 inhabitants living within a 15-minute drive, an estimated additional 24,000 office employees within a 10-minute walk working in the nearby offices (based on information collated in October 2014) and a further 135,000 residents within a 20-minute metro ride. Promenada Mall will benefit from substantial additional local office and infrastructure development in the near future. In addition to Bucharest's main subway line, the mall is also serviced by trams and buses. Tenants include international and national brands, such as Billa, Bershka, C&A, Deichmann, H&M, Hervis, Intersport, Lacoste, Massimo Dutti, Oysho, Peek & Cloppenburg, Promod, Stradivarius, Tommy Hilfiger and Zara. In order to broaden the mall's reach, the Group intends to extend it with approximately 25,000m² GLA, including fashion, entertainment and leisure, and has acquired an adjoining 1.2ha currently zoned for the development of 50,000m² of above ground offices. The Group intends to apply for rezoning of the acquired land in order to develop a mixed-use extension with integrated A-grade offices.

AUPARK KOSICE (18 DECEMBER 2014)

The Group acquired Aupark Kosice, a mixed-use development, including a 34,000m² GLA regional mall (Aupark Kosice Mall), an adjoining 12,800m² GLA office building (Aupark Kosice Tower), and a 4.1ha development site (Malinovsky Barracks), in one transaction. Although the transfer of shares of the companies owning the properties was pending at year-end, and as a result the transaction is not reflected as completed in the 2014 accounts, the effective date of the acquisition is 18 December 2014.
Kosice, Slovakia, is 400km from the capital Bratislava, close to the Hungarian border, and Aupark Kosice is located in the south east of the city centre. Kosice has 240,000 inhabitants and is the country's second largest city, eastern Slovakia's economic and cultural centre and capital of a region with 792,000 residents. The city is an important industrial centre and the US Steel Kosice steel mill is one of the largest employers. There are 480,000 inhabitants living within a 45-minute drive. Tenants include international and national brands, such as Bata, Billa, C&A, Calvin Klein Jeans, Datart, Deichmann, EXIsport, Geox, Gerry Weber, Golem, Guess, H&M, Intersport, Lenovo, Mango, Marionnaud, New Yorker, Nike, Office Shoes, s. Oliver, Samsung, Terranova, Tom Tailor, Tommy Hilfiger and US Polo Assn.
The Malinovsky Barracks plot is located in the north west of the city centre, within 2km of Aupark Kosice Mall. The site can be used for the development of a retail, or mixed-use, scheme of up to 50,000m² GLA and was acquired defensively due to its proximity to Aupark Kosice Mall. The acquisition of Aupark Kosice strengthens the Group's presence in Slovakia.

OFFICE PROPERTY ACQUISITIONS AND COMPLETED DEVELOPMENTS

With the completion of Phase I of the Cluj office development, NEPI owns A-grade offices in Bucharest, Cluj-Napoca and Timisoara, the three Romanian cities with the largest office markets and most multinational office tenants. This is consistent with NEPI's office strategy to invest opportunistically in Romanian cities with significant multinational tenant demand. Two additional office developments are under construction in Bucharest and Cluj.

THE OFFICE, CLUJ-NAPOCA PHASE I (21 AUGUST 2014)

The Group has completed the development of The Office Phase I in Cluj, the city's first A-grade office. Cluj is located in north-western Romania, and, with 325,000 inhabitants, is the country's second largest city by population. It is one of Romania's main technology clusters and has the country's second largest number of software and services companies. The office market is competitive, however, it lacks A-grade offices and therefore demand for high-quality space is growing. This office development, that will consist of approximately 58,000m² GLA in three phases, is an opportunistic development designed to capitalise on current and predicted future tenant demand. Phase I has 21,273m² GLA. Leasing has progressed well, and as of the date of this report, national and international tenants, such as 3Pillar Global, Betfair, Bombardier, Bosch, Corporate Office Solutions (COS), Deloitte, National Instruments, TUI, Wolters Kluwer, Yardi and Yonder have been secured for 92% of GLA.

AUPARK KOSICE TOWER (18 DECEMBER 2014)

The Group has acquired Aupark Kosice Tower with Aupark Kosice Mall (see above). Tenants include ESET, GTS, Holcim, IBM and PricewaterhouseCoopers.

DISPOSALS

The Group sold its interest in the German properties acquired in 2008 to its co-investor for €18.2 million on a debt free basis, which represents a premium of €619,402 on the book value. This is consistent with the Group's strategy to invest in higher growth eastern EU markets. The transaction was finalised in December 2014.

DEVELOPMENT PIPELINE

The Group has been steadily increasing its investment in developments over the past few years. Completed developments and redevelopments in the last four years have significantly contributed to the growth in recurring distributable earnings per share. NEPI's development pipeline, including redevelopments and extensions to secured acquisitions, has increased to €547 million (estimated at cost), of which €176 million had been spent by 31 December 2014. This represents an increase of €161 million compared to the previous year.

RETAIL PROPERTY DEVELOPMENTS AND EXTENSIONS

MEGA MALL

The Group owns a 70% interest in the large ongoing development on the former Electroaparataj factory site in eastern Bucharest. Construction and leasing efforts for the 72,100m² GLA mall are progressing well and it should open as planned during the second quarter of 2015. It is one of the country's largest non-public, non-infrastructure related construction projects and is expected to dominate retail in the densely populated eastern Bucharest. There are 600,000 residents living within a 15-minute drive. Tenant leases for 94% of GLA have been secured, including international and national brands, such as Adidas, Benvenuti, Bershka, C&A, Carrefour, CCC, Cinema City, Deichmann, dm, Douglas, H&M, Hervis, Intersport, KFC, Koton, LC Waikiki, Lego, Mango (Romanian flagship store), Marks & Spencer (Romanian flagship store), New Yorker, Pandora, Peek & Cloppenburg, Pull & Bear, Samsung, Sephora, Stradivarius, Subway, Tom Tailor, Tommy Hilfiger, World Class and Zara.

CITY PARK EXTENSION

The Group has made progress with its 20,200m² GLA extension to the existing 29,284m² GLA in City Park in Constanta, Romania. A building permit was obtained for a ten-screen Cinema City with the country's second 4DX auditorium (the first will be in NEPI's Mega Mall). Permitting and leasing for the 19,000m² GLA Phase II of the extension are ongoing. Phase I has commenced and is expected to open before June 2015. Dependant on permitting, the remaining extension should open in November 2015.

DEVA SHOPPING CENTRE EXTENSION

Permitting for the 10,600m² GLA extension and redevelopment of Deva Shopping Centre, Romania, into a regional mall has been obtained. Construction and leasing are progressing well. The extension and redevelopment will include additional fashion anchors, entertainment and leisure facilities including a six-screen cinema. It is expected to open in September 2015.

SEVERIN SHOPPING CENTER EXTENSION

Permitting for the extension and redevelopment of Severin Shopping Center located in Drobeta-Turnu Severin, Romania, has been obtained and leasing is ongoing. Phase I of the 9,700m² planned GLA extension, including a six-screen cinema, is expected to open in September 2015.

SHOPPING CITY TIMISOARA

The Group has acquired an 18ha land plot to develop a regional mall in Timisoara, Romania. The city has a population of 319,300 inhabitants, is the third largest in Romania and the capital of a county with 683,000 residents. Timisoara benefits from a robust economy based on manufacturing automotive components, regional offices for multinational companies and a strong IT&C sector. The city offers a skilled, relatively cheap labour force combined with close proximity to Western Europe. NEPI is developing a phased 80,000m² GLA regional mall on a main road in southern Timisoara. There are 570,500 inhabitants living within a 45-minute drive of the development, which has excellent visibility and accessibility due to its 550m frontage on the city's major north-south boulevard. Across from the site, within walking distance, is a densely populated residential neighbourhood housing 20,000 inhabitants. Construction on the 55,700m² GLA Phase I, including a Carrefour hypermarket, various fashion anchors and substantial modern entertainment and leisure facilities, commenced in December 2014. An opening date has not been decided.

SHOPPING CITY PIATRA NEAMT

The Group has acquired 7.4ha of land between two main roads in Piatra Neamt, Romania, to develop into a 29,300m² GLA regional mall. Piatra Neamt has 85,000 inhabitants, is the capital of a county with 470,000 inhabitants and has a shortage of modern retail. There are 245,000 inhabitants living within a 45-minute drive. Permitting is ongoing and it is expected that the development will be completed during 2016.

OFFICE DEVELOPMENTS

THE OFFICE, CLUJ-NAPOCA PHASE II

Following the completion of Phase I in August 2014 and increasing tenant interest in the development, the Group commenced the second of the three phases of this joint-venture in November 2014. Phase II will include 19,400m² A-grade office GLA and is expected to be ready for tenant fit out by November 2015.

VICTORIEI OFFICE

The Group obtained a building permit for the historic Piata Victoriei, Bucharest, in early 2014, and secured permitting to relocate utility infrastructure in December 2014. The site is located in the capital's central business district near landmark buildings, such as the Government's office, and has very good access to the subway and other public transport. Work on the 8,400m² GLA landmark office development, which includes the refurbishment of a national monument, has commenced and offices should be available for tenant fit out by December 2015.

FIRST-TIME CREDIT RATING

NEPI's long-term debt strategy is to fund assets with approximately 30% (capped at 35%) debt on a loan-to-value (LTV) basis. Financing sources will be diversified to optimise the long-term cost of debt, and therefore the Group intends issuing unsecured debt at a corporate level. Considering the attractive levels of long-term corporate debt issuance in Europe during summer 2014, NEPI obtained a first-time Ba1 (stable outlook) corporate family rating from Moody's Investors Service in October 2014. The rating is one notch below Romania's rating and international investment grade. This is a significant achievement given NEPI's relatively small scale of operations compared to other European corporate issuers and its substantial development pipeline, and is a testimony to the Group's robust financial metrics. A roadshow for European institutional fixed income investors was undertaken in the same month, however, as relevant interest rates increased relative to those offered earlier in the year NEPI decided to postpone the issue. The matter will be reconsidered when markets improve significantly or when the Group's rating is upgraded to international investment grade. Management estimates that an international investment grade rating will be achieved within 18 months.

OTHER HIGHLIGHTS AND CHANGES TO THE BOARD

Collection of tenant receivables reflects the quality of the tenant covenant. Non-recoverable tenant income for 2014 amounted to €158,753, equivalent to 0.17% of annual contractual rental income and expense recoveries. The vacancy level, including the Kosice assets, is 1.81% (without accounting for properties held for sale). Given the growth in operations, the Group extended the Board of Directors with the appointment of Victor Semionov (formerly Finance Director) as Chief Operating Officer, Mirela Covasa as Finance Director and Nevenka Črešnar Pergar as a Non-Executive Director. Ms Covasa is a chartered accountant and auditor, and was a Senior Manager with PricewaterhouseCoopers before joining NEPI in 2012 as Finance Manager. Ms Pergar is a qualified attorney with MBA from Clemson University USA and investment professional with substantial transactional and investment experience in the former Yugoslavian market, where NEPI is considering expanding its business. She is also a former Junior Minister and Secretary General of the Government of the Republic of Slovenia.

CASH MANAGEMENT AND DEBT

Throughout the financial year the Company raised €497 million through the issue of new ordinary shares, €26 million of secured debt facilities were extended, €38 million of new secured debt facilities were obtained and €51 million of secured debt facilities were repaid when they expired. The Group disposed of its listed security holdings during the financial year. Following the credit rating issued by Moody's, Raiffeisen Bank International underwrote an €80 million unsecured revolving credit facility for NEPI which remained undrawn at year-end. The Group has additional undrawn secured revolving facilities of €9.7 million. The Group pre-paid the equity portion of the purchase price for the Kosice acquisition (the balance is funded with a retained bank loan) and ended the year with €112 million in cash.
On 31 December 2014 the Group's gearing ratio (interest bearing debt less cash divided by investment property and listed property shares) decreased to 8% compared to 22.5% at year-end 2013. The average interest rate of the debt (including hedging costs) was approximately 5% over the financial year, while 44% of the base interest rate (Euribor) was hedged with interest rate caps and 56% with interest rate swaps. Further debt facilities will be considered during the current financial year.

PROSPECTS AND EARNINGS GUIDANCE

The development and extension pipeline detailed above, as well as the potential acquisitions being explored, positions the Group for strong growth in its recurring distributable earnings during 2015 and thereafter. In the interim 2014 results announcement the Group indicated that 'it will focus on opportunities that will lead to, and take decisions with a view to, maximising long-term, recurring distributable earnings per share, even if these cause a reduction in short-term, year-on-year per share distribution growth', and has therefore not provided earnings guidance. Even though this policy remains relevant, the Board is confident that recurring distributable earnings per share for the first half of 2015 will range from 17.3 to 17.7 euro cents per share (compared to 14.16 euro cents per share for the six months ended 30 June 2014) based on the assumptions that a stable macroeconomic environment prevails, no major corporate failures occur and planned developments remain on track, leading to growth in distributable earnings per share ranging from 22% to 25% compared to the first half of 2014. This forecast has not been audited or reviewed by NEPI's auditors and is the responsibility of the Board.

By order of the Board of Directors,
Martin Slabbert, Chief Executive Officer
Mirela Covasa, Finance Director
11 February 2015

All amounts in Thousand Euro unless otherwise stated

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013	Pro forma Unaudited 31 Dec 2014	Pro forma Unaudited 31 Dec 2013
ASSETS				
Non-current assets	**1 368 193**	898 040	**1 389 772**	920 924
Investment property	**1 269 299**	807 465	**1 334 512**	872 465
Investment property at fair value	**978 980**	703 811	**1 038 545**	758 623
Investment property under development	**208 246**	103 654	**213 894**	113 842
Advances paid for investment property	**82 073**	–	**82 073**	–
Goodwill	**17 639**	16 218	**17 639**	16 218
Investments in joint ventures	**13 241**	5 055	–	–
Long-term loans granted to joint ventures	**30 395**	37 064	–	–
Other long-term assets	**37 444**	29 828	**37 446**	29 831
Financial assets at fair value through profit or loss	**175**	2 410	**175**	2 410
Current assets	**148 705**	141 607	**153 166**	148 359
Trade and other receivables	**40 469**	28 036	**41 199**	31 443
Financial investments at fair value through profit or loss	–	61 079	–	61 079
Cash and cash equivalents	**108 236**	52 492	**111 967**	55 837
Investment property held for sale	**27 360**	1 561	**27 360**	1 561
Total assets	**1 544 258**	1 041 208	**1 570 298**	1 070 844
EQUITY AND LIABILITIES				
Total equity attributable to equity holders	**1 241 289**	712 236	**1 241 289**	712 236
Share capital	**2 746**	1 999	**2 746**	1 999
Share premium	**1 074 310**	632 296	**1 074 310**	632 296
Share-based payment reserve	**4 127**	3 453	**4 127**	3 453
Currency translation reserve	**(1 229)**	(1 229)	**(1 229)**	(1 229)
Accumulated profit	**167 133**	76 595	**167 133**	76 595
Non-controlling interest	**(5 798)**	(878)	**(5 798)**	(878)
Total liabilities	**302 969**	328 972	**329 009**	358 608
Non-current liabilities	**241 345**	232 260	**258 199**	244 542
Loans and borrowings	**171 071**	173 568	**187 742**	185 624
Deferred tax liabilities	**57 517**	50 678	**55 907**	50 160
Other long-term liabilities	**9 171**	4 059	**9 446**	4 059
Financial liabilities at fair value through profit or loss	**3 586**	3 955	**5 104**	4 699
Current liabilities	**61 624**	96 712	**70 810**	114 066
Trade and other payables	**38 365**	32 246	**40 153**	33 554
Loans and borrowings	**23 259**	64 466	**30 657**	80 512
Total equity and liabilities	**1 544 258**	1 041 208	**1 570 298**	1 070 844

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013	Pro forma Unaudited 31 Dec 2014	Pro forma Unaudited 31 Dec 2013
Net Asset Value per the Statement of financial position	**1 241 289**	712 236	**1 241 289**	712 236
Loans in respect of the Initial Share Scheme	**9 132**	11 574	**9 132**	11 574
Deferred tax liabilities	**57 517**	50 678	**55 907**	50 160
Goodwill	**(17 639)**	(16 218)	**(17 639)**	(16 218)
Deferred tax liabilities for joint ventures	**(1 610)**	(518)	–	–
Adjusted net asset value	**1 288 689**	757 752	**1 288 689**	757 752
Net asset value per share (euro)	**4.52**	3.56	**4.52**	3.56
Adjusted net asset value per share (euro)	**4.63**	3.70	**4.63**	3.70
Number of shares for net asset value per share purposes	**274 526 188**	199 836 882	**274 526 188**	199 836 882
Number of shares for adjusted net asset value per share purposes	**278 138 240**	204 544 236	**278 138 240**	204 544 236

CONSOLIDATED STATEMENTS OF INCOME	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013	Pro forma Unaudited 31 Dec 2014	Pro forma Unaudited 31 Dec 2013
Net rental and related income	**61 749**	41 420	**65 726**	45 188
Contractual rental income and expense recoveries	**87 017**	55 322	**93 078**	60 927
Property operating expenses	**(25 268)**	(13 902)	**(27 352)**	(15 739)
Administrative expenses	**(2 839)**	(2 180)	**(3 040)**	(2 452)
Acquisition fees	**(2 357)**	(4 986)	**(2 357)**	(4 986)
Fair value adjustments of investment property	**27 980**	19 787	**35 227**	19 913
Fair value gains on financial investments at fair value through profit or loss	**1 299**	970	**1 299**	970
Net result on sale of financial investments	–	586	–	586
Dividends received from financial investments	**2 417**	2 906	**2 417**	2 906
Share-based payment expense	**(675)**	(955)	**(675)**	(955)
Foreign exchange loss	**(241)**	(238)	**(215)**	(290)
Gain on acquisition of subsidiaries	**1 400**	5 547	**1 400**	5 547
Gain on disposal of investment property	**619**	527	**619**	527
Impairment of goodwill	–	(816)	–	(816)
Profit before net finance (expense)/income	**89 352**	62 568	**100 401**	66 138
Net finance income/(expense)	**1 412**	1 784	**(4 559)**	(1 816)
Finance income	**7 315**	7 514	**3 492**	5 300
Finance expense	**(5 903)**	(5 730)	**(8 051)**	(7 116)
Share of profit of joint ventures	**4 148**	1 241	–	–
Profit before tax	**94 912**	65 593	**95 842**	64 322
Deferred tax expense	**(637)**	(9 007)	**(1 567)**	(7 736)
Profit after tax	**94 275**	56 586	**94 275**	56 586
Non-controlling interest	**4 920**	878	**4 920**	878
Profit for the period attributable to equity holders	**99 195**	57 464	**99 195**	57 464
Weighted average number of shares in issue	**225 426 685**	163 836 991	**225 426 685**	163 836 991
Diluted weighted average number of shares in issue	**229 775 959**	168 827 400	**229 775 959**	168 827 400
Basic weighted average earnings per share (euro cents)	**44.00**	35.07	**44.00**	35.07
Diluted weighted average earnings per share (euro cents)	**43.17**	34.04	**43.17**	34.04
Distributable earnings per share (euro cents)	**29.69**	25.79	**29.69**	25.79
Headline earnings per share (euro cents)	**30.19**	21.58	**30.19**	21.58
Diluted headline earnings per share (euro cents)	**29.62**	20.94	**29.62**	20.94

RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013	Pro forma Unaudited 31 Dec 2014	Pro forma Unaudited 31 Dec 2013
Profit for the period attributable to equity holders	**99 195**	57 464	**99 195**	57 464
Fair value adjustments of investment property	**(27 980)**	(19 787)	**(35 227)**	(19 913)
Gain on sale of investment property	**(619)**	(527)	**(619)**	(527)
Gain on acquisition of subsidiaries	**(1 400)**	(5 547)	**(1 400)**	(5 547)
Impairment of goodwill	–	816	–	816
Total tax effects of adjustments	**4 952**	3 035	**6 112**	3 055
Fair value adjustment of investment property for joint ventures	**(7 247)**	(126)	–	–
Total tax effects of adjustments for joint ventures	**1 160**	20	–	–
Headline earnings	**68 061**	35 348	**68 061**	35 348

LEASE EXPIRY PROFILE	2015	2016	2017	2018	2019	2020	2021	2022	2023	≥2024	Total
Total based on rental income	2.9%	9.6%	10.2%	16.2%	18.5%	15.0%	5.4%	2.3%	3.6%	16.3%	100%
Total based on rented area	4.9%	6.8%	8.4%	14.3%	14.6%	13.7%	5.4%	3.0%	6.4%	22.5%	100%

RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013	Pro forma Unaudited 31 Dec 2014	Pro forma Unaudited 31 Dec 2013
Profit for the period attributable to equity holders	**99 195**	57 464	**99 195**	57 464
Unrealised foreign exchange loss	**350**	256	**350**	256
Acquisition fees	**2 357**	4 986	**2 357**	4 986
Share-based payment expense	**675**	955	**675**	955
Accrued interest on share-based payments	**542**	563	**542**	563
Fair value adjustments of investment property	**(27 980)**	(19 787)	**(35 227)**	(19 913)
Fair value gains of financial investments at fair value through profit or loss	**(1 299)**	(970)	**(1 299)**	(970)
Fair value adjustment of financial assets and liabilities	**1 866**	(1 157)	**2 882**	(2 040)
Amortisation of financial assets	**(708)**	(476)	**(708)**	(476)
Net result on sale of financial investments	–	(586)	–	(586)
Dividends received from financial investments	**(2 417)**	(2 906)	**(2 417)**	(2 906)
Accrued dividend from financial investments	**2 304**	4 364	**2 304**	4 364
Gain on disposal of investment property	**(619)**	(527)	**(619)**	(527)
Gain on acquisition of subsidiaries	**(1 400)**	(5 547)	**(1 400)**	(5 547)
Deferred tax expense	**637**	9 007	**1 567**	7 736
Impairment of goodwill	–	816	–	816
Shares issued cum distribution	**6 870**	3 577	**6 870**	3 577
Adjustments related to joint ventures				
Fair value adjustments of investment property	**(7 247)**	(126)	–	–
Fair value adjustment of financial assets and liabilities	**1 016**	(883)	–	–
Deferred tax expense/(income)	**930**	(1 271)	–	–
Adjustments related to non-controlling interest				
Fair value adjustments of investment property	–	1	–	1
Deferred tax income	–	(108)	–	(108)
Acquisition fees	–	(275)	–	(275)
Distributable earnings for the period	**75 072**	47 370	**75 072**	47 370
Distribution from reserves	**6 659**	1 574	**6 659**	1 574
Less: distribution declared	**(81 731)**	(48 944)	**(81 731)**	(48 944)
Interim distribution	**(33 475)**	(20 594)	**(33 475)**	(20 594)
Final distribution	**(48 256)**	(28 350)	**(48 256)**	(28 350)
Earnings not distributed	–	–	–	–
Number of shares entitled to distribution	**278 138 240**	204 544 236	**278 138 240**	204 544 236
Distributable earnings per share for the period (euro cents)	**29.69**	25.79	**29.69**	25.79
Distribution from reserves per share (euro cents)	**2.53**	1.00	**2.53**	1.00
Less: Distribution declared per share (euro cents)	**(32.22)**	(26.79)	**(32.22)**	(26.79)
Interim distribution per share (euro cents)	**(14.87)**	(12.93)	**(14.87)**	(12.93)
Final distribution per share (euro cents)	**(17.35)**	(13.86)	**(17.35)**	(13.86)
Earnings not distributed (euro cents)	–	–	–	–

SEGMENTAL ANALYSIS	Retail	Office	Industrial	Corporate	Total
2014 Reviewed					
Contractual rental income and expense recoveries	**59 496**	**25 541**	**1 980**	–	**87 017**
Profit before net finance income	**67 431**	**18 719**	**1 728**	**1 474**	**89 352**
Total Assets	**1 153 768**	**292 647**	**17 208**	**80 635**	**1 544 258**
Total Liabilities	**167 993**	**129 111**	**2 382**	**3 483**	**302 969**
2013 Audited					
Contractual rental income and expense recoveries	26 055	27 313	1 954	–	55 322
Profit before net finance income	43 735	16 519	1 339	975	62 568
Total Assets	612 144	289 331	17 308	122 425	1 041 208
Total Liabilities	165 535	142 181	2 354	18 902	328 972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Share-based payment reserve	Currency translation reserve	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2013	1 353	355 027	15 492	(1 229)	22 980	–	393 623
Transactions with owners	646	277 269	(12 039)	–	(3 849)	–	262 027
– Issue of shares	579	251 691	–	–	–	–	252 270
– Share-based payment reserve	–	–	11 387	–	–	–	11 387
– Sale of shares issued under the Initial Share Scheme	4	1 260	–	–	–	–	1 264
– Sale of shares issued under the Current Share Scheme	1	489	(490)	–	–	–	–
– Vesting of shares issued under the Initial Share Scheme	–	–	955	–	–	–	955
– Vesting of shares issued under the Current Share Scheme	10	3 482	(3 492)	–	–	–	–
– Earnings distribution	–	–	–	–	(3 849)	–	(3 849)
– Reclassification of the Current Share Scheme	52	20 347	(20 399)	–	–	–	–
Total comprehensive income	–	–	–	–	57 464	(878)	56 586
– Profit for the period	–	–	–	–	57 464	(878)	56 586
Balance at 31 December 2013	1 999	632 296	3 453	(1 229)	76 595	(878)	712 236
Balance at 1 January 2014	**1 999**	**632 296**	**3 453**	**(1 229)**	**76 595**	**(878)**	**712 236**
Transactions with owners	**747**	**442 014**	**674**	–	**(8 657)**	–	**434 778**
– Issue of shares	**715**	**427 289**	–	–	–	–	**428 004**
– Share-based payment reserve	–	–	**11 882**	–	–	–	**11 882**
– Sale of shares issued under the Current Share Scheme	**12**	**3 293**	**(431)**	–	–	–	**2 874**
– Vesting of shares issued under the Initial Share Scheme	–	–	**675**	–	–	–	**675**
– Vesting of shares issued under the Current Share Scheme	**13**	**4 791**	**(4 804)**	–	–	–	–
– Earnings distribution	–	–	–	–	**(8 657)**	–	**(8 657)**
– Reclassification of the Current Share Scheme	**7**	**6 641**	**(6 648)**	–	–	–	–
Total comprehensive income	–	–	–	–	**99 195**	**(4 920)**	**94 275**
– Profit for the period	–	–	–	–	**99 195**	**(4 920)**	**94 275**
Balance at 31 December 2014	**2 746**	**1 074 310**	**4 127**	**(1 229)**	**167 133**	**(5 798)**	**1 241 289**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	IFRS Reviewed 31 Dec 2014	IFRS Audited 31 Dec 2013
Cash flows from operating activities	**50 295**	26 823
Cash flows from financing activities	**378 517**	293 677
Cash flows used in investing activities	**(373 068)**	(353 288)
Net increase/(decrease) in cash and cash equivalents	**55 744**	(32 788)
Cash and cash equivalents brought forward	**52 492**	85 280
Cash and cash equivalents carried forward	**108 236**	52 492

BUSINESS COMBINATIONS	Promenada Mall 31 Oct 2014	Kragujevac Plaza 1 Sep 2014
Investment property	148 000	39 940
Current assets	11 464	3 030
Deferred tax liabilities	(3 934)	(1 320)
Current liabilities	(6 315)	(1 510)
Net identifiable net assets at fair value	**149 215**	**40 140**
Goodwill arising on acquisition	3 934	–
Consideration paid in cash	**153 149**	**40 140**

BANK LOANS AND BORROWINGS REPAYMENT PROFILE	Outstanding amount	Available for drawdown	2015	2016	2017	2018	2019 and beyond
Floreasca Business Park	51 707	–	3 920	3 920	3 920	39 947	–
Aupark Zilina	49 370	–	1 954	47 416	–	–	–
The Lakeview	27 713	–	2 110	2 110	2 110	21 383	–
City Business Centre	24 454	–	1 314	1 365	1 418	1 473	18 884
Shopping City Galati	18 873	–	1 355	1 355	1 355	1 355	13 453
Ploiesti Shopping City (joint venture)	17 429	–	1 095	1 095	1 095	1 095	13 049
Retail Park Pitesti	11 131	–	11 131	–	–	–	–
The Office Cluj-Napoca (joint venture)	6 875	–	348	348	348	348	5 483
Street Segment Retail Portfolio and Brasov Value Centre	5 728	200	250	5 478	–	–	–
Regional Value Centres	5 285	–	373	373	373	373	3 793
NE Property Cooperatief	–	80 000	–	–	–	–	–
Rasnov Industrial Facility and Otopeni Warehouse	–	9 500	–	–	–	–	–
Total	**218 565**	**89 700**	**23 850**	**63 460**	**10 619**	**65 974**	**54 662**

The reference base rate (1 month EURIBOR, 3 month EURIBOR) was hedged with a weighted average interest rate cap of 2.0% for 44% of the outstanding notional amount and a weighted average interest rate swap of 1.8% for 56% of the outstanding notional amount.

BASIS OF PREPARATION

These condensed consolidated financial results for the year ended 31 December 2014 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 Standards Board ("IASB"), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting and the JSE Listings Requirements. 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 2013.
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 investments in joint ventures, which is not in accordance with IFRS (consistent with financial statements prepared in accordance with IFRS reported before 1 January 2013), while the IFRS statements use the equity method for accounting for these investments (following the adoption of IFRS 11 'Joint Arrangements' effective 1 January 2013).
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 2014 that require any additional disclosure or adjustment to the reviewed condensed consolidated financial results.
PricewaterhouseCoopers LLC have issued an unmodified review report on the condensed consolidated financial statements for the year ended 31 December 2014, prepared in accordance with IFRS, IAS 34 and the JSE Limited Listing Requirements that is available for inspection at the Company's registered office.
In relation to pro-forma financial information included in this preliminary report, a reporting accountant's report is required by JSE Limited and will be available for inspection at the Company's registered office on or before 18 February 2015. Furthermore, any reference to future financial performance included in this preliminary report have not been reviewed or reported on by the group's external auditors. The auditor's review report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the issuer's registered office. The directors take full responsibility for the preparation of the preliminary report.