

DIRECTORS' COMMENTARY

All information below excludes joint ventures, unless otherwise stated

DISTRIBUTABLE EARNINGS

The Group achieved 40.50 euro cents in distributable earnings per share for 2016, a 14.7% improvement in distributable earnings per share compared to 35.34 euro cents per share distributed in 2015 (respectively a 16.5% increase as compared to the 2015 recurring distributable earnings based on which the earnings guidance was provided). This growth is due to the strong performance of the Group's assets, profitable acquisitions and developments completed during the year, as well as having maintained a moderate liquidity profile during the period.

FINAL DISTRIBUTION AND OPTION TO RECEIVE CAPITAL RETURN

The Board of Directors declares a distribution of 21.82 euro cents per share for the second half of 2016, which, combined with 18.68 euro cents per share for the first half of the year, results in a 40.50 euro cents per share distribution for 2016. Shareholders can elect to receive distribution either in cash or as an issue of fully-paid shares based on a ratio between distribution declared and the reference price. The reference price will be calculated using a maximum 7% discount to the five-day volume-weighted average traded price, less distribution, of NEPI shares on the Johannesburg Stock Exchange (JSE), no later than 31 March 2017.

A circular containing full details of the election being offered to shareholders, accompanied by announcements on the Stock Exchange News Service (SENS) of the JSE and the Bucharest Stock Exchange (BVB), will be issued in due course.

MERGER OF NEPI AND ROCKCASTLE

During the fourth quarter of 2016, NEPI and Rockcastle Global Real Estate Company Limited (Rockcastle), a property investment company established in Mauritius and listed on the JSE and the Stock Exchange of Mauritius (SEM), issued joint cautionary announcements regarding a potential transaction. On 14 December 2016, a framework agreement was announced (Framework Agreement), pursuant to which their respective businesses would be merged into an entity newly-incorporated in the Isle of Man, NEPI Rockcastle plc (NewCo). This is expected to be implemented with an effective share swap ratio of 4.5 Rockcastle shares for one NEPI share (the Swap Ratio).

In accordance with the Framework Agreement, NEPI and Rockcastle will transfer all assets and liabilities, including their subsidiaries, effectively transferring their entire businesses to NewCo. In exchange, NewCo will issue ordinary shares (NewCo Shares) to NEPI and Rockcastle, in line with the Swap Ratio.

NewCo is expected to benefit from enhanced liquidity, and be the largest listed real estate company in Central and Eastern Europe (CEE). NewCo Shares are expected to be listed on the Main Board of the JSE and Euronext Amsterdam, as well as other stock exchanges NEPI and Rockcastle agree upon. The transaction will integrate two complementary management teams, unlocking strategic synergies and creating additional value for shareholders.

Considering the envisaged merger, including anticipated improvements in portfolio size and diversification, Standard & Poor's Global Ratings (S&P) revised NEPI's outlook from 'Stable' to 'Positive', and reaffirmed the long-term 'BBB-' corporate credit rating. Moody's Investors Service (Moody's) retained NEPI's Baa3 Stable, but considers the merger credit positive.

These transactions will be implemented following the fulfilment, or waiver, of several conditions precedent, including approval by Boards of Directors and shareholders, as well as all relevant authorities, on or before 30 June 2017.

A circular detailing this transaction, accompanied by announcements on the relevant stock exchanges, is expected to be issued by 30 April 2017.

CONTINUING STRATEGIC EXPANSION IN CEE

The Group's exceptional track record continued throughout 2016 with a property portfolio growth of 47%, from €1.73 billion on 31 December 2015 to €2.55 billion on 31 December 2016. Income-producing properties currently cover 1,000,000m² GLA and over 200,000m² GLA of properties are being permitted for development or are under construction.

NEPI owns and operates 871,800m² retail GLA and 143,800m² office GLA, including joint ventures. During 2016, 286,200m² retail GLA (including joint ventures) was added via the completed acquisitions and developments. The Group's team has grown proportionately during this period, and currently comprises 330 professionals with expertise in accounting, architecture, asset management, administration, development, finance, investments, law, leasing, marketing, property management and tax.

Retail assets comprise 87% of the operating property portfolio (by market value). Over the last five years, annual occupancy and collection rates have exceeded 95% and 99%, respectively. Continuous Net Operating Income (NOI) growth illustrates not only the benefits of active asset management, but also the success of the retail assets: 152 million people visited the Group's shopping centres in 2016.

During the period, NEPI has continued to focus on expanding its portfolio of dominant retail assets. It entered two new CEE markets in 2016: the Czech Republic and Croatia. The Group will soon start construction of its first development outside of Romania: a mall in Novi Sad, Serbia's second largest city. NEPI's extensive development experience will ensure building of a modern centre, with leading fashion, food, entertainment and leisure facilities, and many renowned international brands.

The Group is currently present in five CEE countries, and its multinational experience positions it for further growth of its strategic relationships with tenants, suppliers and other stakeholders. The Company is actively pursuing investment opportunities in CEE. Although increased competition and yield compression have been observed across these markets during the past period, NEPI, with its established property platform, remains well positioned for further expansion.

The Company's investment grade ratings are currently limited by Romania's sovereign rating, as Romanian assets comprise 73% (including joint ventures, by gross rentals) of the income-producing portfolio. NEPI's low gearing ratio (interest bearing debt less cash divided by investment property and listed property securities) of 27%, combined with a portfolio that is 87% unencumbered, allows good access to liquidity necessary for further growth.

RETAIL ACQUISITIONS

The Group completed the acquisition and development of a number of properties during 2016, discussed below. The country and effective or opening date are included in brackets. Populations are estimates.

Forum Usti nad Labem (Czech Republic, 29 February 2016)

NEPI acquired the dominant shopping centre in Usti nad Labem, a city with 93,000 inhabitants and 478,000 residents within a 45-minute drive. The centre has a 27,800m² GLA and is anchored by a Billa supermarket. The centre houses numerous national and international fashion brands, as well as a Cinema City.

Shopping City Sibiu (Romania, 31 March 2016)

NEPI acquired Shopping City Sibiu, a 78,200m² GLA shopping mall located in Sibiu, a city with 170,000 inhabitants and 286,000 residents within a 45-minute drive. The region's dominant shopping centre, Shopping City Sibiu contains two hypermarkets, Auchan and Carrefour, numerous national and international brands and a wide selection of furniture and DIY stores.

Mega Mall: acquisition of minority interest (Romania, 31 May 2016)

Following the purchase of the remaining 30% interest, NEPI became sole owner of Mega Mall, eastern Bucharest's 75,200m² GLA dominant shopping centre, with 910,000 residents within a 30-minute drive.

Korzo Shopping Centrum (Slovakia, 19 July 2016)

The Group acquired the 16,100m² GLA Korzo Shopping Centrum, the dominant mall in Prievidza, a city with 48,000 residents and 308,000 inhabitants within a 45-minute drive. The centre is part of a retail park that includes a Tesco and a DIY store. A refurbishment and an extension are being considered.

Aupark Shopping Center Piestany (Slovakia, 31 August 2016)

NEPI acquired the 10,300m² GLA Aupark Shopping Center, the main retail centre in Piestany, Slovakia's main resort and spa centre, with 28,000 inhabitants and 791,000 residents within a 45-minute drive. The centre is anchored by a Billa supermarket and houses many international brands.

Arena Centar (Croatia, 4 November 2016)

NEPI acquired the 62,100m² GLA Arena Centar, the largest shopping centre in Zagreb, Croatia's capital. The city has 790,000 residents and there are 1.4 million inhabitants within a 45-minute drive. The centre houses an Interspar hypermarket, a ten-screen CineStar cinema and numerous popular national and international brands. The transaction included the acquisition of an additional, adjacent 4.4ha land suitable for future development.

COMPLETED RETAIL DEVELOPMENTS AND EXTENSIONS

Shopping City Timisoara (Romania, 31 March 2016)

The Group completed the second phase of Shopping City Timisoara, an additional 40,400m² fashion and entertainment GLA, bringing the total GLA to 56,700m². The centre is located in Timisoara, Romania's third largest city, with 334,000 residents and 570,000 inhabitants within a 45-minute drive. Anchored by a Carrefour hypermarket, and adjacent to a Dedeman DIY store, the mall houses numerous international brands, a gym, a swimming pool and a thirteen-screen cinema with IMAX and 4DX auditoriums. A Peek & Cloppenberg store will open in March 2017.

City Park extension (Romania, 30 September 2016)

NEPI completed the fashion extension to City Park mall, Constanta, a city with 319,000 residents. The centre is now totalling 51,700m² GLA, and is becoming the dominant mall in the region. There are 541,000 inhabitants within a 45-minute drive. Anchored by a Cora hypermarket, City Park has a ten-screen Cinema City, with a 4DX auditorium, and houses numerous popular international and national brands. Subject to permitting, during 2017, the food court will be refurbished and expanded, and additional parking spaces will be available.

Severin Shopping Center extension (Romania, 29 October 2016)

During 2016, the Group extended Severin Shopping Center with an additional 1,700m² GLA, including C&A, increasing total GLA to 22,600m². It is the main centre in Drobeta-Turnu Severin, a city with 111,000 residents and 175,000 inhabitants within a 45-minute drive.

Shopping City Piatra Neamt (Romania, 1 December 2016)

The Group completed a 27,900m² GLA dominant regional mall in Piatra Neamt, a city with 116,000 residents and 245,000 inhabitants within a 45-minute drive. This centre is anchored by a Carrefour hypermarket, a six-screen Cinema City and houses popular international brands, such as: Bershka, CCC, Deichmann, dm, H&M, Intersport, KFC, NewYorker, Pepco and Takko.

Braila Mall extension (Romania, 10 December 2016)

During 2016, NEPI completed the refurbishment of the mall's food court, and added supplementary GLA of new fashion tenants such as: Bershka, LC Waikiki, Pull&Bear and Stradivarius. The mall now has a 55,400m² GLA and consolidated its position as the main regional shopping destination in Braila, a city with 213,000 residents and 575,000 inhabitants within 45-minute drive.

DEVELOPMENT PIPELINE

Consistent with its strategy, the Group continues to invest in developments that significantly increase distributable earnings per share. NEPI's development pipeline, including redevelopments and extensions, has increased to €726 million (estimated at cost), representing an increase of €125 million compared with the previous year. €179 million relating to the current development pipeline was spent by 31 December 2016.

RETAIL DEVELOPMENTS AND EXTENSIONS

Promenada Mall extension (Romania)

The process of obtaining new zoning and construction permits for Promenada Mall's retail extension and integrated office building is underway, having experienced material delays. The mall is located in Bucharest's central business district, with 177,000 inhabitants within a 15-minute drive. The retail extension will include new fashion brands, a 14-screen Cinema City, additional leisure and entertainment facilities and 1,600 new parking spaces. Subject to full permitting being obtained during 2017, NEPI targets to complete the extension during 2018.

Promenada Novi Sad (Serbia)

Permitting for a mall of up to 56,000m² GLA in Novi Sad is underway. Novi Sad is Serbia's second largest city, with 250,000 residents and 354,000 inhabitants within a 30-minute drive, and strong tenant demand. Construction is expected to commence during the first quarter of 2017 and should be completed by the end of 2018.

Shopping City Satu Mare (Romania)

NEPI intends to develop a 28,700m² regionally dominant mall in Satu Mare, a city with a population of 123,000 residents and 288,000 inhabitants within a 45-minute drive. Subject to permitting, construction should commence in the first quarter of 2017 and the shopping centre is scheduled to open in 2018.

Ramnicu Valcea Mall (Romania)

Permitting for a 27,900m² GLA regional mall in Ramnicu Valcea, a city with 119,000 residents and 315,000 inhabitants within a 45-minute drive, is in progress. The centre will include a Carrefour hypermarket, Cinema City and numerous national and international brands. Subject to permitting, construction will begin in the first quarter of 2017 and the centre is scheduled to open in the fourth quarter of 2017.

Shopping City Galati extension (Romania)

The Group intends to extend Shopping City Galati, a 27,200m² GLA regional mall located in Galati, a city with 306,000 residents and 559,000 inhabitants within a 45-minute drive. The centre's performance since opening has been excellent, and NEPI will extend it with 21,000m² GLA, including a cinema, food court and international fashion brands. Subject to permitting, NEPI targets completing the extension in the fourth quarter of 2017.

Retail parks (Serbia)

The Group acquired land in Krusevac, a city with 59,000 residents, and Sabac, a city with 54,000 inhabitants, with the intention to develop two 9,000m² GLA retail parks, with the potential for future extension. There is no other material modern retail offering in these cities. The retail schemes will be anchored by retailer-owned supermarkets. Subject to permitting, construction should commence in 2017 and be completed in 2018.

Shopping City Sibiu: reconfiguration and extension (Romania)

NEPI intends to extend, reconfigure and refurbish Shopping City Sibiu, creating an additional 10,600m² GLA. The extension will house a seven-screen cinema, additional restaurants and international fashion brands. Subject to permitting, construction is planned to commence during the first half of 2017 and should be completed by year-end.

Ploiesti Shopping City extension (Romania)

The Group and its joint venture partner plan to extend Ploiesti Shopping City, a 45,800m² GLA regional mall, located in Ploiesti, a city with 235,000 residents and 774,000 inhabitants within a 45-minute drive. The additional 6,200m² GLA will include new international brands. Subject to permitting, NEPI targets completing the extension in the fourth quarter of 2017.

OFFICE DEVELOPMENTS AND EXTENSIONS

The Office Cluj-Napoca extension (Romania)

Construction of the 18,500m² GLA third phase of The Office, Cluj-Napoca, is ongoing and will be handed over for tenant fit-out in the second quarter of 2017.

Victoriei Office (Romania)

The Group has substantially finalised developing the 7,600m² GLA landmark office, located in central Bucharest, adjacent to the Romanian Government building. Permitting of internal fit-out has experienced material delays; given the tenant demand, opening will immediately follow permitting and the respective fit-out works.

OTHER HIGHLIGHTS

Non-recoverable tenant income for 2016 was 0.18% of annual contractual rental income and expense recoveries. The vacancy level as of 31 December 2016 was 2%, not including properties held for sale.

NEPI withdrew its shares from trading on the Alternative Investment Market (AIM) of the London Stock Exchange, due to the low trading volumes and the majority of capital raised having been accessed through the JSE. The delisting was effective 10 October 2016.

CHANGES TO THE BOARD OF DIRECTORS

Mr Tiberiu Smaranda resigned from his position as Executive Director, effective as of 1 September 2016.

The Board appointed Mr Robert Reinhardt Emslie and Mr Antoine Laurens Vincent Dijkstra as Non-executive Directors on 4 February 2016 and 13 June 2016, respectively. Mr Andries de Lange was appointed as alternate Director to Mr Desmond de Beer, an Independent Non-executive Director, on 9 August 2016.

CASH MANAGEMENT AND DEBT

As of 31 December 2016, the Group had €48 million in cash and additional undrawn facilities of €45 million.

During 2016 NEPI raised €219 million through the issue of new ordinary shares, used additional debt facilities of €224 million (out of which €13 million from joint ventures) and repaid the Floreasca Business Park loan (€46 million). The committed unsecured revolving facility was extended until December 2018 and increased to €130 million. The Aupark Zilina loan was extended until December 2022 and increased to €65 million.

As of 31 December 2016, NEPI's gearing ratio (interest bearing debt less cash divided by investment property and listed property shares) reached 27%, compared to 14% at the end of 2015.

In 2016, the average interest rate, including hedging costs, was 3.7%, down from 3.9% in 2015, as a result of contracting new debt at lower cost and decreasing costs associated with existing debt. As of 31 December 2016, fixed-coupon bonds represented 61.7% of outstanding debt; of the remaining debt exposed to Euribor, 62% was hedged with interest rate caps and 38% with interest rate swaps.

PROSPECTS AND EARNINGS GUIDANCE

The Board projects that approximately 15% growth in distributable earnings per share for 2017 compared to 2016 is achievable based on the following assumptions: a) any potential corporate-level transaction is ignored; b) planned developments remain on schedule; and c) a stable macroeconomic environment prevails and no major corporate failures occur. 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,

Alexandru Morar	Mirela Covasa
Chief Executive Officer	Chief Financial Officer

15 February 2017

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 Dec 2016	31 Dec 2015
ASSETS		
Non-current assets	2 674 176	1 829 440
Investment property	2 546 772	1 732 760
Investment property in use	2 370 760	1 576 019
Investment property under development	176 012	156 741
Goodwill	58 390	23 986
Investments in joint ventures	22 023	15 640
Long-term loans granted to joint ventures	31 015	36 674
Other long-term assets	15 299	18 098
Financial assets at fair value through profit or loss	677	2 282
Current assets	107 538	381 097
Trade and other receivables	40 539	54 487
Financial investments at fair value through profit or loss	18 979	-
Cash and cash equivalents	48 020	326 610
Investment property held for sale	15 525	25 255
Total assets	2 797 239	2 235 792

EQUITY AND LIABILITIES	31 Dec 2016	31 Dec 2015
Total equity attributable to equity holders	1 814 552	1 496 550
Share capital	3 215	2 986
Share premium	1 368 171	1 213 325
Share-based payment reserve	4 797	4 797
Currency translation reserve	(1 229)	(1 229)
Accumulated profit	439 598	275 042
Non-controlling interest	-	1 629
Total liabilities	982 687	739 242
Non-current liabilities	831 995	661 717
Bank loans	260 593	162 788
Bonds	394 819	392 140
Deferred tax liabilities	158 864	89 652
Other long-term liabilities	17 403	14 988
Financial liabilities at fair value through profit or loss	316	2 149
Current liabilities	150 692	77 525
Trade and other payables	71 536	62 827
Bank loans	17 999	13 424
Bonds	61 157	1 274
Total equity and liabilities	2 797 239	2 235 792

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 2015	2 746	1 074 310	4 127	(1 229)	167 133	(5 798)	1 241 289
Transactions with owners	240	139 015	670	-	(50 489)	-	89 436
- Issue of shares	205	129 767	-	-	-	-	129 972
- Sale of shares issued under the Initial Share Scheme	35	9 248	-	-	-	-	9 283
- Vesting of shares issued under the Initial Share Scheme	-	-	670	-	-	-	670
- Earnings distribution	-	-	-	-	(50 489)	-	(50 489)
Total comprehensive income	-	-	-	-	158 398	7 427	165 825
- Profit for the period	-	-	-	-	158 398	7 427	165 825
Balance at 31 December 2015	2 986	1 213 325	4 797	(1 229)	275 042	1 629	1 496 550
Balance at 1 January 2016	2 986	1 213 325	4 797	(1 229)	275 042	1 629	1 496 550
Transactions with owners	229	154 846	-	-	(70 412)	687	85 350
- Issue of shares	229	154 800	-	-	-	-	155 029
- Sale of shares issued under the Initial Share Scheme	-	46	-	-	-	-	46
- Earnings distribution	-	-	-	-	(48 288)	-	(48 288)
- Acquisition of non-controlling interest	-	-	-	-	(22 124)	687	(21 437)
Total comprehensive income	-	-	-	-	234 968	(2 316)	232 652
- Profit for the period	-	-	-	-	234 968	(2 316)	232 652
Balance at 31 December 2016	3 215	1 368 171	4 797	(1 229)	439 598	-	1 814 552

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2016	31 Dec 2015
Profit after tax	232 652	165 825
Adjustments	(93 262)	(66 987)
Changes in working capital	5 066	1 378
Cash flows from operating activities	144 456	100 216
Proceeds from issue of shares	155 075	139 255
Earnings distribution	(48 288)	(50 489)
Net movements in bank loans and bonds	134 890	297 522
Other payments	(24 500)	(2 395)
Cash flows from financing activities	217 177	383 893
Investments in acquisitions and developments	(621 262)	(265 735)
Net cash flow used in investments in financial assets	(18 961)	-
Cash flows used in investing activities	(640 223)	(265 735)
Net (decrease)/increase in cash and cash equivalents	(278 590)	218 374
Cash and cash equivalents brought forward	326 610	108 236
Cash and cash equivalents carried forward	48 020	326 610

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE	31 Dec 2016	31 Dec 2015
Net Asset Value per the Statement of financial position	1 814 552	1 496 550
Loans in respect of the Initial Share Scheme	18	64
Deferred tax liabilities for controlled subsidiaries	158 864	89 652
Goodwill	(58 390)	(23 986)
Deferred tax liabilities for joint ventures	5 952	3 919
Adjusted Net Asset Value	1 920 996	1 566 199
Net Asset Value per share (euro)	5.64	5.01
Adjusted Net Asset Value per share (euro)	5.98	5.25
Number of shares for Net Asset Value per share	321 479 204	298 565 564
Number of shares for adjusted Net Asset Value per share	321 486 204	298 590 564

BUSINESS COMBINATIONS	Shopping City Sibiu	Forum Usti Nad Labem	Korzo Shopping Centrum	Aupark Shopping Center Piestany	Arena Centar	Total
Investment property in use	100 000	82 600	29 500	39 500	218 500	470 100
Investment property under development	-	-	-	-	19 000	19 000
Current assets	2 950	4 546	966	11 325	8 403	28 190
Current liabilities	(5 495)	(3 371)	(1 132)	(12 535)	(10 612)	(33 145)
Non-current liabilities	-	-	-	(20 080)	-	(20 080)
Deferred tax liabilities	(9 850)	(5 646)	(2 899)	(2 497)	(13 512)	(34 404)
Total identifiable net assets at fair value	87 605	78 129	26 435	15 713	221 779	429 661
Goodwill arising on acquisition	9 850	5 646	2 899	2 497	13 512	34 404
Total consideration payable	97 455	83 775	29 334	18 210	235 291	464 065
Amounts retained from sellers / receivable from sellers	(1 000)	-	126	-	-	(874)
Total consideration paid in cash	96 455	83 775	29 460	18 210	235 291	463 191

DEBT REPAYMENT PROFILE	Type	Secured/Unsecured	Ownership	Outstanding amount	Available for drawdown	2017	2018	2019	2020	2021	2022	2023	2024	2025	≥2026	Total
Aupark Kosice Mall & Tower	Term loan	Secured	100%	99 473	-	5 526	5 526	5 526	82 895	-	-	-	-	-	-	-
Aupark Zilina	Term loan	Secured	100%	55 000	10 000	1 945	2 013	2 083	2 156	2 231	-	-	-	-	-	44 572
Aupark Piestany	Term loan	Secured	100%	19 503	-	396	396	396	396	17 919	-	-	-	-	-	-
Ploiesti Shopping City	Term loan	Secured	50%	15 239	-	1 095	1 095	1 095	1 095	1 095	-	-	-	-	-	9 764
The Office, Cluj-Napoca	Term loan	Secured	50%	20 916	-	1 360	1 320	1 320	1 320	15 596	-	-	-	-	-	-
NE Property Cooperatief	Fixed coupon bonds	Unsecured	100%	400 000	-	-	-	-	-	400 000	-	-	-	-	-	-
NE Property Cooperatief	Fixed coupon bonds	Unsecured	100%	50 000	-	50 000	-	-	-	-	-	-	-	-	-	-
NE Property Cooperatief	Revolving facility	Unsecured	100%	95 000	35 000	-	95 000	-	-	-	-	-	-	-	-	-
New Europe Property Investment plc	Revolving facility	Unsecured	100%	10 249	-	10 249	-	-	-	-	-	-	-	-	-	-
Total				765 380	45 000	70 571	105 350	10 420	87 862	436 841	-	-	-	-	-	54 336

BASIS OF PREPARATION

The condensed consolidated financial results for the year ended 31 December 2016 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and 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 years ended 31 December 2015 and 31 December 2016. The directors take full responsibility for the preparation of this preliminary report. This condensed report is extracted from the audited financial statements for the year ended 31 December 2016, but is not itself audited. The directors take full responsibility for the preparation of the condensed report and for ensuring that the financial information has been correctly extracted from the underlying audited annual financial statements. The auditors, PricewaterhouseCoopers LLC have issued their unmodified audit report on the annual financial statements for the year ended 31 December 2016 and a copy of the audit opinion, together with the underlying audited annual financial statements are available for inspection at the company's registered office.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2016	2015
Net rental and related income	145 532	104 067
Revenues from rent and expense recoveries	209 890	148 799
Property operating expenses	(64 358)	(44 732)
Administrative expenses	(8 186)	(6 695)
EBITDA	137 346	97 372
Acquisition fees	(4 339)	(933)
Fair value adjustments of investment property	143 163	81 742
Fair value loss on financial investments at fair value through profit or loss	(369)	-
Dividends received from financial investments	738	-
Net result on sale of financial investments	(355)	-
Share-based payment expense	-	(670)
Foreign exchange loss	(127)	(339)
Loss on disposal of investment property held for sale	(485)	-
Profit before net finance expense	275 572	177 172
Net finance expense	(13 059)	(916)
Finance income	4 784	7 613
Finance expense	(17 843)	(8 529)
Changes in fair value of financial instruments	228	1 149
Share of profit of joint ventures	6 383	2 399
Profit before tax	269 124	179 804
Income tax	(36 472)	(13 979)
Current tax expense	(1 664)	-
Deferred tax expense	(34 808)	(13 979)
Profit after tax	232 652	165 825
Total comprehensive income for the year	232 652	165 825
Non-controlling interest	2 316	(7 427)
Profit for the period attributable to equity holders	234 968	158 398
Weighted average number of shares in issue	309 760 628	284 461 222
Diluted weighted average number of shares in issue	309 778 913	285 813 260
Basic earnings per share (euro cents)	75.85	55.68
Diluted earnings per share (euro cents)	75.85	55.42

RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS	2016	2015
Profit for the period attributable to equity holders	234 968	158 398
Reverse indirect result	(108 683)	(69 889)
Foreign exchange loss	127	344
Acquisition fees	4 339	933
Share-based payment expense	-	670
Fair value adjustments of investment property for controlled subsidiaries	(143 163)	(81 742)
Loss on disposal of investment property held for sale	485	-
Fair value loss of financial investments	369	-
Net result on sale of financial investments	355	-
Dividends received from financial investments	(738)	-
Fair value adjustment of financial assets and liabilities for controlled subsidiaries	(228)	(1 149)
Deferred tax expense for controlled subsidiaries	34 808	13 979
Adjustments related to joint ventures		
Fair value adjustments of investment property for joint ventures	(7 252)	(8 204)
Fair value adjustment of financial assets and liabilities for joint ventures	227	(249)
Deferred tax expense for joint ventures	2 034	5 529
Foreign exchange gain for joint ventures	(46)	-
Company specific adjustments	(558)	12 096
Amortisation of financial assets	(3 730)	(3 554)
Realised foreign exchange (loss)/gain for controlled subsidiaries	(101)	4
Realised foreign exchange gain for joint ventures	7	-
Accrued dividend for financial investments	1 202	-
Accrued interest on share-based payments	2	89
Fair value adjustment of investment property for non-controlling interest	2 514	18 598
Deferred tax expense for non-controlling interest	(452)	(3 041)
Antecedent dividend	3 974	1 954
Distributable earnings	129 701	102 559
Less: Distribution declared	(126 688)	(102 559)
Antecedent dividend for the first half of 2016	(3 013)	-
Interim distribution	(59 566)	(51 304)
Final distribution	(70 135)	(51 255)
Earnings not distributed	-	-
Number of shares entitled to distribution	321 486 204	298 590 564
Distributable earnings per share (euro cents)	40.50	35.34
Less: Distribution declared per share (euro cents)	(40.50)	(35.34)
Interim distribution per share (euro cents)	(18.68)	(18.17)
Final distribution per share (euro cents)	(21.82)	(17.17)
Earnings not distributed (euro cents)	-	-

SEGMENTAL ANALYSIS	Retail	Office	Industrial	Corporate	Total
Year ended 31 December 2016					
Revenues from rent and expense recoveries	177 614	30 263	2 013	-	209 890
Profit before Net finance expense	249 753	27 167	1 023	(2 371)	275 572
Total Assets	2 338 444	388 883	16 243	53 669	2 797 239
Total Liabilities	369 027	49 105	2 519	562 036	982 687
Year ended 31 December 2015					
Revenues from rent and expense recoveries	120 046	26 728	2 025	-	148 799
Profit before Net finance expense	162 501	15 856	1 295	(2 480)	177 172
Total Assets	1 532 260	380 016	17 099	306 417	2 235 792
Total Liabilities	241 875	99 038	2 372	395 957	739 242

RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS	2016	2015
Profit for the period attributable to equity holders	234 968	158 398
Fair value adjustments of investment property	(143 163)	(81 742)
Loss on sale of investment property held for sale	485	