NEW EUROPE PROPERTY INVESTMENTS PLC

PROSPECTUS FOR ADMISSION TO TRADING

on the

BUCHAREST STOCK EXCHANGE

(Romanian) National Securities Commission Decision No. ....

Managers

BANCA COMERCIALA ROMANA

www.bcr.ro

INTERCAPITAL INVEST

www.intercapital.ro

The approval stamp applied on the prospectus for admission to trading does not represent a guarantee or any type of appraisal by CNVM as regards the opportunities, advantages or disadvantages, profits or risks involved by the transactions to be concluded following the acceptance of the admission to trading subject of the approval decision. The approval decision certifies only that the prospectus complies with the requirements of the law and of the norms adopted in its enforcement.

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NOTICE TO INVESTORS

This Prospectus contains information about the admission to trading of shares issued by New Europe Property Investments plc (known in this document as "NEPI" or "The Issuer" or “The Company”), procedure managed by Banca Comerciala Romana SA and Intercapital Invest SA (known in this document as "The Managers"). The Issuer will request the admission for trading on the regulated market managed by the Bucharest Stock Exchange of its shares based on this Document.

The information contained in this Prospectus was provided by the Issuer or was retrieved from public sources, which are indicated in the Prospectus. The Issuer has taken all the necessary measures to ensure that information included in the present Prospectus are real, exact and are not of a nature to be misleading in their significant parts. Furthermore, the Issuer declares that, based on its knowledge, no material omission was made that would significantly change the content of the Prospectus or which, had it not been made, would significantly impact the valuation of the opportunity of investments in the Issuer's shares by potential investors.

After reviewing the Prospectus, the Issuer takes responsibility for its content and confirms the reality, accuracy and completeness of information included in the Prospectus. The Issuer declares that, based on its knowledge, information included in the Prospectus are real, correct and complete in all their material aspects. The Managers are not in a position to make any statements regarding the reality, accuracy or completeness of information included in this Prospectus.

No other legal or natural person, other than New Europe Property Investments plc as Issuer and Banca Comerciala Romana SA and Intercapital Invest SA as Managers, has been authorized to provide information or documents related to the Shares described in this Prospectus, and no other legal or natural person was authorized to provide information or documents relating to the Issuer, other than the ones included in this Prospectus and in documents referenced in it. Any information or documents provided outside of the Prospectus or documents referenced should not be considered as authorized by the Issuer.

This Prospectus should not be interpreted as a recommendation from the part of the Issuer or the Managers about the acquisition of Shares described in it. In taking the decision to invest in Shares described in this document, investors should rely on their own analysis, including the advantages and risks involved. Each buyer of Shares should abide by all laws and regulations in force, the Issuer or the Managers having no responsibility in this respect. Each investor should seek the advice of its own legal, financial or other types of consultants, accountants or councilors regarding to legal, tax, business, financial aspects and to aspects involved in the acquisition, holding or selling of the Shares. The Issuer or the Managers do not take any responsibility in these matters.

TABLE OF CONTENTS

DEFINITIONS

Within the present Prospectus, except when the contrary is explicitly stipulated, the following capitalized terms shall have the following meanings, applicable both to the singular and plural forms:

AIM market	Alternative Trading System of the London Stock Exchange
AltX	The Alternative Exchange of the JSE
BNR	National Bank of Romania
Business Day	Any day, other than Saturday, Sunday and legal holidays, in which both the Romanian inter-bank market and the Bucharest Stock Exchange trading and settlement systems are open for business
BVB	Bucharest Stock Exchange
Capital Market Law	Romanian Law no. 297 of 28 June 2004 on the capital market, as further amended
CNVM	(Romanian) National Securities Commission
EUR, euro or €	The official currency of the European Union
Financial Statements	The consolidated financial statements incorporating the assets, liabilities, operating results, cash flows and changes in equity of the Group
GBP	Great Britain Pound, the official currency of the United Kingdom
The Group	The Company and its subsidiaries
Investment Advisor or NEPM	NEPI Investment Management (BVI) Limited, a company having the sole purpose to manage the Group's property portfolio, internalized in 2010 within the Group
Issuer or NEPI or the Company	New Europe Property Investments plc, a company incorporated in the Isle of Man on 23 July 2007
JSE	Johannesburg Stock Exchange
LSE	London Stock Exchange
Managers or Intermediaries	Banca Comerciala Romana SA (abbreviated as BCR) and Intercapital Invest SA, managers of the procedure for admission to trading of the Issuer on the regulated market of the Bucharest Stock Exchange, based on this Document
NAV	The Net Asset Value
NAV per share	The Net Asset Value divided by the number of Ordinary Shares in issue less the Share purchase scheme shares (that are treated as treasury shares for accounting purposes)

NEP (BVI)	New Europe Property (BVI) Limited, a subsidiary of NEPI in which the Company has a direct holding of € 0.01, representing one share
Prospectus or Prospectus for Admission to Trading	This prospectus for admission to trading
R	South African Rand, the official currency of South Africa
REIT	Real estate investment trust, a tax designation for a corporate entity investing in real estate that reduces or eliminates corporate income taxes
RON	Official currency of Romania
Shares or Ordinary Shares	Shares issued by the Issuer and presented in this Document, for which the Admission to Trading on the regulated market of the Bucharest Stock Exchange will be requested
Share purchase scheme	means the NEPM share incentive scheme which has been in place since before the Company's listing on the AIM market of the London Stock Exchange and the NEPI share purchase scheme which is applicable to all new share scheme issues starting with 3 May 2011, and the salient features of which are set out in section *Share purchase scheme*
Share based payments	The fair value of shares issued to participants as part of the Share purchase scheme
Subsidiaries	Those entities over which the Group has the ability, either directly or indirectly, to govern the financial and operating policies so as to obtain benefits from their activities
SPV	Special Purpose Vehicle
US$, USD or US Dollars	United States Dollars, the official currency of the United States of America

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PROSPECTUS SUMMARY

We present hereunder a Summary that represents exclusively and should be read as an introduction to the Prospectus for Admission to Trading of New Europe Property Investments plc, without the claim of being exhaustive, and which was put together only based on detailed information inside the Prospectus thereto and needs to be corroborated with these. Investors should not limit themselves to reading this Summary.

We recommend that investors read the entire Prospectus, in particular the investment risks depicted in the "Risk Factors" section, as well as the other information in the Prospectus sections. Any decision to invest in Shares presented in this document needs to be based on the Prospectus information considered as a whole.

MAIN FEATURES OF SHARES

- **Issuer:** New Europe Property Investments plc, abbreviated as NEPI
- **Securities type**: Ordinary shares
- **Securities form and class**: nominative shares registered electronically
- **Share denomination currency**: EUR
- **Legislation underlying the issue of securities**: Shares issued in terms of the Laws of the Isle of Man
- **Number of issued shares**: 76,933,734 issued shares out of 150,000,000 authorized shares
- **Face value of a share:** €0.01
- **Admission to Trading:** At the time this Prospectus was drafted, the shares were trading on the Main Board of the Johannesburg Stock Exchange and on the AIM Market of the London Stock Exchange. The Issuer will request the admission to trading of the Shares on the regulated market of the Bucharest Stock Exchange based on this Prospectus.
- **Share codes**: NEP on the Johannesburg Stock Exchange, NEPI on the AIM Market of the London Stock Exchange and NEP on the Bucharest Stock Exchange
- **Managers of the procedure of admission to trading:** Banca Comerciala Romana SA and Intercapital Invest SA

PRESENTATION OF THE ISSUER

New Europe Property Investments plc was incorporated on 23 July 2007 in the Isle of Man under the Isle of Man Companies Act 2006. The Issuer is traded on the AIM Market of the London Stock Exchange since 22 August 2007 (share code NEPI) and on the Main Board of the Johannesburg Stock Exchange since 4 August 2010 (share code NEP), after its transfer from the AltX of the JSE. NEPI's ISIN no. is IM00B23XCH02.

The Issuer is a company limited by shares, having the registered office in Isle of Man, Douglas, IM1 4LN, Lord Street, Anglo International House, Second Floor, Website www.nepi.uk.com. The company's duration is unlimited. NEPI is incorporated and registered in terms of the laws of the Isle of Man with registered number 001211V and registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10.

The Group's objective is to provide shareholders with an opportunity to invest in a dividend paying, long term issuer that could serve as a vehicle for investors seeking emerging European investment exposure that yields absolute returns and portfolio diversification.

It is the Company's intention to distribute to Shareholders at least 90% of its revenue profits on a semi-annual basis, subject to compliance with the relevant laws which will govern the Group's SPVs. Capital profits derived from asset disposals are re-invested.

As at 31 December 2010 the Group's property portfolio consisted of 33 retail, office and industrial properties of which 27 located in Romania and the remainder in Germany.

The portfolio was valued at €313.7 million, had a rentable area of 214,000 square meters, an outstanding weighted average lease duration of 7.6 years (2009: 6.6 years) and an occupancy rate of 98.2%. The average annualised property yield was 8.3%.

The issuer's portfolio consists of:

- **retail portfolio**, which includes 11 assets, with a total area of 101,000 square meters, valued at €148.5 million and accounted for 50% of the annualised gross rental income as at 31 December 2010. The largest retail asset in the portfolio is Promenada Mall Braila, a 53,000 square meter retail centre anchored by Carrefour and Bricostore.

The second retail center in the portfolio is Retail Park Auchan Pitesti, a 33,000 square meter retail centre anchored by Auchan and Bricostore. The Group exercised in 2011 an option to acquire a 7,000 square meters underperforming galleria linked to Retail Park Auchan Pitesti which will be redeveloped into a value center.
The remainder of the retail portfolio consists of a retail-box and three street retail units in Romania and five small retail properties in Germany.

Overall, in Romania, 2010 brought limited supply in terms of new retail space – only 5 new projects were opened in the entire country. Retail sales in 2010 declined for a second year in a row, due to the austerity measures introduced in June 2010. However, top retail schemes bucked the trend. Food and branded fashion retailers continued to pursue expansion opportunities, as they replaced weaker local retailers. There is no general trend to be detected in retail rent levels, these being linked to the individual performance of the various schemes.

- **office portfolio**, which contains 20 properties with a total area of 84,500 square meters valued at €145.4 million and accounts for 44% of the annualised gross rental income as at 31 December 2010. The bulk of the office portfolio consists of the Floreasca Business Park, a 36,000 square meters class-A office building located on one of Bucharest's main boulevards.

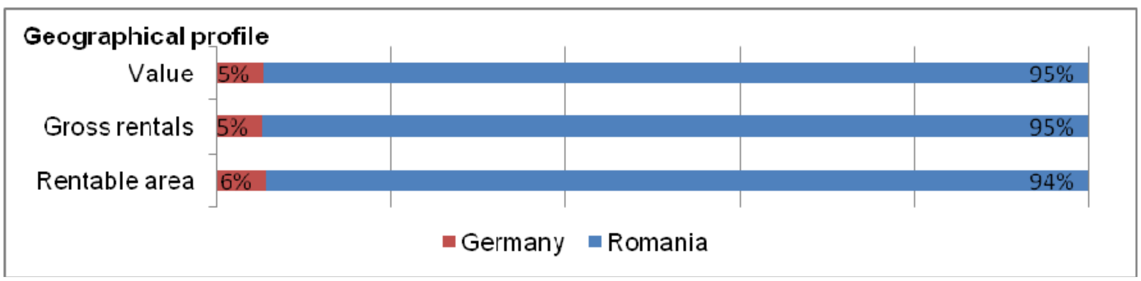
Eighteen office buildings are part of a portfolio rented mostly to Raiffeisen bank and located in the central areas of 18 Romanian cities. The only office building in Germany is located in Munich and is rented to medical practitioners.

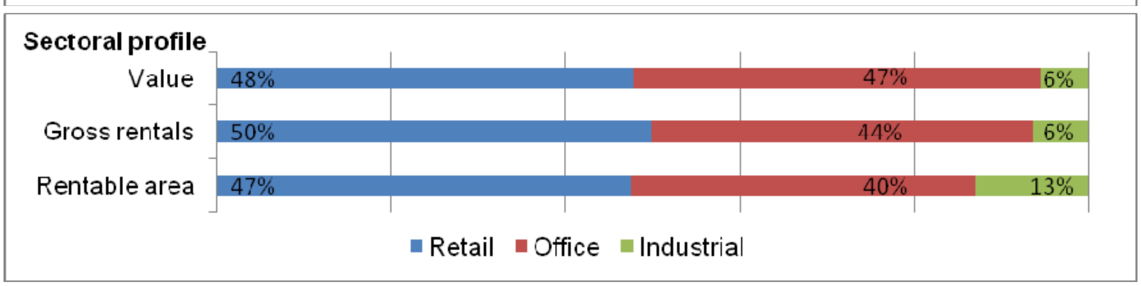
At the end of 2010, the rentable area in Bucharest's modern Class A and B properties stood at approximately 1,360,000 square meters. In terms of space per inhabitant Bucharest has from two to three times less quality office space than other markets in Central and Eastern Europe. The demand for office space in Romania is on an upward trend and the rental levels for prime office space has been stable after declines in 2009.

- **industrial portfolio**, which consists of a 23,000 square meters industrial property in Rasnov, Romania, and one 4,800 logistics property in Bucharest, Romania. As at 31 December 2009, the two properties were valued at €17.3 million and accounted for 6% of the annualised gross rental income.

The industrial real estate segment in Romania is still an emerging market with limited modern schemes, most of these developed on a "built-to-suit" basis. Both demand and stock did not register any significant activity in 2010.

At 2010 year-end 3,800 square meters of rentable area were vacant, representing 1.8% of the 214,000 square meters of rentable area.





FINANCIAL INFORMATION

The financial statements have been prepared in accordance with applicable Isle of Man law, regulations, International Financial Reporting Standards (IFRS) and in accordance with the principal accounting policies of the Group, in order to provide information about the financial results, financial position and cash flows of the Group.

The financial statements have been audited by KPMG Audit LLC for the year end 2008, 2009 and by Ernst & Young for 2010, in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Statement of income (EUR)	**Group 31 Dec 2008**	**Group 31 Dec 2009**	**Group 30 Jun 2010**	**Group 31 Dec 2010**
Net rental and related income	6,315,183	8,270,884	7,797,115	16,224,196
- Contractual rental income and expense recoveries	7,713,486	10,708,873	10,126,772	21,269,338

- Property operating expenses	(1,398,303)	(2,437,989)	(2,329,657)	(5,045,142)
Share based payments	(81,841)	(153,059)	(307,346)	(524,650)
Investment advisory fees	(571,137)	(670,725)	(679,627)	(703,323)
Administrative expenses	(498,656)	(1,830,203)	(461,517)	(1,991,478)
Foreign exchange gain	1,144,227	1,811,011	421,927	178,175
Fair value adjustment on investment property	(1,671,077)	575,253	-	1,111,927
Profit/(loss) before net finance (expense)/income	**4,636,699**	**8,003,161**	**6,770,552**	**14,294,847**
Net finance (expense)/income	(1,963,320)	(3,159,713)	(3,827,037)	(5,906,809)
- Finance income	275,930	261,512	196,896	581,765
- Finance expense	(2,239,250)	(3,421,225)	(4,023,933)	(6,488,574)
Profit before tax	**2,673,379**	**4,843,448**	**2,943,515**	**8,388,038**
Tax	(1,204,029)	(2,121,193)	(9,813)	(1,476,694)
Profit after tax	**1,469,350**	**2,722,255**	**2,933,702**	**6,911,344**
Weighted average number of shares in issue	26,795,000	29,397,896	47,255,904	52,388,748
Diluted weighted average number of shares in issue	27,568,206	30,877,071	49,444,271	56,334,549
Basic earnings per share (euro cents)	5.48	9.26	6.21	13.19
Diluted earnings per share (euro cents)	5.33	8.82	5.93	12.27
Distributable earnings per share (euro cents)	14.72	15.77	8.35	17.61
Headline earnings per share (euro cents)	7.76	13.74	7.62	11.07
Diluted headline earnings per share (euro cents)	7.54	13.08	7.28	10.29

Note: Administrative expenses include the costs of listings and costs incurred by exploring potential transactions; the finance expense includes transaction costs and fair value adjustments in relation to financial instruments

Over the last three years, the Company's profit after tax was up 85% in 2010 as compared to 2009 and 154% in 2009 as compared to 2008.

The Group's total equity amounted to €155,087,026 as at 31 December 2010, €72,719,463 as at 31 December 2009 and €51,397,909 as at 31 December 2008. The Issuer declares that total equity and liabilities of the Group amounted to €360,177,236 as at 31 December 2010, €167,143,876 as at 31 December 2009 and €93,723,838 as at 31 December 2008.

Total liabilities for the Group amounted to €205,090,210 as at 31 December 2010, representing an increase of 117% as compared to 2009 level (€94,424,413), as a result of the acquisitions performed by the Company during the year. The gearing (calculated as interest bearing borrowings less cash divided by investment property value) of NEPI was 49% as at 31 December 2010. The Group had €23,847,282 in cash at the end of 2010 compared to €12,276,543 in cash at the end of 2009 and €4,418,847 at end of 2008.

Cash flows were generated from rental revenues, share issues and bank loans. NEPI's overall bank loan to value ratio on December 31, 2010 increased to 49% when adjusted for cash at hand, compared to 46% as at December 31, 2009 and 36% as at December 31, 2008. This is slightly below the Board's target gearing range of 50-60%.

In addition to the bank loans, the Group also obtained financing from the vendors of the Premium Portfolio amounting to €853,281 for a period of five years. Of this amount, €250,000 bears interest at a fixed interest rate of 6% p.a. while the balance does not attract interest. This amount is used as collateral against certain vendor obligations. At the same time an amount of €895,000 was deposited with Nord LB and will be released when the loan is repayed to the vendors of the Premium Portfolio.

NEPI established a solid property portfolio and investment pipeline in Romania and intends to continue to pursue attractive acquisition and development opportunities of dominant or potentially dominant operating commercial assets anchored by international and national tenants with long term lease agreements in Romania. The acquisitions and developments should lead to further growth in its distributions to shareholders and establish NEPI as a significant player in the Romanian retail market.

Market values and rental income for properties owned by the Company are generally affected by supply and demand for properties, which in turn may be affected by overall conditions in the Romanian and other Central and Eastern European economies, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Despite continued macroeconomic weakness in Romania, NEPI’s property portfolio continues to perform well supported by the predominance of long-term leases and tenants with strong corporate covenants.

The NEPI`s share capital as at 31 December 2010 consists of 76,933,734 ordinary shares of €0.01 each with voting rights. Therefore, the total number of voting rights in NEPI is 76,933,734.

The securities admitted to trading are ordinary shares issued by the Issuer, with ISIN no. IM00B23XCH02. The shares are in registered and book-entry form, and are issued in euro on the AIM and South-African Rand on the JSE. Trading on BSE is carried out in RON.

The ordinary shares carry the right to vote at general meetings, the right to dividends and the right to the surplus assets of the Group on a winding-up. The ordinary shares carry pre-emption rights as well as transfer rights.

NEPI is currently listed on the AIM Market of the London Stock Exchange (with AIM Share Code: NEPI) and in the “Real Estate – Real Estate Holdings and Development” sector of the Main Board of the JSE (with JSE Share Code:NEP). NEPI’s shares were admitted to trading on the AIM market on 22 August 2007. NEPI's held a secondary listing on the AltX of the JSE with effect from 17 April 2009. On 28 July 2010 the JSE approved the transfer of NEPI's listing from the AltX sector to the Main Board of the JSE with effect from 4 August 2010.

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RISK FACTORS

The following specific factors should be considered carefully in evaluating whether to make an investment in the Company. The Directors believe the following risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it or its subsidiary companies operate or intend to operate as well as overall global financial conditions.

Difficulty of identifying and securing suitable investments. The activity of identifying and securing attractive investments may be highly competitive and involve a high degree of uncertainty. The Company will be competing for investments with other real estate investment vehicles, as well as individuals, financial institutions and other institutional investors. There can be no assurance that the Company will be able to identify and secure investments that satisfy its rate of return objective or realize their values or that it will be able to fully invest its available capital.

Availability of investment opportunities. The availability of potential investments that meet the Company's investment criteria will depend on the state of the economy and financial markets in Romania and elswere. The Company can offer no assurance that it will be able to identify and make investments that are consistent with its investment criteria or rate of return targets, or that it will be able to fully invest its available capital. There is no guarantee that investment opportunities identified by the Company will continue to be available in the future at a time or in a form which is convenient for the Company or that the Company will or will be able to invest in these opportunities. The inability to find or agree terms of such investment opportunities could have a materially adverse effect on the financial position and prospects of the Company.

There can be no assurance for the success of investments in appropriate listed properties securities, or appropriate liquid money market instruments.

Romania's economic, political and social conditions. The Company's return on its investments and prospects are subject to economic, political and social developments in Romania and the Central and Eastern European region in general. In particular, the Company's return on its investments may be adversely affected by:

- changes in Romania's and/or other Central and Eastern European countries' political, economic and social conditions;
- changes in policies of the government or changes in laws and regulations, or the interpretation of laws and regulations;
- changes in foreign exchange regulations;
- measures that may be introduced to control inflation, such as interest rate increases; and
- changes in the rate or method of taxation.

The Company's investments, as well as its future prospects, would be materially and adversely affected by an economic downturn in Romania and in the Central and Eastern European region in general. The financial operations of the Company may also be adversely affected by the performance and changing financial conditions of any parties doing business with the Company.

Economic risk. Any property market recession could materially adversely affect the value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates.

Property risk. Property and property related assets are inherently difficult to value due to the individual nature of each property and the fact there is not necessarily a liquid market or price mechanism. As a result, valuations may be subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. The performance of the Company would be adversely affected by a downturn in the relevant property market in terms of capital value.

Unsuccessful transaction costs. There is a risk that the Company may incur substantial legal, financial and other advisory expenses arising from unsuccessful transactions which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence.

Tax related risks. There may, in certain circumstances, be withholding or other taxes on the profits or other returns derived from the Company's investments which may change from time to time and which could have a material and adverse affect on the Company's performance. The tax regimes applying in the countries in which the Company operates and/or invests may change, thereby affecting the tax treatment of the Company and/or its SPVs in these jurisdictions.

Illiquidity of the property market. The property market may be affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the Company's control. The Company cannot predict whether any member of the Group which owns property will be able to sell that property for the price or on the terms set by it, or whether the price or other terms offered by a prospective purchaser would be acceptable to it. Nor can the Company predict the length of time needed to find a willing purchaser and to complete the sale of a property. The Group may be required to expend funds to refurbish or to make improvements before a property can be sold. The Company cannot be certain that the Group will have funds available to correct such defects or to make such improvements.

Impact of law and governmental regulation. The Company and developers with whom it deals will need to comply with laws and regulations relating to planning, land use and development standards. The institution and enforcement of such laws and regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's property portfolio. Changes in laws relating to ownership of land could have an adverse effect on the value of Ordinary Shares. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations.

The Company could be adversely affected by delays in, or a refusal to grant, any required governmental approval for any particular investment, as well as by the application to the Company of any legal or administrative restriction on making investments.

The legal systems of the countries in which the Company intends to invest may also not afford the Company the same level of certainty in relation to issues such as title to property-related rights as may be achieved in more developed markets. Enforcement of legal rights may prove expensive and difficult to achieve.

Credit risk. Credit risk represents the risk of financial loss to the Company if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from tenants.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. A widespread customer base reduces credit risk. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk. The Company could be subject to interest rate risk on loans and cash balances held. Equity and profit or loss are influenced by the changing in interest rate. This is offset by hedging that risk through the use of derivative financial instruments.

Bucharest Stock Exchange. The Ordinary Shares will be admitted to trading on the Bucharest Stock Exchange. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares.

Dividends. Shareholders should note that payment of any future dividends will be at the discretion of the Board after taking into account various factors including the Company's operating results, financial condition and current and anticipated cash needs.

Tax. Investors should take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it. In particular investors should be aware that ownership of shares in the Company can be treated in different ways in different jurisdictions. Due to the manner in which the Company may finance the acquisition of its property investments, a proportion of the income of the Company may arise from interest income earned from the Company's uninvested cash surpluses or similar.

Gearing. The Company, either directly or indirectly through its SPVs, may use borrowings which will typically be secured on assets in its property portfolio. If adequate cash flows cannot be generated by the Company to service the debt incurred by the Company, it may suffer a partial or total loss of its capital. A relatively small movement in the value of its property portfolio or the amount of income derived from it may result in a disproportionately large movement, unfavorable as well as favorable, in the value of Ordinary Shares or the amount of income received in respect thereof.

Any bank facility agreement entered into by the Company may contain financial covenants. In particular, such an agreement may require that the Company and/or its SPVs have assets exceeding a fixed percentage of the value of any loan draw down. If the value of such assets falls such that any such financial covenant is breached, or if any other covenant is breached, the Company may be required to repay or procure the repayment of the borrowings in whole or in part. In such circumstances, it may be necessary to sell, in a limited time, all or part of the Company's property portfolio, potentially in circumstances where there has been a downturn in property values generally such that the realization proceeds do not reflect the valuation of such properties.

RESPONSIBLE PERSONS

The information presented in this Document regarding the Issuer has been provided by New Europe Property Investments plc, company incorporated and registered on 23 July 2007 in terms of the laws of the Isle of Man, under the Isle of Man Companies Act 2006, with registered number 001211V, having its registered office in Isle of Man, Douglas, IM1 4LN Lord Street, Anglo International House, Second Floor.

Persons responsible for the Prospectus on behalf of the Issuer:

Martin Johannes Christoffel Slabbert – Chief Executive Officer, NEPI
Victor Semionov – Chief Financial Officer, NEPI

The present Prospectus has been prepared, on the basis of the information provided by the Issuer, by Banca Comerciala Romana SA, a credit institution headquartered in 5 Regina Elisabeta Blvd., Sector 3, Bucharest, Romania, postal code 030016, phone (40) 372 264 850, fax (4021) 312 7430 entered in the Trade Register under No. J40/90/1991, single registration code 361757, and Intercapital Invest SA, a company headquartered in 33 Aviatorilor Blvd., 1st floor, Sector 1, Bucharest, Romania, postal code 011853, phone (4021) 222 8731, fax (4021) 222 8744, E-mail: office@intercapital.ro, entered in the Trade Register under No. J40/6447/1995, single registration code RO7631041.

Persons responsible for the Prospectus on behalf of the Intermediaries:

Dan Weiler – Executive Director, Corporate Finance & Investment Banking Division, Banca Comerciala Romana SA
Valerian Ionescu – Head of Financial Instruments Trading Department, Financial Markets Division, Banca Comerciala Romana SA
Razvan Pasol – Chairman of the Board and General Manager, Intercapital Invest SA
Pompei Lupsan - Deputy General Manager & Corporate Finance Manager, Intercapital Invest SA
Adriana Stanescu – Corporate Finance Department, Intercapital Invest SA.

DECLARATION OF RESPONSIBLE PERSONS

Reviewing the contents of this Document, the responsible persons representing the Issuer, mentioned above as representatives of New Europe Property Investments plc, hereby declare that, after taking all reasonable measures, information included in the present Document is, based on their knowledge, in accordance with reality and does not contain material omissions that may significantly impact the content of the Document.

Reviewing the contents of this Document, the responsible persons representing the Managers, mentioned above as representatives of Banca Comerciala Romana SA and Intercapital Invest SA, hereby declare that, after taking all reasonable measures, information included in the present Document is, based on their knowledge, in agreement with reality and does not contain material omissions that may significantly impact the content of the Document.

The Issuer's representatives:

– collectively and individually accept full responsibility for the accuracy of the information given;
– certify that to the best of their knowledge and belief there are no facts the omission of which would make any statement false or misleading;
– have made all reasonable enquiries in this regard; and
– certify that, to the best of their knowledge and belief, this Document contains all information required by the Romanian capital market’s Law and Regulations, Bucharest Stock Exchange Requirements and by the European Commision Regulation 809/2004.

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1. INFORMATION ABOUT THE COMPANY AND ITS ACTIVITIES

New Europe Property Investments plc was incorporated on 23 July 2007 in the Isle of Man under the Isle of Man Companies Act 2006. The Issuer is traded on the AIM Market of the London Stock Exchange since 22 August 2007 (share code NEPI) and on the Main Board of the Johannesburg Stock Exchange since 4 August 2010 (share code NEP), after its transfer from JSE's AltX. NEPI's ISIN no. is IM00B23XCH02.

The Issuer is a company limited by shares, having the registered office in Isle of Man, Douglas, IM1 4LN, Lord Street, Anglo International House, Second Floor, Website www.nepi.uk.com. The company's duration is unlimited. NEPI is incorporated and registered in terms of the laws of the Isle of Man with registered number 001211V and registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10.

Note: Where sources of information are not mentioned throughout this Document, the information is drawn from Company's annual reports or represent Issuer's Directors' own opinions.

PRINCIPAL ACTIVITIES OF THE ISSUER

The Company's objective is to provide shareholders with an opportunity to invest in a dividend paying, long term issuer that could serve as a vehicle for investors seeking emerging European investment exposure that yields absolute returns and portfolio diversification.

The Group's investment policy is to seek exposure to high quality, income producing office, retail and industrial properties. Since 2009 the Group decided to focus on investments in dominant or potential dominant retail assets in Romania. The investment strategy is biased in favour of long-term leases with strong corporate covenants. The Group seeks to achieve a wide exposure to different tenants in order to diversify risk.

Investments are made with a view to holding the investments in the long term, but may be disposed of and the funds re-invested if this is believed to be advantageous to the long-term investment income performance of the Group. Uninvested funds of the Group may be invested in what the Directors believe to be appropriate listed property securities or appropriate liquid money market instruments.

It is the Company's intention to distribute to Shareholders at least 90% of its revenue profits on a semi-annual basis, subject to compliance with the relevant laws which will govern the Group's SPVs. Capital profits derived from asset disposals are re-invested. The Company declares and pays dividends in euro (dividends are converted to South African Rand for shareholders on the South African sub-register).

BRIEF HISTORY

23 July 2007	NEPI was incorporated in the Isle of Man
22 August 2007	NEPI was admitted to trading to the AIM market of the London Stock Exchange and commences trading in its ordinary shares, following the placing of 12,877,200 shares at 2.0 €/share, raising €25.75 million (before expenses).
19 October 2007	The Group acquired three high street retail locations and one big-box retail property in Bucharest, Iasi, Bacau and respectively Brasov.
13 December 2007	The Group acquired a 23,000 m² industrial facility in Rasnov.
17 December 2007	The Company raised €27.8 million in equity at an issue price of 2.0 €/share.
8 February 2008	The Group acquired a 47,000 m² portfolio consisting of 18 office buildings rented mostly to Raiffeisen and located in the central areas of 18 Romanian cities.
8 April 2008	The Group partnered with CIREF Europe Ltd, an investment and development fund listed on the AIM market of the London Stock Exchange, in the acquisition of a portfolio consisting of 6 properties in Germany.
17 April 2009	NEPI's shares were admitted to trading on the Alternative Exchange (AltX) of the JSE.
16 September 2009	The Company raises €5.9 million at an issue price of 2.1 €/share.
20 October 2009	The Company issued 9,014,781 new shares at an issue price of 2.03 €/share in relation to the acquisition of Promenada Mall Braila.
20 October 2009	The Group acquired Promenada Mall Braila, a 53,000 m² retail center anchored by Carrefour and Bricostore.
11 March 2010	NEPI issues 9,310,823 new shares at an issue price of 2.25 €/share in relation to the acquisition of Retail Park Auchan Pitesti.
11 March 2010	The Group acquired Retail Park Auchan Pitesti, a 33,000 m² retail center anchored by Auchan and Bricostore.
1 April 2010	NEPI raises €15.2 million at an issue price of 2.58 €/share.
30 June 2010	NEPI acquired its Investment Advisor through the issue of 2,450,748 new shares at an issue price of 2.58 €/share.
4 August 2010	NEPI completed the transfer of its listing from the Alternative Exchange of the JSE to the Main Board of the JSE in South Africa.
20 September 2010	The Group acquired the Otopeni Warehouse, a 4,800 m² warehouse located next to the Bucharest international airport.
17 December 2010	NEPI raises €40 million through an over-subscribed rights issue in respect of 15 million shares at an issue price of 2.67 €/share.
29 December 2010	The Group acquires Floreasca Business Park, a 36,000 m² A-class office building located in Bucharest.

PROPERTY PORTFOLIO OF THE ISSUER

As at 31 December 2010 the Group's property portfolio consisted of 33 retail, office and industrial properties of which 27 located in Romania and the remainder in Germany (NEPI holds a 50% interest in the German portfolio and all figures in this document are adjusted to reflect this). The portfolio was valued at €313.7 million, had a rentable area of 214,000 square meters, an outstanding weighted average lease duration of 7.6 years (2009: 6.6 years) and an occupancy rate of 98.2%. The average annualised property yield was 8.3%.

The Company's register of investment property is presented below.

Property name	Ownership %	Rentable area m²	Weighted rentable area m²	Weighted average rental €/m²	Weighted average vacancy %	Valuation €	Weighted valuation €
Retail portfolio		**112,394**	**101,398**	**10.33**	**0.4%**	**162,017,000**	**148,504,859**
Promenada Mall Braila	100%	53,000	53,000	9.12	0.8%	66,660,000	66,660,000
Retail Park Auchan Pitesti	100%	32,755	32,755	12.03	0.0%	57,100,000	57,100,000
Leipzig	50%	5,864	2,943	9.69	0.0%	8,149,000	4,090,228
Bruckmühl	50%	5,889	2,956	7.07	0.0%	6,577,000	3,301,193
Mölln	50%	5,510	2,766	5.67	0.0%	5,886,000	2,954,360
Bucharest	100%	838	838	50.67	0.0%	5,440,000	5,440,000
Brasov	100%	3,380	3,380	6.02	0.0%	4,270,000	4,270,000
Eilenburg	50%	3,727	1,871	7.88	0.0%	3,926,000	1,970,577
Frankfurt	50%	1,088	546	14.50	0.0%	2,591,000	1,300,501
Iasi	100%	193	193	37.58	0.0%	808,000	808,000
Bacau	100%	150	150	41.92	0.0%	610,000	610,000
Office portfolio		**85,632**	**84,525**	**11.96**	**0.0%**	**148,487,000**	**145,410,422**
Floreasca	100%	36,032	36,032	17.41	0.0%	103,950,000	103,950,000
Munich	50%	2,222	1,115	14.83	0.0%	6,177,000	3,100,422
Constanta*,**	100%	6,797	6,797	5.35	0.0%	6,330,000	6,330,000
Brasov*	100%	6,720	6,720	7.27	0.0%	6,200,000	6,200,000
Zalau*	100%	3,460	3,460	10.16	0.0%	3,410,000	3,410,000
Craiova*	100%	2,486	2,486	6.80	0.0%	2,480,000	2,480,000
Galati*	100%	2,814	2,814	7.12	0.0%	2,000,000	2,000,000
Buzau*	100%	2,422	2,422	6.98	0.0%	1,840,000	1,840,000
Baia Mare*	100%	2,406	2,406	5.87	0.0%	1,780,000	1,780,000
Slatina*	100%	2,767	2,767	6.97	0.0%	1,750,000	1,750,000
Alba Iulia*	100%	2,366	2,366	5.79	0.0%	1,590,000	1,590,000
Targoviste*	100%	2,373	2,373	5.52	0.0%	1,560,000	1,560,000
Sfantu Gheorghe*	100%	2,349	2,349	6.36	0.0%	1,500,000	1,500,000
Targu Mures*	100%	2,033	2,033	3.36	0.0%	1,450,000	1,450,000
Deva*	100%	1,860	1,860	7.23	0.0%	1,440,000	1,440,000
Slobozia*	100%	1,907	1,907	6.53	0.0%	1,200,000	1,200,000
Calarasi*	100%	1,421	1,421	7.02	0.0%	1,080,000	1,080,000
Resita*	100%	1,322	1,322	7.21	0.0%	1,070,000	1,070,000
Sibiu*	100%	900	900	0.96	0.0%	890,000	890,000
Alexandria*	100%	975	975	7.20	0.0%	790,000	790,000
Industrial portfolio		**27,842**	**27,842**	**5.23**	**12.2%**	**17,340,000**	**17,340,000**
Rasnov industrial facility	100%	23,040	23,040	4.46	14.8%	11,960,000	11,960,000
Otopeni warehouse	100%	4,802	4,802	8.38	0.0%	5,380,000	5,380,000
Vacant land**	**100%**					**2,500,000**	**2,500,000**
Total		**225,868**	**213,765**	**10.30**	**1.8%**	**327,844,000**	**313,755,281**

* There is a total of 12,800 square meters of unoccupied space in these properties that are subject to a vendor rental guarantee as described in more details under section Vacancy profile.
**The vacant land was booked at acquisition price

Retail portfolio

The retail portfolio consists of 11 assets, with a total area of 101,000 square meters, valued at €148.5 million and accounted for 50% of the annualised gross rental income as at 31 December 2010.

The largest retail asset in the portfolio is Promenada Mall Braila, a 53,000 square meter retail centre anchored by Carrefour and Bricostore. The centre also contains a galleria with a number of multinational retailers including New Yorker, Takko, Deichman, Spreider and Reserved. The centre also includes a large entertainment area and a ten screen cinema operated by Cinema City.

The second retail center in the portfolio is Retail Park Auchan Pitesti, a 33,000 square meter retail centre anchored by Auchan and Bricostore. The Group exercised in 2011 an option to acquire a 7,000 square meters underperforming galleria linked to Retail Park Auchan Pitesti which will be redeveloped into a value center.

The remainder of the retail portfolio consists of a retail-box and three street retail units in Romania and five small retail properties in Germany.

Following the 2010 year-end the Group secured land adjacent to the Carrefour Property's existing operating property in Ploiesti, Romania and has reached a preliminary agreement with Carrefour Property to redevelop the combined properties. The agreement is subject to receiving approval from the Carrefour Property Board and documenting the terms of the joint venture. It is expected that this will result in a regionally dominant shopping centre of some 50,000 square meters on completion.

The Group also acquired land adjacent to its Brasov retail asset. The combined property has a total land area of 11,300 square meters and a retail big box of 3,400 square meters. It is adjacent to the Carrefour Property's operating property - a strong performing hypermarket in Brasov. Re-development opportunities are currently under discussion in relation to this property.

Office portfolio

The office portfolio consisted of 20 properties with a total area of 84,500 square meters valued at €145.4 million and accounts for 44% of the annualised gross rental income as at 31 December 2010. The bulk of the office portfolio consists of the Floreasca Business Park, a 36,000 square meters class-A office building located on one of Bucharest's main boulevards. Floreasca Business Park has convenient access to a subway station and other means of public transport and is leased mainly to international corporations. Eighteen office buildings are part of a portfolio rented mostly to Raiffeisen bank and located in the central areas of 18 Romanian cities. The only office building in Germany is located in Munich and is rented to medical practitioners.

Industrial portfolio

The industrial portfolio included a 23,000 square meters industrial property in Rasnov, Romania, and one 4,800 logistics property in Bucharest, Romania. As at 31 December 2010, the two properties were valued at €17.3 million and accounted for 6% of the annualised gross rental income.

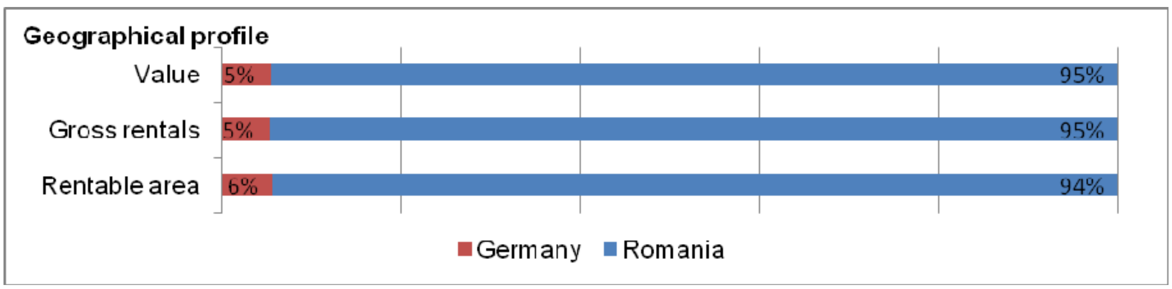
Vacancy profile

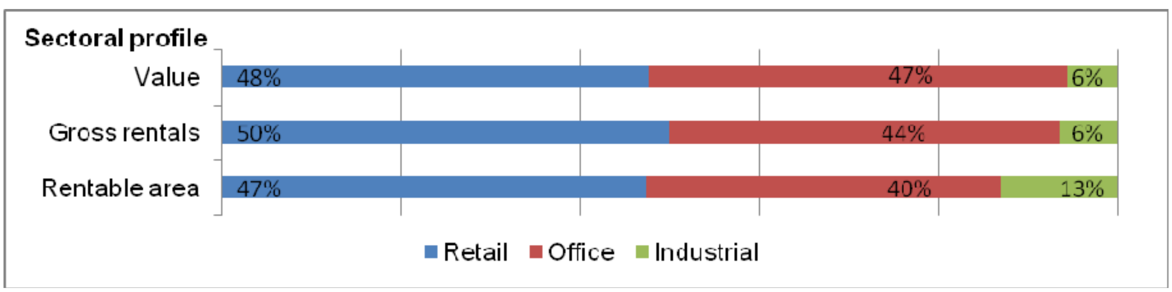
At 2010 year-end 3,800 square meters of rentable area were vacant, representing 1.8% of the 214,000 square meters of rentable area. Included in the rented space were 12,800 (2009: 17,300) square meters of unoccupied office and basement space that forms part of the Raiffeisen portfolio and that is subject to a vendor rental guarantee until 8 February 2012. Of this space 3,400 square meters of office space was under refurbishment in Brasov (the refurbishment is expected to be completed by May 2011), 7,200 (2009: 11,700) square meters were available for renting and 2,200 square meters were part of Constanta property which is in process of being disposed of to the vendor. A limited price adjustment will be made in relation to the Raiffeisen portfolio depending on the income generation of the portfolio on 8 February 2012.

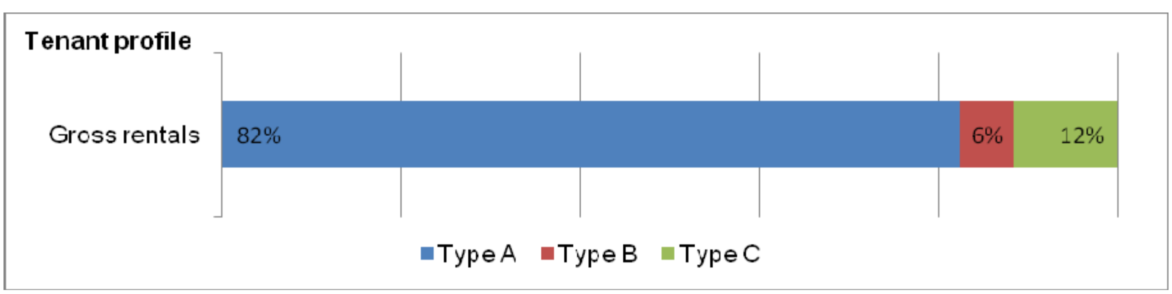
Rental escalations

Rental income in Romania is indexed annually with European CPI (2010 European CPI was 2.1%). Escalations in the rental agreement with Raiffeisen Bank are capped at 3% per annum.

Out of the total contracted rent in Germany, 83.2% is indexed. A typical lease is indexed with 65% of the German CPI (2010 German CPI was 1.2%) which is applicable when cumulative inflation exceeds a certain threshold, usually 10%.





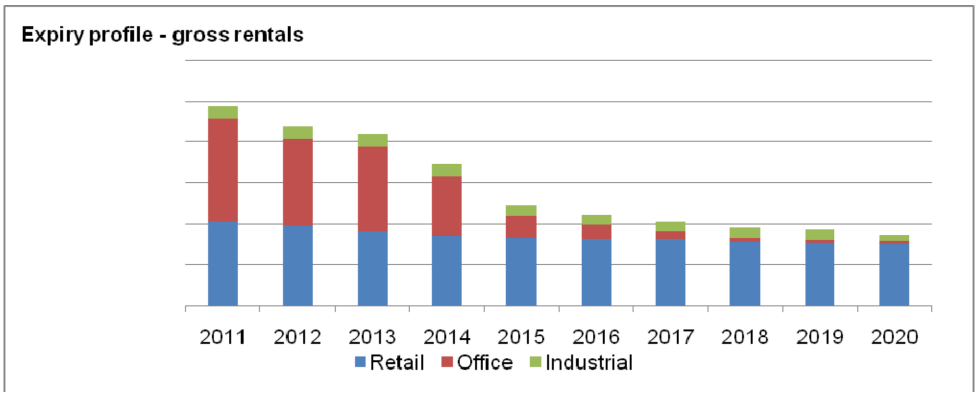


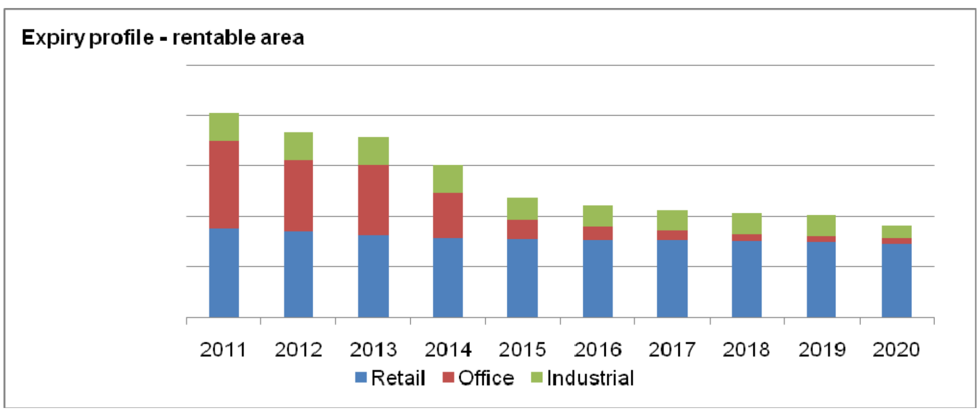
Type A. Large international and national tenants, large listed tenants, government and major franchisees. These include, *inter alia*, the tenants in the table below.

ABB	Carrefour	Hervis	Picanol
ABBOTT	Cinema City	Holcim	Raiffeisen Bank
AGIP	Colliers	Honeywell	REWE
Auchan	DAIKIN	Lindner	Romtelecom
Banca Comerciala Romana	Deichmann	L'OREAL	Sprider
BASF	Deutsche Post	MARS	Takko
Berlin Chemie	DHL	New Yorker	UPS
National Bank of Romania	EON GAZ	ORACLE	KFC
BRD Groupe Societe Generale	GE	Orange	Vodafone
Bricostore	GORENJE	Piraeus Bank	XEROX

Type B. Smaller international and national, smaller listed tenants, and medium to large professional firms.

Type C. Other tenants (this comprises 237 tenants, of which 110 tenants are located in Germany).





For purposes of this analysis the expiry date in relation to a lease is considered to be the first day when the tenant has the right to terminate the lease agreement. The contracted rent forecast excludes contracted rental escalations. The office rentals include the rental guarantee in relation to the vacant space in the Raiffeisen portfolio until 8 February 2012.

PRINCIPAL MARKETS

After a promising start of the year when the Romanian economy showed signs of recovery, an unprecedented set of austerity measures taken in June 2010 caused the economy to dip back into negative growth territory. In an effort to decreased the budget deficit, which was one of the conditions for the release of the next tranche from the IMF and EU loan granted in 2009, the government decreased salaries in the public sector by 25% and increased VAT from 19% to 24%. This forced the National Bank to adopt a conservative monetary policy in the second half of the year in order to curb inflation induced by the VAT increase, which put a further strain on lending conditions. The adopted measures decreased the budget deficit, but had an immediate negative effect on businesses and sales. Romania ended the year with a GDP contraction of 1.3% and a decrease in retail sales of 5.5% according to the National Institute for Statistics. Unemployment was estimated to be at 7.4% and inflation at 7.9% at year end according to Eurostat.

Nonetheless, signs of economic recovery have become apparent in the fourth quarter of 2010 when GDP registered an increase compared to the third quarter. The IMF expects Romanian GDP to grow by 1.5% in 2011 and 4.5% in 2012. Long term prospects remain positive, Romania being ranked among the first four European countries in terms of expected retail sales and GDP growth according to the Oxford Economics and King Sturge.

Office premises. At the end of 2010, the rentable area in Bucharest's modern Class A and B properties stood at approximately 1,360,000 square meters according to 2010 Colliers Romanian Real Estate Market Review. In terms of space per inhabitant Bucharest has from two to three times less quality office space than other markets in Central and Eastern Europe. Parking represents a problem, particularly in the CBD area. The parking ratio ranges between 1/40 square meters and 1/100 square meters and some older buildings have no parking at all. The office rental market in Bucharest revealed a mixed performance. Occupancy levels for prime office space is high and the rental levels for prime office space, such as Floreasca Business Park, has been stable, after declines in 2009. Occupancy and rental levels in secondary locations continues to be under pressure. The demand for office space is on an upward trend and a number of multinational tenants leased a large part of the remaining prime office space that was available during the year. The office pipeline remains thin and a shortage of prime office space may be expected in the near future.

Retail property. 2010 brought limited supply in terms of new retail space – only 5 new projects were opened in the entire country according to 2010 Colliers Romanian Real Estate Market Review. Retail sales in 2010 declined for a second year in a row, due to the austerity measures introduced in June 2010. However, top retail schemes bucked the trend. Food and branded fashion retailers continued to pursue expansion opportunities, as they replaced weaker local retailers. There is no general trend to be detected in retail rent levels, these being linked to the individual performance of the various schemes.

Industrial facilities. The industrial real estate segment is still an emerging market with limited modern schemes, most of these developed on a "built-to-suit" basis. Both demand and stock did not register any significant activity in 2010. Prime monthly rentals during 2010 ranged between €3.5/ m^2 and €4.5/ m^2 according to 2010 Colliers Romanian Real Estate Market Review.

TREND INFORMATION

Despite continued macroeconomic weakness in Romania, NEPI's property portfolio continues to perform well supported by the predominance of long-term leases and tenants with strong corporate covenants.

NEPI established a solid property portfolio and investment pipeline in Romania and intends to continue to pursue attractive acquisition and development opportunities of dominant or potentially dominant operating commercial assets anchored by international and national tenants with long term lease agreements in Romania. The acquisitions and developments should lead to further growth in its distributions to shareholders and establish NEPI as a significant player in the Romanian retail market.

There are no significant recent trends recorded since the end of the last financial year to the date of this document.

2. SELECTED FINANCIAL INFORMATION

HISTORICAL FINANCIAL INFORMATION

The consolidated financial statements of NEPI (the consolidated statement of income, the consolidated statement of financial position, the statement of cash flows and statement of changes in equity) are the responsibility of the directors of NEPI and they have been prepared in accordance with applicable Isle of Man law, regulations, International Financial Reporting Standards (IFRS) and in accordance with the principal accounting policies of the Group, in order to provide information about the financial results, financial position and cash flows of the Group.

The financial statements have been audited by KPMG Audit LLC for the year end 2008, 2009 and by Ernst & Young for 2010, in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. According to auditors' opinion, the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group's affairs and profit for the year end 2008, 2009 and 2010.

Set out below are the audited consolidated statements of financial position of the Group for the last three years. The Group's income is EUR denominated, as are its assets and liabilities.

Statement of financial position (EUR)	**Group 31 Dec 2008**	**Group 31 Dec 2009**	**Group 30 Jun 2010**	**Group 31 Dec 2010**
ASSETS				
Non-current assets	**87,533,635**	**151,470,854**	**211,084,981**	**328,991,707**
Investment property	85,142,170	145,965,096	196,914,767	313,755,281
- Investment property at fair value	78,627,504	139,222,255	189,752,881	300,899,292
- Investment property under development	6,514,666	6,742,841	7,161,886	12,855,989
Goodwill	2,386,463	4,414,804	6,908,608	13,849,887
Investments in subsidiaries	-	-	-	-
Loans to subsidiaries	-	-	-	-
Financial assets at fair value through profit or loss	5,002	1,090,954	1,379,663	1,386,539
Current assets	**6,190,203**	**15,673,022**	**27,932,073**	**31,185,529**
Trade and other receivables	1,771,356	3,396,479	4,465,634	7,338,247
Cash and cash equivalents	4,418,847	12,276,543	23,466,439	23,847,282
Total assets	**93,723,838**	**167,143,876**	**239,017,054**	**360,177,236**
EQUITY AND LIABILITIES				
Equity attributable to equity holders	**51,397,909**	**72,719,463**	**114,862,261**	**155,087,026**
Share capital	267,950	386,247	562,686	712,686
Share premium	52,487,190	76,731,744	119,042,233	159,308,324
Share based payment reserve	81,841	234,900	542,246	759,550
Currency translation reserve	(757,686)	(2,650,069)	(3,318,045)	(2,964,825)
Accumulated (loss)/profit	(681,386)	(1,983,359)	(1,966,859)	(2,728,709)
Total liabilities	**42,325,929**	**94,424,413**	**124,154,793**	**205,090,210**

Non-current liabilities	**37,195,489**	**86,440,422**	**116,257,774**	**185,374,433**
Loans and borrowings	32,750,804	77,970,398	105,223,417	168,564,379
Financial liabilities at fair value through profit or loss	575,303	1,081,710	1,081,710	1,223,692
Deferred tax liabilities	3,869,382	7,388,314	9,952,647	15,586,362
Current liabilities	**5,130,440**	**7,983,991**	**7,879,019**	**19,715,777**
Trade and other payables	3,268,082	6,027,605	6,335,216	9,868,624
Loans and borrowings	1,862,358	1,956,386	1,561,803	9,847,153
Total equity and liabilities	**93,723,838**	**167,143,876**	**239,017,054**	**360,177,236**
NAV per share	**1.92**	**1.88**	**2.04**	**2.18**
Adjusted NAV per share	**1.98**	**1.97**	**2.03**	**2.22**

Note: Trade and other payables include also advances and tenant deposits

Audited consolidated statement of income for the last three years is presented below:

Statement of income (EUR)	**Group 31 Dec 2008**	**Group 31 Dec 2009**	**Group 30 Jun 2010**	**Group 31 Dec 2010**
Net rental and related income	6,315,183	8,270,884	7,797,115	16,224,196
- Contractual rental income and expense recoveries	7,713,486	10,708,873	10,126,772	21,269,338
- Property operating expenses	(1,398,303)	(2,437,989)	(2,329,657)	(5,045,142)
Share based payments	(81,841)	(153,059)	(307,346)	(524,650)
Investment advisory fees	(571,137)	(670,725)	(679,627)	(703,323)
Administrative expenses	(498,656)	(1,830,203)	(461,517)	(1,991,478)
Foreign exchange gain	1,144,227	1,811,011	421,927	178,175
Fair value adjustment on investment property	(1,671,077)	575,253	-	1,111,927
Profit/(loss) before net finance (expense)/income	**4,636,699**	**8,003,161**	**6,770,552**	**14,294,847**
Net finance (expense)/income	(1,963,320)	(3,159,713)	(3,827,037)	(5,906,809)
- Finance income	275,930	261,512	196,896	581,765
- Finance expense	(2,239,250)	(3,421,225)	(4,023,933)	(6,488,574)
Profit before tax	**2,673,379**	**4,843,448**	**2,943,515**	**8,388,038**
Tax	(1,204,029)	(2,121,193)	(9,813)	(1,476,694)
Profit after tax	**1,469,350**	**2,722,255**	**2,933,702**	**6,911,344**
Weighted average number of shares in issue	26,795,000	29,397,896	47,255,904	52,388,748
Diluted weighted average number of shares in issue	27,568,206	30,877,071	49,444,271	56,334,549
Basic earnings per share (euro cents)	5.48	9.26	6.21	13.19
Diluted earnings per share (euro cents)	5.33	8.82	5.93	12.27
Distributable earnings per share (euro cents)	14.72	15.77	8.35	17.61
Headline earnings per share (euro cents)	7.76	13.74	7.62	11.07
Diluted headline earnings per share (euro cents)	7.54	13.08	7.28	10.29

Note: Administrative expenses include the costs of listings and costs incurred by exploring potential transactions; the finance expense includes transaction costs and fair value adjustments in relation to financial instruments

Statement of other income (EUR)	**Group 31 Dec 2008**	**Group 31 Dec 2009**	**Group 30 Jun 2010**	**Group 31 Dec 2010**
Profit for the year attributable to equity holders	1,469,350	2,722,255	2,933,702	6,911,344
Other comprehensive income				
Currency translation differences	(780,319)	(1,892,383)	(667,976)	(314,756)
Total comprehensive income	**689,031**	**829,872**	**2,265,726**	**6,596,588**

Statement of cash flows over the last three years is presented below:

Statement of cash flows	**Group 31 Dec 2008**	**Group 31 Dec 2009**	**Group 31 Dec 2010**
OPERATING ACTIVITIES			
Profit after tax	1,469,350	2,722,255	6,911,344
Adjustments for:			
Share based payments	81,841	153,059	524,650
Fair value adjustments on investment property	1,671,077	(575,253)	(1,111,927)
Net finance (income)/expense	1,963,320	3,445,924	5,906,809
Foreign exchange gain	(1,144,227)	(1,811,011)	(178,175)
Deferred tax	1,204,029	2,121,193	1,460,883
Operating profit before changes in working capital	**5,245,390**	**6,056,167**	**13,513,584**
(Increase) in trade and other receivables	(1,219,480)	(1,624,979)	(3,523,580)
Increase/(decrease) in trade and other payable	(430,680)	160,123	(1,693,910)
Interest paid	(839,299)	(2,240,009)	(5,542,335)
Interest received	275,930	261,512	581,765
Cash flows from operating activities	**3,031,861**	**2,612,814**	**3,335,524**
INVESTING ACTIVITIES			
Acquisition of investment property	(22,465,661)	(745,781)	(6,343,328)
Payments for acquisition of subsidiaries less cash acquired	(27,198,062)	(6,023,701)	(39,098,002)
Transaction cost of business acquisition	-	(286,211)	-
Cash flows from investing activities	**(49,663,723)**	**(7,055,693)**	**(45,441,330)**
FINANCING ACTIVITIES			
Proceeds from share issuance	-	17,092,896	71,113,213
Proceeds from bank borrowings	21,047,301	8,819,278	-
Repayment of borrowings	(1,177,853)	(7,915,638)	(8,653,390)
Premiums paid on acquisition of derivatives	(129,000)	(1,435,299)	(990,000)
Payment of dividends	(2,426,482)	(4,024,228)	(7,656,694)
Cash flows from financing activities	**17,313,966**	**12,537,009**	**53,813,129**
Cash and cash equivalents brought forward	33,651,107	4,418,847	12,276,543
Translation effect on cash and cash equivalents	85,636	(236,434)	(136,584)
Net increase/(decrease) in cash and cash equivalents	**(29,317,896)**	**8,094,130**	**11,707,323**
Cash and cash equivalents carried forward	**4,418,847**	**12,276,543**	**23,847,282**

FINANCIAL RESULTS AND DIVIDENDS

	31 Dec 2008	**31 Dec 2009**	**31 Dec 2010**
Dividend per share (€ cents)	14.72	15.77	17.61
Adjusted NAV per share (€)	1.98	1.97	2.22
Gearing*	34%	46%	49%
Shares in issue	28,150,000	40,657,663	76,933,734

* - the gearing ratio is calculated by dividing total interest bearing borrowings less cash by the investment property value

NEPI performed well during 2008-2010 financial years due to a prudent strategy adopted before the onset of the global recession which was further supported by completion of several acquisitions pursued by the Group during the period.

In **2010,** the Group produced strong results, generating distributable earnings (dividends) of **17.61 euro cents per share**. This strong performance represents an 11.7% increase over the 15.77 euro cents per share distributed in 2009 and compares positively with the estimated 2.2% inflation in the euro area. Accordingly, the distributable earnings for 2010 financial year more than doubled as compared to 2009 level, up to €11,665,016.

In **2009,** the Group produced and distributed a dividend of **15.77 euro cents per share**, representing an increase of 7.1% over the **14.72 euro cents per share 2008** dividend, despite the downturn in the economic cycle. The distributable earnings amounted to €5,164,378 in 2009 and €4,144,943 in 2008.

The main contributing factors to the increase in distributable earnings for the year ended 31 December 2010 includes the acquisition of the Retail Park Auchan Pitesti, accounting for Promenada Mall Braila for a full year (in 2009 it has been accounted for only four months) and like for like improvements in net rental and related income generated from the portfolio held on 31 December 2009. There was no income accounted for in 2010 in relation to Floreasca Business Park as the acquisition was completed at the end of December 2010. The 2010 increase followed the 30% increase in 2009, to €8,270,884 mostly as a result of the acquisition of Promenada Mall Braila, effective September 1, 2009.

It is the Company's intention to distribute to Shareholders at least 90% of its distributable earnings on a semi-annual basis, subject to compliance with the relevant laws which govern the Group's SPVs.

The distributable earnings figure is arrived at by adjusting the accounting profit for:

- **The fair value gains or losses resulting from the revaluation of the portfolio.**
- **The fair value gains or losses resulting from the revaluation of financial instruments** held for interest rate hedging purposes. Instead, **an expense with the amortisation of the premiums** paid in respect of such financial instruments is recognised.
- **The share based payment expense is reversed** and **an accrued interest on the loans in respect of the share purchase scheme is recognized**. These adjustments are required given the treatment of the share purchase scheme as an option scheme in accordance with IFRS.
- **The unrealised foreign exchange gain or losses** resulting from the consolidation of the Romanian subsidiaries' financial statements, which are denominated in RON, into the Group's consolidated financial statements. In substance, the Group's income, expenses, assets and liabilities are euro-denominated and the currency adjustments resulting from the accounting treatment are reversed when calculating distributions.
- **The amounts recognised in respect of the share issues that took place cum dividend** during the financial year.
- **The deferred tax variation**. The deferred tax expense accounts for the tax that would be incurred should the assets be disposed of by the Romanian subsidiaries. Given that for tax purposes the historical property values are carried in RON while the property market values are expressed in euro, depreciation of the RON leads to an increase in deferred tax.
- **The acquisition fees** (the acquisition fees are not capitalised, but recognised to the statement of income and therefore reduce the accounting profit).
- **The listing expenses** recognised to the statement of income.

Distributable earnings calculation for 2008-2010 is presented below:

	Group 31 Dec 2008	Group 31 Dec 2009	Group 31 Dec 2010
Profit for the period attributable to equity holders	**1,469,350**	**2,722,255**	**6,911,344**
Adjusted for:			
Unrealised foreign exchange (gain)	(1,144,227)	(1,811,011)	(178,175)
Realised foreign exchange losses	-	(87,000)	-
Listing expenses	-	905,048	-
Acquisition fees	-	286,211	831,369
Share based payment fair value	81,841	153,059	524,650
Accrued interest on share based payments	100,807	170,721	491,064
Fair value adjustments on investment property	1,671,077	(575,253)	(1,111,927)
Financial assets at fair value	699,301	855,754	836,397
Amortisation of financial assets	(24,963)	(117,288)	(426,032)
Deferred tax expense	1,204,029	2,114,061	1,460,883
Shares issued cum distribution	87,728	547,821	2,325,443
Interim distribution	(2,105,620)	(2,156,290)	(4,869,996)
Distributable earnings for the second half of the year	**2,039,323**	**3,008,088**	**6,795,020**
Number of shares entitled to distribution	**28,150,000**	**37,070,515**	**73,346,586**
Second interim dividend per share (euro cents)	7.24	8.11	9.26
Interim dividend per share declared (euro cents)	7.48	7.66	8.35
Distributable earnings for the year	**4,144,943**	**5,164,378**	**11,665,016**
Distributable earnings per share for the year (euro cents)	**14.72**	**15.77**	**17.61**

Adjusted NAV per share has improved to €2.22 in 2010 from €1.97 in 2009. Adjusted NAV per share is calculated by adding to the net asset value of the Group the value of the loans extended to participants in the share purchase scheme, as well as adding back deferred tax and deducting goodwill. The result is divided by all of the shares issued by the Company (including the share purchase scheme shares that are treated as treasury shares for accounting purposes).

Net asset value per share	Group 31 Dec 2008	Group 31 Dec 2009	Group 31 Dec 2010
Adjusted net asset value	**55,834,728**	**80,070,467**	**170,571,937**
Net asset value per the statement of financial position	51,397,909	72,719,463	155,087,026
Value of shares issued in respect of the share incentive scheme	2,953,900	4,377,494	13,748,436
Deferred tax	3,869,382	7,388,314	15,586,362
Goodwill	(2,386,463)	(4,414,804)	(13,849,887)
Number of shares for net assets value per share purposes	26,795,000	38,624,771	71,268,704
Number of shares in issue at the end of the year for adjusted net assets value per share purposes	28,150,000	40,657,663	76,933,734
Net asset value per share (excluding the share incentive scheme shares)	**1.92**	**1.88**	**2.18**
Adjusted Net asset value per share (including the share incentive scheme shares)	**1.98**	**1.97**	**2.22**

Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations:

The Company's business is influenced by the state of the national economy, GDP growth rate, population income levels, taxation level, interest rates on loans, foreign exchange rates and other economic factors.

The property market recession materially adversely affected the value of properties. The economic downturn has generated unique investment opportunities that the Group will continue to pursue in the future.

The retail sales decreased over the last two years and declining tenant demand in all segments of the property market led to increased vacancy and downward pressure on rental income levels.

The impact of law and governmental regulations, economic risk, as well as Romania's economic, political and social conditions are detailed in section *"Risk Factors"*.

All these elements can affect the Company's income or the value of its holdings of financial instruments.

There are no governmental, legal or arbitration proceedings during the period covering the previous 12 months which may have, or have had in the recent past, significant negative effects on the Issuer and/or Group's financial position or profitability.

There are no significant changes in the financial or trading position of the Group which have occurred since the end of the 2010 financial year for which the audited financial information have been published until the time of drafting this document.

FINANCIAL AUDITORS

Financial statements of the Group for the financial years 2007-2009 have been audited by the independent auditors **KPMG Audit LLC (Registration Number 617L),** Chartered Accountants, a company having its seat in Isle of Man, IM 99 1HN, Heritage Court, 41 Athol Street, Douglas.

Financial statements of the Group for the financial year 2010 have been audited by **Ernst & Young (Registration Number 789L)**, Chartered Accountants, a company having its seat in Isle of Man, IM1 1AZ, Rose House, 51-59 Circular Road, Douglas.

CAPITAL RESOURCES

Information concerning the issuer's capital resources

The Board's policy is to maintain a strong capital base of equity so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board also monitors the level of distributions to shareholders. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Statement of changes in equity - Group (EUR)	Share capital	Share premium	Share based payments reserve	Currency translation reserves	Retained earnings	Total
Opening balance 1 January 2008	**267,950**	**52,487,190**	**-**	**22,633**	**275,746**	**53,053,519**
Transactions with owners	-	-	81,841	-	(2,426,482)	(2,344,641)
Share based payment reserve	-	-	81,841	-	-	81,841
Dividend distribution	-	-	-	-	(2,426,482)	(2,426,482)
Total comprehensive income	-	-	-	(780,319)	1,469,350	689,031
Other comprehensive income	-	-	-	(780,319)	-	(780,319)
Profit for the year	-	-	-	-	1,469,350	1,469,350
Balance at 31 December 2008	**267,950**	**52,487,190**	**81,841**	**(757,686)**	**(681,386)**	**51,397,909**
Opening balance 1 January 2009	**267,950**	**52,487,190**	**81,841**	**(757,686)**	**(681,386)**	**51,397,909**
Transactions with owners	118,297	24,244,554	153,059	-	(4,024,228)	20,491,682
Issue of shares	118,297	24,263,927	-	-	-	24,382,224
Issue cost recognised to equity	-	(19,373)	-	-	-	(19,373)
Share based payment reserve	-	-	153,059	-	-	153,059
Dividend distribution	-	-	-	-	(4,024,228)	(4,024,228)
Total comprehensive income	-	-	-	(1,892,383)	2,722,255	829,872
Other comprehensive income	-	-	-	(1,892,383)	-	(1,892,383)
Profit for the year	-	-	-	-	2,722,255	2,722,255
Balance at 31 December 2009	**386,247**	**76,731,744**	**234,900**	**(2,650,069)**	**(1,983,359)**	**72,719,463**
Opening balance 1 January 2010	**386,247**	**76,731,744**	**234,900**	**(2,650,069)**	**(1,983,359)**	**72,719,463**
Transactions with owners	**326,439**	**82,576,580**	**524,650**	**-**	**(7,656,694)**	**75,770,975**
Issue of shares	326,439	82,949,893	-	-	-	83,276,332
Issue cost recognising to equity	-	(373,313)	-	-	-	(373,313)
Share based payment reserve	-	-	524,650	-	-	524,650
Dividend distribution	**-**	**-**	**-**	**-**	(7,656,694)	(7,656,694)
Total comprehensive income	-	-	-	(314,756)	6,911,344	6,596,588
Other comprehensive income	-	-	-	(314,756)	-	(314,756)
Profit for the year	**-**	**-**	**-**	**-**	**6,911,344**	**6,911,344**
Balance at 31 December 2010	**712,686**	**159,308,324**	**759,550**	**(2,964,825)**	**(2,728,709)**	**155,087,026**

The Group's **total equity** amounted to €155,087,026 as at 31 December 2010, €72,719,463 as at 31 December 2009 and €51,397,909 as at 31 December 2008.

The Issuer declares that total equity and liabilities of the Group amounted to €360,177,236 as at 31 December 2010, €167,143,876 as at 31 December 2009 and €93,723,838 as at 31 December 2008.

Total liabilities for the Group amounted to €205,090,210 as at 31 December 2010, representing an increase with 117% as compared to 2009 level (€94,424,413), as a result of the acquisitions performed by the Company during the year. The gearing (calculated as interest bearing borrowings less cash divided by investment property value) of NEPI was 49% as at 31 December 2010.

Out of the total liabilities as at 31 December 2010, €177,297,727 representing outstanding loans balances were secured as described in more detail under section "*Information on the borrowing requirements and funding structure of the Issuer*".

The Group's policy is to provide financial guarantees to subsidiaries to the extent required in the normal course of business. The Company issued in **2008** two corporate letters of guarantee to NEPI Bucharest One SRL and NEPI Bucharest Two SRL credit facilities. In **2009**, The Company issued a sponsor guarantee in favour of KBC Bank which secures the principal repayments due to ERP Braila during the third and fourth year of the agreement and interest which is payable at any time during the term of the loan.

Issuer's cash flow

Consolidated statement of cash flows	Group 31 Dec 2008	Group 31 Dec 2009	Group 31 Dec 2010
Cash flows from operating activities*	3,031,861	2,612,814	3,335,524
Cash flows from financing activities	17,313,966	12,537,009	53,813,129
Cash flows from investing activities	(49,663,723)	(7,055,693)	(45,441,330)
Net increase in cash and cash equivalents	**(29,317,896)**	**8,094,130**	**11,707,323**
Cash and cash equivalents brought forward	33,651,107	4,418,847	12,276,543
Translation effect on cash and cash equivalents	85,636	(236,434)	(136,584)
Cash and cash equivalents carried forward	**4,418,847**	**12,276,543**	**23,847,282**

**Includes interest paid on bank borrowings amounting to EUR 5,542,335 for the year ended 2010, EUR 2,240,009 for the year ended 2009 and EUR 839,299 for 2008*

The Group had €23,847,282 of cash at the end of 2010 compared to €12,276,543 of cash at the end of 2009 and €4,418,847 at end of 2008.

The Group's cash flows were generated from rental revenues, share issues and bank loans.

According to Issuer's opinion, the working capital of the Group is sufficient for the Issuer's present requirements.

Information on the borrowing requirements and funding structure of the Issuer

Details on bank loans as at 31 December 2010 are set out in the table below:

Borrower	Facility amount (EUR)	Outstanding amount (EUR)	Available for drawdown (EUR)	Interest rate	Hedge
Nepi Bucharest One S.R.L.	7,300,000	6,200,000	1,100,000	1 month Euribor +4.5%	1 month Euribor capped at 2.25%
Nepi Bucharest Two S.R.L.	6,824,800	5,800,000	1,024,800	1 month Euribor +1.9%	1 month Euribor capped at 2.25%
General Investment S.R.L.	15,000,000	11,388,868	-	Fixed at 6.23%	-
Premium Portfolio	13,995,000	13,681,912	-	Fixed at 5.17%	-
Promenada Mall	40,000,000	40,000,000	-	3 months Euribor + 3.0%	3 months Euribor capped at 2.25%
Retail Park Auchan Pitesti	28,813,000	28,813,000	-	1 month Euribor +4.0%	1 month Euribor capped at 2.25%
Floreasca Business Park*	77,000,000	71,413,947	-	3 months Euribor + 2.5%	3 months Euribor capped at 2.00%
Total		**177,297,727**	**2,124,800**		

** The interest rate cap in relation to Floreasca Business Park was acquired and paid for in January 2011*

Bank loans repayment profile is presented below:

Loans repayment profile (EUR)	2011	2012	2013	2014	2015	Total
Nepi Bucharest One SRL	-	-	6,200,000	-	-	6,200,000
Nepi Bucharest Two SRL	5,800,000	-	-	-	-	5,800,000
General Investment SRL	1,005,008	1,064,641	1,137,283	8,181,936	-	11,388,868
Premium Portfolio	350,996	241,105	334,551	12,755,260	-	13,681,912
Promenada Mall	-	2,155,654	2,155,653	35,688,693	-	40,000,000
Retail Park Auchan Pitesti	-	2,204,194	1,887,252	2,247,414	22,474,140	28,813,000
Floreasca Business Park	3,629,552	4,399,692	63,384,703	-	-	71,413,947
Total	**10,785,556**	**10,065,286**	**75,099,442**	**58,873,303**	**22,474,140**	**177,297,727**

NEPI's overall bank loan to value ratio on December 31, 2010 increased to 49% when adjusted for cash at hand, compared to 46% as at December 31, 2009 and 34% as at December 31, 2008. This is slightly below the Board's target gearing range of 50-60%.

The Group dad seven facility agreements as at 31 December 2011 described in more details below:

NEPI Bucharest One SRL and NEPI Bucharest Two SRL loans

The Group concluded two facility agreements in 2008 with Alpha Bank Romania S.A. in relation to the acquisition of Flanco Portfolio and Rasnov Industrial Facility. The facilities bear interest at a floating rate of one month Euribor plus 1.9% p.a. and 4.5% p.a., respectively. The Group has capped its Euribor interest rate risk at 2.25%.

Security:
- General security over property, shares, accounts and receivables of NEPI Bucharest One and NEPI Bucharest Two.
- Corporate guarantee issued by the Company.

Covenants:
- Loan to value ratio of maximum 60% in case of NEPI Bucharest Two SRL;
- Loan to value ratio maximum 65% in case of NEPI Bucharest One SRL.

The Rasnov Industrial Facility was repaid as of the date of this report.

General Investment loan

A loan from EuroHypo AG for an amount of €15,000,000 has been taken over as a result of the acquisition of General Investment S.R.L. and General Building Management S.R.L. The loan bears interest at a fixed interest rate of 6.23%, being repayable at a rate of approximately €800,000 per year.

Security:
- General security over the property, shares, accounts and receivables of General Investment S.R.L.

Covenants:
- Debt service ratio of minimum 120%;
- Loan to value ratio of maximum 70%.

Promenada Mall Braila loan

A €40 million development loan was taken over and refinanced with KBC Bank Ireland as part of the Promenada Mall Braila loan acquisition. The facility has a two-year grace period on repayment of the principal after which 16% of the principal has to be repaid starting 2011 in equal annual installments until maturity in December 2014.

The loan bears interest at a floating rate of three month Euribor plus 3% p.a. The Group has capped its Euribor base interest rate at 2.25%.

Security

- General security over the property, shares, accounts and receivables of ERP Braila;
- The facility is secured with a holding company guarantee (issued by NEPI) in favor of KBC Bank Ireland which covers the principal repayments due by Promenada Mall Braila during the third and fourth years of the loan agreement (amounting to €6,318,600) and interest which is payable at any time during the term of the loan.

Covenants

	Year 1	Year 2	Year 3	Year 4	Year 5
Loan to value ratio	69%	69%	62%	56%	50%
Interest service coverage ratio	1.80	2.00	2.20	2.20	2.20

Premium Portfolio loan

A loan from Nord LB Bank was contracted in relation with the acquisition of Premium Portfolio in Germany. It bears interest at a fixed rate of 5.17% as a result of an interest rate swap concluded with Nord LB Bank.

Security

- General security over the property, shares, accounts and receivables of Premium Portfolio Ltd & Co and Premium Portfolio 2 Ltd & Co

Covenants

- Loan to value ratio of maximum 90%;
- Interest cover ratio of minimum 115%.

Retail Park Auchan Pitesti loan

In June 2010 the Group successfully refinanced a loan facility in relation to Retail Park Auchan Pitesti with a new loan facility from Unicredit Bank and Banca Romaneasca. The facility of €28,813,000 matures in December 2014 and carries an interest rate of 1 month Euribor plus 4.0%. The Group capped the reference rate (Euribor) at 2.25% in relation to the new loan facility.

Security

- General security over the property, shares, accounts and receivables of Connect Investment S.R.L.;
- A property maintenance reserve account holding the equivalent of 1% of annual net operating income of the property.

Covenants

- Debt service cover ratio of minimum 110%;
- Loan to value ratio of maximum 70%.

Floreasca Business Park loan

The Group has taken over a loan from Raiffeisen Zentralbank Ostrreich AG with an outstanding amount of €71,413,947. Of the total, an amount of €69,675,250 bears interest at a floating rate of three month Euribor plus a margin of 2.353%, and the balance of €1,738,697 bears interest at a floating rate of three month Euribor plus a margin of 7.6%. The Group has capped its Euribor base interest rate exposure in relation to the loan at 2%. The bank is entitled to receive 50% of excess cash flows until June 2011 and 100% thereafter until full repayment at the end of 2013.

Security

- General security over the property, shares, accounts and receivables of Floreasca Business Park S.R.L..

Covenants

- The equity in the project must amount to at least €14,250,000.

In addition to the bank loans, the Group also obtained financing from the vendors of the Premium Portfolio amounting to €853,281 for a period of five years. Of this amount, €250,000 bears interest at a fixed interest rate of 6% p.a. while the balance does not attract interest. This amount is used as collateral against certain vendor obligations. At the same time an amount of €895,000 was deposited with Nord LB and will be released when the loan is repayed to the vendors of the Premium Portfolio.

The Group is confident that it will continue to meet all covenants applicable to its outstanding loans and those loans will be re-financed at maturity, where necessary.

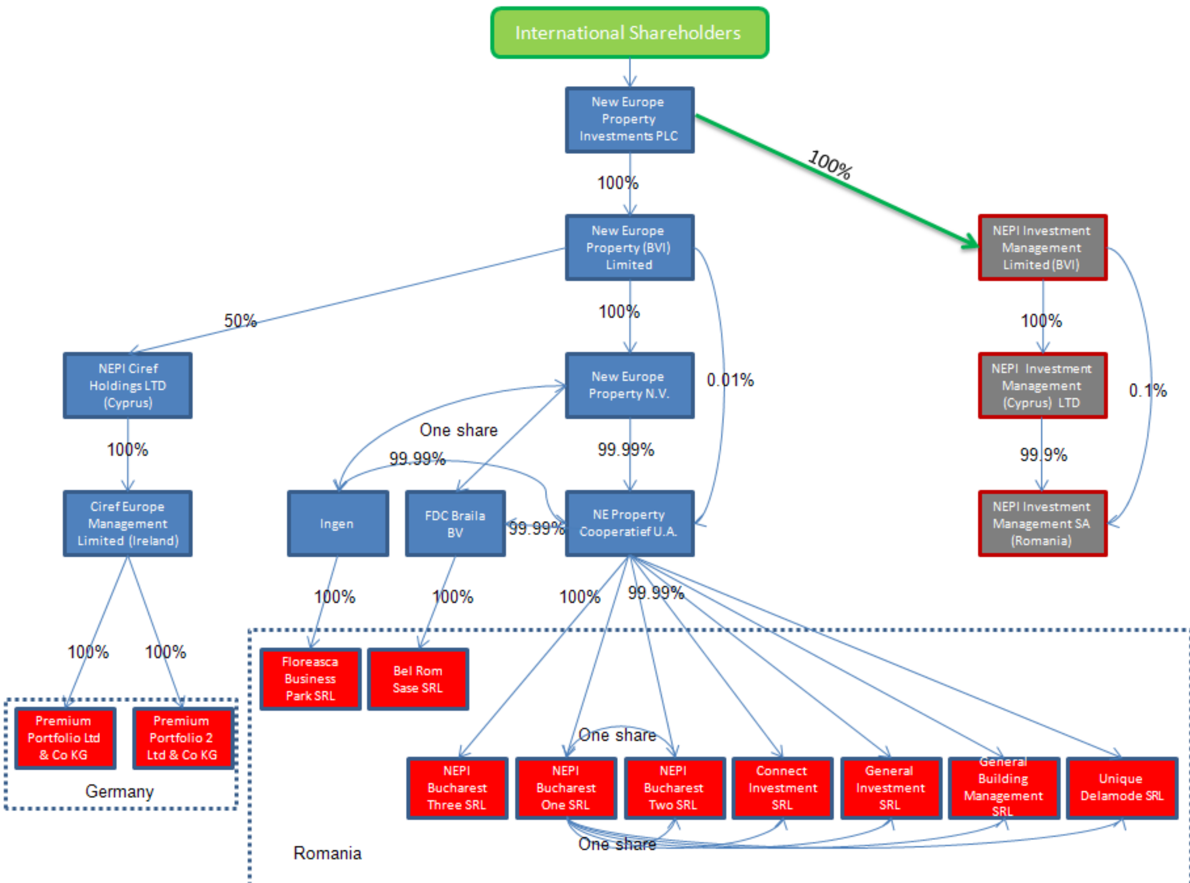
Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations: Not applicable.

Information regarding the anticipated sources of funds needed to fulfill commitments: Not applicable.

3. ISSUER'S ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES AND ORGANIZATIONAL STRUCTURE

ORGANIZATIONAL STRUCTURE

The organizational structure of the Issuer is presented below:



The following table indicates the subsidiaries of NEPI as at 31 December 2010:

Subsidiaries/joint ventures as at 31 December 2010 (country of Incorporation)	Incorporation/ Date became subsidiary or joint venture	Principal activity	Effective interest %	Effective Investment €	Amount owing by subsidiary or joint venture €
			31 Dec 2010	31 Dec 2010	31 Dec 2010
New Europe Property (BVI) Limited (British Virgin Islands)	Jul 2007	holding company	100%	*	153,012,528
New Europe Property NV (Netherlands Antilles)	Sep 2007	holding company	100%	2,000	-
NE Property Cooperatief U.A. (Netherlands)	Oct 2007	holding			

		company	100%	10,000	-
FDC Braila BV (Netherlands)	Sep 2009	holding company	100%	8,300,450	-
NEPI Bucharest One S.R.L. (Romania)	Sep 2007	investment vehicle	100%	3,844,554	-
NEPI Bucharest Two S.R.L. (Romania)	Dec 2007	investment vehicle	100%	2,755,554	-
General Investment S.R.L (Romania)	Mar 2003 / Jan 2008	investment vehicle	100%	25,792,431	-
General Building Management S.R.L. (Romania)	Aug 2004 / Jan 2008	investment vehicle	100%	1,405,631	-
Bel Rom Sase S.R.L. (Romania)	Sep 2009	investment vehicle	100%	8,300,450	-
NEPI Bucharest Three S.R.L. (Romania)	Dec 2010	investment vehicle	100%	45	-
CIREF NEPI Holdings Limited (Cyprus)	Apr 2008 / Apr2008	holding company	50%	*	-
CIREF Europe Management Limited (Ireland)	Dec 2007 / Apr 2008	holding company	50%	*	-
Premium Portfolio Ltd & Co KG (Germany)	Jan 2008 / Apr 2008	investment vehicle	50%	*	-
Premium Portfolio 2 Ltd & Co KG (Germany)	Jan 2008 / Apr 2008	investment vehicle	50%	*	-
Floreasca Business Park	Dec 2010	investment vehicle	100%	16,446,057	-
Unique Delamode S.R.L.	Sep 2010	investment vehicle	100%	1,804,853	-
Retail Park Auchan Pitesti	Jan 2010	investment vehicle	100%	14,091,414	-
Nepi Investment Management (Cyrpus) Ltd	Jun 2010	holding company	100%	2,000	-
Nepi Investment Management Limited BVI	Jun 2010	holding company	100%	25,000	-
Nepi Investment Management S.A.	Jun 2010	operational company	100%	1,357,158	-

* less than 1 Euro

ISSUER'S ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Company is managed by the board of directors while the daily operations of the Group's subsidiaries are performed by a team of 39 as described in more details below.

Directors

The board comprises four independent non-executive directors, one non-independent non-executive director and two executive directors.

The main functions of the board include:

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

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

The table below sets out information pertaining to the current directors of NEPI.

Director	**Role**	**Business address**
Corneliu Dan Pascariu	Independent non-executive Chairman	23-25 Ghetarilor Street RO-014106, Bucharest-1, Romania
Desmond de Beer	Non-executive director	4th Floor, Rivonia Village, 3 Mutual Road, Rivonia, Johannesburg, South Africa
Dewald Lambertus Joubert	Independent non-executive director	25 Athol Street, Douglas, Isle of Man, IM2 1LB
Martin Johannes Christoffel Slabbert	Chief Executive Officer	71-73 Nicolae Caramfil Street, 4th Floor, Bucharest, Romania
Michael John Mills	Independent non-executive director	Maple Heath, Parsonage Lane, Farnham Common, Slough, SL2 3NZ England
Jeffrey Nathan Zidel	Independent non-executive Director	4th Floor, Rivonia Village, 3 Mutual Road, Rivonia, Johannesburg, South Africa
Victor Semionov	Chief Financial Officer	71-73 Nicolae Caramfil Street, 4th Floor, Bucharest, Romania

Corneliu Dan Pascariu

Dan Pascariu is a prominent figure in the Romanian financial industry. He started his career with the Romanian Bank for foreign Trade in 1973 and was appointed as Chairman and CEO in 1990. From 1994 to 1996 he was the CEO of Banca Bucuresti, a banking institution created by Alpha Credit Bank of Greece and European Bank for Reconstruction and Development as well as Chairman of the Board of Bucharest Investment Group, the investment banking arm of Banca Bucuresti.

From 1996 to 1998 Mr. Pascariu was Chairman of the Board of Creditanstalt Financial Advisors, the investment banking arm of Creditanstalt Bankverein of Austria. From 1998 to June 2007 Mr. Pascariu was the Chairman and CEO of the Bank Austria Creditanstalt's banking subsidiary in Romania.

Following its merger with the local subsidiary of Unicredit he has been the non-executive Chairman of the Board of Unicredit Tiriac Bank. Mr. Pascariu is also a non-executive Board member of the leasing, investment banking and building society subsidiaries of the Unicredit Group in Romania. Mr. Pascariu was the founder and first President of the Romanian Banking Association from 1991 to 1994, as well as a cofounder and associate Professor at the Romanian Banking Institute.

Desmond de Beer

Desmond de Beer has significant property investment and management experience. He spent several years in the banking industry, first with Barclays Bank in South Africa where he was initially appointed to its executive development programme, and thereafter as bond manager at the Barclays Trust in 1988.

From 1989 Mr. de Beer was employed by the Nedbank Group in various property finance related positions. This culminated in his appointment as General Manager Corporate Equity and his membership of the executive committee at Nedcor Investment Bank Ltd ("NIB"). Since 2003 Mr. De Beer has been the managing director of the Resilient Property Income Fund Ltd, listed on the JSE in South Africa. Mr. De Beer is also a director of the management company of JSE listed Capital Property Fund, and a non-executive director of JSE listed Pangbourne Properties Ltd.

Dewald Lambertus Joubert

Dewald Joubert is an admitted South African advocate and his corporate experience includes advising multinational groups on international tax and corporate governance matters. In addition to his position on the board of the Company, he currently serves as an independent non-executive director on the board of Anglogold Ashanti Holdings plc. Previously Mr. Joubert served as a nonexecutive director on the board of Pangea Diamondfields plc and he was represented on the boards the Dimension Data Group and the Nampak Group. He worked with the South African Revenue Services from 1996 to 1998, Arthur Andersen's tax practice in South Africa from 1999 to 2000 and thereafter practiced tax law as a registered legal practitioner out of the Maitland Group's Isle of Man office. Mr. Joubert currently works as an independent consultant to the Maitland Group after joining a private investment group in July 2008.

Martin Johannes Christoffel Slabbert

Martin Slabbert started his career in South Africa. He held positions at Arthur Andersen and HSBC Investments Services (South Africa) (Pty) Ltd, where he gained experience in mergers and acquisitions, turn-around strategies and financial restructuring. In 2001, Mr. Slabbert joined the Nedbank Group via NIB and held the positions of senior vice president for the shareholders' funds and member of the executive committee at NIB, and later general manager in the capital management cluster of the Nedbank Group. His focus was on the restructuring and disposal of non-core assets, mitigation of large bank exposures and investment banking transactions. During this time, Mr. Slabbert was seconded to Premier Foods Ltd as CFO to assist with the group's turn around. In 2005 Mr. Slabbert relocated to Romania where he held the position of partner at Deloitte Central Europe, heading the financial advisory practice in Romania, the corporate finance practice in the Balkans and the Deloitte Central Europe corporate finance advisory industry sector teams. Mr. Slabbert co-founded NEPI in 2007.

Michael John Mills

Michael Mills is an experienced public company chairman and managing director with significant operating and financial experience. A chartered accountant, he has worked across a range of sectors including technology, engineering, service and distribution, paper and packaging, food and textiles. He has been involved extensively in mergers and acquisitions, turnarounds and rescues in the public sector, and has held senior financial positions in BTR plc and Bunzl plc. He was a director at Apax partners specializing in private equity. Mr. Mills' recent positions include, amongst others, chairman of Advance Value Realization Limited, nonexecutive director of Ultrasis plc, managing director of Atlas Medical Recruitment Limited, chairman of Athanor Capital Partners Limited, chairman of Legacy Distribution Group Inc. and CEO of Drew Scientific Group plc.

Jeffrey Nathan Zidel

Jeffrey (Jeff) Nathan Zidel is a successful property developer and investor and has been involved in all aspects of the property industry for 40 years. He has been three-time president of the Roodepoort Chamber of Commerce. He is currently chairman of Fortress Income Fund Limited and Proptrax, a property ETF, both listed on the JSE. He was co-founder of Resilient Property Income Fund Limited, a listed company on the JSE, which is a substantial investor in NEPI.

Victor Semionov

Victor Semionov has eight years of experience with the corporate finance practice of Deloitte in Romania and Moldova where he was involved in more than 30 transactions covering fund raisings, restructurings, acquisitions, mergers and sales of distressed or expanding businesses with an aggregate transaction value in excess of €7 billion. He holds a number of corporate finance qualifications. Mr. Semionov co-founded NEPI in 2007.

SUB-COMMITTEES

The Board has four sub-committees, being the **Audit and Risk Committee, the Investment Committee, the Nomination Committee and the Remuneration Committee.**

Investment committee

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

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

Audit and Risk committee

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

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

The Audit and Risk committee sets the principles for recommending the use of the external auditors for non-audit purposes. It also meets with the external auditors and discusses and reviews the accounts, the audit procedures and the group's internal controls. The Audit and Risk committee has considered and found appropriate the expertise and experience of the financial director.

The board has delegated the responsibility for developing and monitoring the group's risk management policies to the Audit and Risk committee. The group's risk management policies are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The directors assume overall responsibility for the group's system of internal control and for reviewing its effectiveness. The system is regularly reviewed by the board.

The controls are designed to identify and manage risks faced by the group and not to completely eliminate the risk of failure to achieve business objectives. To this end internal controls provide reasonable, but not absolute assurance against material misstatement or loss. The implementation and operation of such systems resides with the management and the processes are communicated regularly to its staff who are made aware of the areas for which they are responsible. Such systems include strategic planning, the appointment of appropriately qualified staff, regular reporting and monitoring of performance and effective control over capital expenditure and investments.

Significant risks that are identified by this system are communicated to the board with recommendations for actions to mitigate these risks. The group may use independent agents to undertake any specialist analysis, investigation or action that is needed.

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

Remuneration committee

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

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

Nomination committee

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

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

Directors' dealings and professional advice

Dealing in company's securities by directors and company officials is regulated and reported as required by the BSE and CNVM as well as the JSE Listing Requirements and the LSE Rules. In addition, NEPI maintains a closed period from the end of a financial period to the date of publication of the financial results.

Company secretary

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

EMPLOYEES

Before the internalization of its Investment Advisor in June 2010, the Group did not have employees. The Group was managed by the Board of Directors which outsourced part of the management functions to its Investment Advisor.

Following the internalization, the employees of the Investment Advisor became full time employees of the Group. In addition, staring 1 October 2010 the Group moved to an in-house property management model employing appropriately skilled employees.

At the end of 2010 the Group had a team of 39 people including 5 people in the management (which includes the CEO, the financial director, the investment manager, the technical manager and the marketing manager), 9 accounting and reporting personnel and a team of 25 people dealing with property management and auxiliary.

Share purchase scheme

The Company issued to participants 5,205,397 shares as part of the Share purchase scheme all of which have been issued as part of the investment advisor incentive scheme which has been in place since before the Company's listing on the AIM market of the London Stock Exchange (the "**NEPM share incentive scheme**"). A further 2,000,000 shares were approved for issue by the board and are expected to be issued between the drafting date of this report and the publication of the report as part of a new share purchase scheme implemented following the internalisation of NEPM in the form approved at the Annual General Shareholders' meeting held on 3 May 2011 (the "**NEPI share purchase scheme**"). All new share purchase scheme issues will be issued as part of the NEPI share purchase scheme as amended from time to time by the shareholders.

The broad principles of the **NEPM share incentive scheme** are set out below.

- The purpose of the NEPM share incentive scheme is to align the interests of directors, officers and employees of NEPM ("participants") with those of shareholders of the Company (NEPM was acquired by NEPI effective 1 July 2010). This is achieved by the Company making available loans to allow shares to be purchased by or on behalf of participants in the scheme, the repayment of which loans can be made in part out of the dividends payable on the shares, thus allowing the participants to benefit from the income and capital growth of the Company from the time of issue of the shares.

- The Company offers each participant the immediate right to subscribe for the relevant number of shares together with a loan to fund such subscription. Each loan carries interest at the weighted average rate at which the Company is able to borrow money from its bankers. Each loan is repayable in full together with interest ten years after its relevant subscription date, but can be repaid earlier.

- Pending repayment of the loan in respect of the shares subscribed by or on behalf of a participant on a particular subscription date, the dividends on such shares will be applied towards payment of interest on that loan. If the dividend amount on the shares in respect of which such loan was made and is outstanding exceeds the amount required for the interest payment then due in respect of such loan, the excess will be paid to the participant. If such dividend amount is less than such interest amount, the shortfall will be paid by the participant to the Company.

- The Company has security interest over the shares held in the scheme by or on behalf of a participant. This security interest will secure the repayment of all principal and interest in respect of any loan made by the Company to or for the benefit of that participant under the scheme. Such security interest will be released at the option of the participant in respect of a participant's shares subscribed on a particular subscription date as to a cumulative amount of 20 percent on or after the first anniversary of that subscription date, as to a cumulative amount of 40 percent on or after the second anniversary of that subscription date, as to a cumulative amount of 60 percent on or after the third anniversary of that subscription date and so on so that it shall have been released over all the shares subscribed on a subscription date on the fifth anniversary of that subscription date.

- To the extent that any loan and/or interest is not repaid in full on its due date the Company will enforce its security interest over such number of shares held by or for the benefit of the relevant participant under the scheme as is necessary to compensate the Company in full for any such unpaid amounts plus costs (using for these purposes the lower of the subscription price of the relevant shares and their then market value) and shall at its discretion either sell such shares and retain the proceeds or cancel them. The Company's recourse against the participant in such circumstances, however, shall not extend beyond the shares over which the Company has a security interest.

- Appropriate provisions apply where a participant leaves the scheme. Broadly these provide that if the participant dies or leaves, then the Company will have a call option over any shares over which the Company has a security interest, except that the call option will not apply to the extent that the participant is entitled to have the security interest released and does so by paying off the relevant portion of the loan and interest within a short period after leaving. The price payable under such call option will be the amount of the loan and interest outstanding in respect of the unreleased shares and such price will be applied by the Company to repay such loan and interest.

The broad principles of the **NEPI share purchase scheme** are set out below.

- The purpose of the NEPI share purchase scheme is to align the interests of directors, officers and employees of the Group with those of shareholders of the Company. This is achieved by the Company making available loans to allow shares to be purchased by or on behalf of participants in the scheme, the repayment of which loans can be made in part out of the dividends payable on the shares, thus allowing the participants to benefit from the income and capital growth of the Company from the time of issue of the shares.

- The total number of shares available or issued currently under the NEPI share purchase scheme is 2,794,603 (representing 8,000,000 shares less the shares issued as part of the NEPM share incentive scheme) of which 2,000,000 are issued to the participants.

- The number of shares offered to or for the benefit of particular participants under the scheme is decided by the directors of the Company, but shall not exceed 2,000,000 shares per participant. For the purposes of determining the aggregate number of scheme shares in respect of a participant, the following shares issued as part of the NEPM share incentive scheme pursuant to the internalisation of NEPM shall not be taken into account: 2,266,012 shares issued to Slabbert Family Limited (Martin Slabbert being the participant under the scheme); 377,669 shares issued to Focus CEE Investments Limited (the participant under the scheme being Victor Semionov); 188,834 shares issued to CEMZ Holdings Limited (Alexandru Morar being the participant under the scheme).

- The Company offers to or for the benefit of each participant the immediate right to subscribe for the relevant number of shares at a price equal to the weighted average sales price per share over the 30 (thirty) business days immediately preceding the offer date less 5 (five) percent together with a loan to allow the shares to be purchased by or on behalf of such participant.

- The date that such loan is granted and subscription takes place (which will be shortly after the date of the offer) is the "subscription date". Each loan carries interest at the weighted average rate at which the Company is able to borrow money from its bankers from time to time. Each loan shall be repaid in full together with interest ten years after its relevant subscription date, but can be repaid earlier.

- Pending repayment of the loan in respect of the shares subscribed by or on behalf of a participant on a particular subscription date, the dividends on such shares will be applied towards payment of interest on that loan. If the dividend amount on the shares in respect of which such loan was made and is outstanding exceeds the amount required for the interest payment then due in respect of such loan, the excess will be applied towards repayment of the oldest outstanding balance of such loan. If such dividend amount is less than such interest amount, the shortfall will be added to the oldest outstanding balance of such loan.

- The Company shall have a security interest over the shares held in the scheme by or on behalf of a participant. This security interest will secure the repayment of all principal and interest in respect of any loan made by the Company to or for the benefit of that participant under the scheme (whether such principal or interest relates to a loan to purchase those particular shares or not). Such security interest will be released at the option of the participant in respect of a participant's shares subscribed on a particular subscription date as to a cumulative amount of 20 percent on or after the first anniversary of that subscription date, as to a cumulative amount of 40 percent on or after the second anniversary of that subscription date, as to a cumulative amount of 60 percent on or after the third anniversary of that subscription date and so on so that it shall have been released over all the shares subscribed on a subscription date on the fifth anniversary of that subscription date, provided in each case that such release shall only occur to the extent that at the relevant anniversary or such later date when the option is exercised at least such cumulative percentage of the principal and interest under the loan applicable to the shares subscribed by such participant on such subscription date shall have been repaid.

- To the extent that any loan and/or interest is not repaid in full on its due date the Company will enforce its security interest over such number of shares held by or for the benefit of the relevant participant under the scheme as is necessary to compensate the Company in full for any such unpaid amounts plus costs (using for these purposes the lower of the subscription price of the relevant shares and their then market value) and shall at its discretion either sell such shares and retain the proceeds or cancel them. The Company's recourse against the participant in such circumstances, however, shall not extend beyond the shares over which the Company has a security interest.

- Appropriate provisions apply where a participant leaves the scheme. Broadly these provide that if the participant leaves, then the Company will have a call option over any shares over which the Company has a security interest, except that the call option will not apply to the extent that the participant is entitled to have the security interest released and does so by paying off the relevant portion of the loan and interest within a short period after leaving. The price payable under such call option will be the amount of the loan and interest outstanding in respect of the unreleased shares and such price will be applied by the Company to repay such loan and interest. Special provisions apply in case of death, retirement or disability of a participant – the security is released on all shares in relation to which the debt is repaid within 24 months.

A full version of the NEPI share purchase scheme is available on the Company's website.

RELATED PARTY TRANSACTIONS

Related parties in the case of the Group include any shareholder who is able to exert a significant influence on the operating policies of the Group. The subsidiaries, Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group are related parties.

Material related party transactions and Directors' interests in transactions

In June 2010, New Europe Property Investments plc acquired all of the issued shares of the Company`s Investment Adviser, NEPI Investment Management Limited (NEPM) from the vendors, consisting of Fortress Asset Managers (Proprietary) Limited, Slabbert Family Limited, Focus CEE Investments Limited and CEMZ Holdings Limited.

NEPM was established in 2007 to provide investment advisory services to the Company. NEPI was the only client of NEPM. The appointment of an experienced external investment adviser with the requisite skills and expertise has enhanced NEPI`s performance and growth since listing. However, the board and management of NEPI believed that the Company had reached a stage where it is preferable to internalise its investment adviser, as the management of the Company`s property portfolio may be achieved more efficiently and cost effectively with the management team of NEPM being employed and incentivised directly by the Company. These efficiencies are expected to result in better returns to NEPI shareholders over time and enhanced distributable earnings per share.

The purchase price of approximately €6.3 million was settled through the issue of 2,450,748 ordinary shares in NEPI at a price of €2.58 per share. The purchase price for the shares of NEPM was based on a seven times multiple of current estimated annualised after tax profit of NEPM, where annualised profits were estimated at a share price of €2.58 per Company share (the last issue price). NEPM's fee from the Company was calculated at 1% of the average annual market capitalisation of the Company.

Of the vendor shares issued, 1,531,717 vendor shares were issued for the benefit of Fortress Asset Managers (Proprietary) Limited (a wholly-owned subsidiary of Resilient, which at the time owned 20.3% of the company's issued shares), 735,224 vendor shares were issued for the benefit of Slabbert Family Limited (a company in which Martin Slabbert has an indirect interest) and 122,537 vendor shares were issued for the benefit of Focus CEE Investments Limited (a company in which Victor Semionov has an interest).

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

No amount of cash or securities have been paid or any benefit given since acquisition or is proposed to be paid or given to any promoter, not being a director.

There is no contract between the Directors and the Issuer or any of its Subsidiaries providing for benefits upon termination of employment.

Remuneration and Benefits

Fees paid to directors during the current and prior period are set out in the table below. No other payments were made to directors, except for re-imbursements of travel and accommodation costs.

Director	Payment for 2010 €	Payment for 2009 €	Payment for 2008 €
Martin Slabbert – *Chief Executive Officer*	**66,030**	-**	-**
Victor Semionov – *Financial Director*	**32,667**	-**	-**
Corneliu Dan Pascariu – *Non-executive Director*	**24,936**	**34,984**	22,516
Desmond de Beer – *Non-executive Director*	**23,800**	**27,352**	3,349
Michael John Mills – *Non-executive Director*	**20,400**	**25,796**	22,516
Dewald Lambertus Joubert – *Non-executive Director*	**23,251**	**29,128*** **	25,125*
Kris Carton - *Non-executive Director*	**5,100**	**3,400**	-
Steven van den Bossche – *Non-executive Director*	**17,000**	**3,400**	-
Jeffrey Zidel – *Non-executive director*	**22,100**	**3,400**	-

* includes VAT of €2,609 in relation to 2008.

** Mr Slabbert and Mr. Semionov were executive directors of the Investment Advisor until June 2010 and didn't receive a salary or director's fee from NEPI up to this date.

*** includes VAT of €2,704 in relation to 2009.

Except for fees paid for services as directors, no emoluments have been paid or accrued as payable during the last financial year or have been proposed to be paid to any of the directors in terms of any of the following categories:

- management, consulting, technical or other fees paid for such services rendered, directly or indirectly, whether to NEPI, its subsidiaries or associates, including emoluments received or receivable from NEPI;
- basic salary;
- bonuses and performance related payments;
- sums paid by way of expense allowance;
- any other material benefits received;
- contributions paid under any pension scheme; or
- any commission, gain or profit-sharing arrangement.

No amount has been paid or is payable to any third party in lieu of directors' fees. No loans have been made by NEPI to any of its directors or managers and the company has not furnished any security on behalf of any of its directors or managers, except for the arrangements made in relation to the shares issued as part of the share purchase scheme.

No amount has been paid to any director of the company in cash or securities or otherwise to induce him to become or to qualify him as a director. No director or promoter has had any material beneficial interest, direct or indirect, in NEPI or in any material acquisition of the company and no amount has been paid since incorporation, or is proposed to be paid to any promoter, except the acquisition of NEPM as described in section *Material related party transactions and Directors' interests in transactions* above.

According to the Company's Articles of Association, The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for or to institute and maintain any institution, association, society, club, trust, other establishment or profit sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him.

For such purpose, the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with, any of the aforesaid matters or bodies. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the Articles of Association and shall not be obliged to account for it to the Company.

Director's interest in NEPI shares

The interests of the directors in the issued share capital of NEPI at the last practicable date (31 December 2010) and the end of the preceding financial year (31 December 2009), are set out below:

Beneficial shareholding of directors

At 31 December 2010	Direct holding	Indirect holding	Total shares held	Percentage of issues shares
Desmond De Beer	-	4,712,929	4,712,929	6.1%
Jeffrey Zidel	-	1,093,652	1,093,652	1.4%
Martin Slabbert	-	4,579,029	4,579,029	6.0%
Victor Semionov	-	963,656	963,656	1.3%
	-	**11,349,266**	**11,349,266**	**14.8%**

At 31 December 2009	Direct holding	Indirect holding	Total shares held	Percentage of issues shares
Desmond De Beer	-	3,362,953	3,362,953	8.3%
Jeffrey Zidel	-	1,046,615	1,046,615	2.6%
Martin Slabbert	-	197,500	197,500	0.5%
	-	**4,607,068**	**4,607,068**	**11.3%**

Mr. de Beer is a trustee and beneficiary of The Suni Trust and has a 50% interest in Optimprops 3 (Proprietary) Limited. Through his interest in The Suni Trust, Mr. de Beer has a beneficial interest in 2,723,627 ordinary shares in the Company, representing 3.54% of the Company's enlarged issued share capital. Mr. de Beer also has an interest in Ordinary Shares through his 50% interest in Optimprops 3 (Proprietary) Limited, which holds 1,862,500 ordinary shares, representing 2.42% of the share capital. Mr. de Beer also directly and indirectly holds 6.1% of Resilient Property Income Fund Limited ("Resilient") and 0.90% of Capital Property

Fund. In addition, through his associates, Mr. de Beer has an interest of 372 ordinary shares representing 0.0005% of the share capital.

Mr. Slabbert has an indirect beneficial interest in Slabbert Family Limited. Mr. Slabbert's indirect beneficial interest in the equity of the Company is 4,579,029 ordinary shares, representing 5.95% of the share capital.

Mr. Zidel is a 100% shareholder of Maxtrade Seven (Proprietary) Limited. Mr. Zidel has an indirect interest in 910,802 ordinary shares held by Maxtrade Seven (Pty) Limited, representing 1.18% of the share capital. Mr. Zidel also directly and indirectly holds 0.9% of Resilient and 0.04% of Capital Property Fund. Mr. Zidel also directly has an interest of 30,000 ordinary shares, representing 0.04% of the share capital.

Mr. Semionov is shareholder of Focus CEE Investments Limited. Mr. Semionov's indirect beneficial interest in the equity of the Company is 963,656 ordinary shares, representing 1.25% of the share capital,

DIRECTORS' OTHER DIRECTORSHIPS AND PARTNERSHIPS

The table below lists the other directorships held by the directors or the partnerships in which they have been partners over the five years preceding this pre-listing statement:

Director	Current directorship/partnership	Past directorship/partnership
Michael Mills	Atlas Medical Resources Limited	Advance Value Realisation Company Limited
	New Europe Property (BVI) Limited	Athanor Capital Partners Limited
	Pentavia Limited	China Growth Trust plc
	Ultrasis plc	Drew Scientific Group plc
	World Food Heroes Limited	International British Schools plc
	New Europe Property (BVI) Limited	Intramezzo Limited
		Learning Angles Limited
		Legacy Distribution Group Inc (US)
		Onestop Logistics Limited
		RMR Design Associates Limited
		S Daniels plc
		Talent Group plc (formerly RMR plc)
		City and Merchant Group plc
		Zenith International Limited
		Marble Arch Capital plc
Dewald Joubert	Alderamin Limited	AG Australia Holdings 1 Limited
	Amplain Limited	AG Geita Holdings 2 Limited
	AngloGold Ashanti Holdings Plc (LSE listed debt securities)	AG Mali Holdings 1 Limited
		AG Mali Holdings 2 Limited
	AngloGold Ashanti Holdings Finance Plc	Amplats (IOM) Limited
	AngloGold Ashanti International Services Limited	Anglo American International (I.O.M.) Limited
	AngloGold Finance Australia Limited	Anglogold Ashanti Laos Holdings Limited
	Argosy Capital Limited	AngloGold Ashanti Mongolia Holdings Limited
	Argosy Services Limited	Anglogold Ashanti Russia Holdings Limited
	Attventure International Limited	AngloGold Bolivia Investments Limited
	BEHRENS LIMITED	AngloGold CV 1 Limited
	Berlin Property Holdings Limited	AngloGold CV 2 Limited
	Berlin Property Management Limited	AngloGold CV 3 Limited
	Capfin Partners Limited	AngloGold CV 4 Limited
	Carmi Investments Limited	AngloGold CV 5 Limited
	Croatian Property Holdings Limited	Birchman Group Limited

GROPIUS LIMITED
HITZIG LIMITED
Ipomen Limited
Kollhoff Limited
MAS Property Advisors Limited
Mergon Property Investments 1 Limited
Mergon Property Investments 2 Limited
Mergon Property Investments 4 Limited
Migration Investments Limited
New Europe Property (BVI) Limited
Nampak International Limited
Nampak Insurance Company Limited
New Europe Property Investments plc
Northern Worldwide Limited
OTTO LIMITED
ROHE LIMITED
SAPPHIRE TRADING LIMITED
SCHULTES LIMITED
SCOP 2003 INVESTMENTS LIMITED
TARLATANTIC FINANCIAL SERVICES LIMITED
Woodland Investment Company (Proprietary) Limited
Zaniah Limited

Bleustar Limited
BoE Protected Equity Fund Limited
Clemente Business Limited
Corozal Limited
Dimension Data Commerce Centre Limited
Dimension Data Finance Limited
Dimension Data Global Management Services Limited
Discus Holdings Limited
Discus Limited
Echo Delta (Holdings) PCC Limited
Efidium Limited
Elgria Limited
Engen International Marketing Limited
Engen Petroleum DRC (IOM) Limited (closed)
Engen Petroleum International Limited
Engineering Management Services International Limited
Engineering Services International Inc
Entre-acte Limited
Fireside Limited
First Anchorage Investments Limited
First Mainsail Company Limited
Glanvill Limited
Heliette Limited
Interbuild Holdings Limited
JCI (Isle of Man) Limited
JCI East African Exploration Company Limited
Juxta Limited
Lindfield Limited
Maitland Advisory (IOM) Limited
Maitland Asset Management (IOM) Limited
Marbras (Guernsey) Limited
MAS Plc
MAS (IOM) Holdings Limited
MAS BVI Holdings Limited
Media Matrix Limited
Merinos Leasing Limited
Meyers Investments Limited
MIH Investments Limited
Millennium Publishers Limited
Mining & Services Limited
Mittonic Limited (closed)
Montbrun Limited
Murray & Roberts Guernsey Limited
Murray & Roberts International Holdings Limited
Murray & Roberts International Limited
Murray & Roberts Steel International Limited
NamITech International Limited
Nampak Resources Limited
Napoleon Leasing Limited
NEPI Investment Management Limited
Neutrino Limited
Nilofar Investments Limited
Nordberg Limited
Ocean Dive Adventures Limited
Oil Consultants Limited (closed)
Oranmore Investments Limited
Orinocov Limited
Orion Sporting and Leisure Limited
Overture Limited
Pangea Diamondfields Plc.
Pentavana Limited
Peppiatt Limited

		Perianth Limited Pinot Limited Planum Holdings Limited Princeton Enterprises Limited Private Ventures Limited Profuse Limited Protea Leasing Limited Pyramus Limited Quasar Limited Quinnasette Limited R T Speed Limited Raufard Limited Regional Aircraft Leasing Limited Renaissance Holdings Limited Sable Kensington Limited SafeTech 1 Limited (closed) Samax Resources Limited Science & Technology Limited (closed) Sherburn Limited Showland Limited Shweir Limited SNC Lavalin Murray & Roberts Ltd Spindle Limited St. Pauls Investments Limited Starcross Investments Limited Stratton Services Limited (closed) Sundiamond Limited Swaton Limited Tabayin Holdings Inc Tachyon Limited The Birchman Group Limited The First Anchorage Company (PTC) Limited The Henley Settlement Limited Thilo Limited Timbal Limited Tintern Limited Tontine Inc TPA Remarketing Services Limited Traversio Limited Trenowth Limited Tubus Installations Limited (closed) Turboprop Remarketing Services Limited Two Tree Limited Utilities Management Limited (closed) Valance Limited Vannin Energy Limited Vannin Leasing Limited Vilazuan Holdings S A Wardvale Properties Limited (closed) Ware Limited Whitton Limited (closed) Wilfram Limited Willow Lane Limited Wydire Holdings Limited Zacopani Limited Zaniah Limited Zeedijk Handelmaatschappij NV Zietzig Limited
Dan Pascariu	Unicredit Tiriac Bank SA UniCredit CAIB Securities Romania New Europe Property (BVI)Ltd SIF Muntenia	Romanian Bank for Foreign Trade Banca Bucuresti (currently Alpha Bank) Creditanstalt Bank Austria Creditanstalt

	Fabryo Corporation SRL	HVB Bank Romania SA HVB Tiriac Bank Romania SA HVB Banca pentru Locuinte SA UniCredit CAIB Romania
Desmond de Beer	Beaulieu College Properties (Proprietary) Limited Beaulieu College (Proprietary) Limited Beaulieu School Properties (Proprietary) Limited Diversified Properties (Proprietary) Limited Diversified Properties 2 (Proprietary) Limited Diversified Property Fund Limited Fortress Asset Managers (Proprietary) Limited Hollyrood Investments (Proprietary) Limited Kyalami Preparatory Holdings (Proprietary) Limited Kyalami Preparatory School (Proprietary) Limited NMGP Holdings (Proprietary) Limited Optimprops 3 (Proprietary) Limited Pangbourne Properties Limited Property Fund Managers Limited Pure Diamond Investments (Proprietary) Limited Resilient Properties (Proprietary) Limited Resilient Properties 2 (Proprietary) Limited Resilient Property Income Fund Limited Southern Palace Investments 19 (Proprietary) Limited New Europe Property (BVI) Limited Bardesgra CC Tiradeprops 152 (Proprietary) Limited Fortress Income 1 (Proprietary) Limited Fortress Income 2 (Proprietary) Limited Fortress Income 3 (Proprietary) Limited Fortress Income 4 (Proprietary) Limited Fortress Income 5 (Proprietary) Limited Fortress Income Fund Limited Evaton Plaza Shareblock (Proprietary) Limited Nquthu Plaza Shareblock (Proprietary) Limited Propateez 62 (Proprietary) Limited	Amber Peek Investments (Proprietary) Limited Autumn Wizard Trading (Proprietary) Limited King Bee Properties (Proprietary) Limited Boudoir Properties CC Indian Gold Investments (Proprietary) Limited New Heights 471 (Proprietary) Limited Resilient Capital (Proprietary) Limited Resilient Property Management (Proprietary) Limited Diligence Properties (Proprietary) Limited Jsa Investments (Proprietary) Limited
Jeffrey Zidel	Clarendon Shopping Centre (Pty) Limited ERF 2395 Kempton Park (Pty) Limited Fortress Income Fund Limited Heavenly Blue Property Invest Close Corporation Maxtrade Seven (Pty) Limited Mazow Property Invest Close Corporation Property Index Tracker Managers (Pty) Limited Resilient Property Management (Pty) Limited Resilient Property Income Fund Limited Zicor Property Projects (Pty) Limited	Ambit Property Limited Resilient Properties (Pty) Limited Resilient Capital (Pty) Limited Diversified Properties 2 (Pty) Limited
Martin Slabbert	New Europe Property (BVI) Limited New Europe Property NV NE Property Cooperty UA NEPI Investment Management Limited NEPI Investment Management SA NEPI Bucharest One SRL NEPI Bucharest Two SRL NEPI Bucharerst Three SRL General Investment SRL General Building Management SRL Connect Investmen SRL BelRom Sase SRL Unique Delamode SRL Floreasca Business Park SRL Third Way Capital SRL	Deloitte Central Europe Established Investments (Proprietary) Limited National Cerial Holdings (Proprietary) Limited National Cerial Investments (Proprietary) Limited Premier Foods Limited Virgin Active (South Africa) (Proprietary) Limited
Victor Semionov	New Europe Property Investments plc New Europe Property (BVI) Limited	Natur-Bravo SA

New Europe Property NV
NE Property Cooperty UA
NEPI Investment Management Limited
NEPI Investment Management SA
NEPI Bucharest One SRL
NEPI Bucharest Two SRL
NEPI Buchareerst Three SRL
General Investment SRL
General Building Management SRL
Floreasca Business Park SRL
Third Way Capital SRL
LGV-Tur SRL

There are no potential conflicts of interests between any duties to the Issuer , of the Directors and their private interests and or other duties.

The following declarations are made by the directors of the Company:

- there have been no bankruptcies, insolvencies, liquidations or individual involuntary compromise arrangements to which any of the directors has been subject or receiverships of any asset(s) of any of the directors for the previous five years;
- the directors have not acted as a director of any company with an executive function at the time or within the 12 months preceding any of the following events taking place: receiverships, compulsory liquidations, creditors voluntary liquidations, company voluntary arrangements or any compromise or arrangement with its creditors generally or any class of creditors;
- the directors have not been partners of any partnership at the time of or within 12 months of any of the following events taking place: compulsory liquidations or partnership voluntary arrangements or receiverships;
- the directors have not been the subject of public criticisms and/or sanctions by statutory or regulatory authorities (including recognized professional bodies) and have not been disqualified by a court from acting as directors of a company or from acting in the management or conduct of the affairs of any company for the previous five years;
- the directors have not been the subject of any conviction for fraud over the last five years
  and there have been no offences involving dishonesty.

There are no family relationships among the persons presented above.

LITIGATION STATEMENT

The company is not aware of any proceedings that would have or had for the previous 12 months a material negative effect on the financial position of the company or the companies or businesses which have been acquired or which are pending or threatened against the company or such companies or businesses.

ARTICLES OF ASSOCIATION

The Board comprises four independent non-executive directors, one non-independent non-executive directors and two executive directors. The Directors recognize the importance of sound corporate governance and monitor compliance with the Guidelines for BSE listed Companies and Romanian CNVM. In particular, the

Directors are responsible for overseeing the effectiveness of the internal controls of the Company designed to ensure that the assets of the Company are safeguarded, that proper accounting records are maintained and that the financial information on which business decisions are made and which is issued for publication is reliable.

Administrator and Secretary

The Administrator, Sabre Fiduciary Limited, was incorporated in the Isle of Man on 29 April 2010 under registration number 124715C as a private company with limited liability under the provisions of the Isle of Man Companies Acts 1931–2004. It is part of the Sabre Group, which has been operating in the Isle of Man since 1995. The Administrator is licensed as a Corporate Service Provider in the Isle of Man pursuant to section 7 of the Financial Services Act 2008. The Administrator has been appointed as administrator pursuant to an administration agreement. In such capacity, the Administrator is responsible for the day-to-day administration of the Company including keeping the statutory records of the Company, and to provide a company secretary for the general secretarial functions required by the Company. The Administrator uses the services of the CREST Settlement Agent for the purposes of settling share transactions through CREST. The cost of this service is borne by the Company.

Powers and duties of the Board

The management and control of the business of the Company shall be in and from the Isle of Man or such other place outside Romania as the Board may determine from time to time. Subject to the provisions of the Act, the memorandum of association of the Company and the Articles of Association and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association, or of the Articles of Association and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in the Articles of Association as to any specific power of the Board shall not be deemed to limit the general powers given by the Article of Association.

If the number of Directors is less than the minimum for the time being prescribed by the Articles of Association the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of the Articles of Association, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.

Subject to the requirement of the Articles of Association that a majority of the Directors shall at all times be resident outside the United Kingdom, the Directors to retire by rotation shall include (so far as is necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall (subject as aforesaid) be those of the other Directors subject to retirement by rotation who have been longest in office since their last appointment or re-appointment, but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves and subject to the requirement that a majority of the Directors shall at all times be resident outside the United Kingdom) be determined by lot. A Director who retires (whether by rotation or otherwise) shall be eligible for re-election and may, if willing to act, be re-appointed.

The Directors to retire on each occasion (both as to numbers and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 84 (Resolution for appointment) of the Articles of Association or where such Director has attained any retirement age applicable to him as a Director.

The retirement of any Director retiring at a general meeting in accordance with the Article of Association shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

The Board may from time to time:

- delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to subdelegate) for such time on such terms and subject to such conditions as it thinks fit; and
- revoke, withdraw, alter or vary all or any of such powers.

Delegation to committees

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- a majority of the members of a committee shall be Directors or alternate Directors;
- no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors; and

- any such committee shall only meet and exercise its powers, authorities and discretions from outside Romania.

Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the Committee).

The Board may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated any reference in the Articles of Association to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee. Subject to any terms and conditions expressly imposed by the Board, the proceedings of a committee with two or more members shall be governed by such of the Articles of Association as regulate the proceedings of the Board so far as they are capable of applying.

The Board may by power of attorney or otherwise appoint any company, firm, person or persons (including registrars) to be the agent or attorney of the Company and may delegate to any such agent or attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions (with power to subdelegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Board may think fit and may also authorize any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word “director” or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title.

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised by the Company in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favor of the appointment of any Director as a director or other officer or employee of such company or in favor of the payment of remuneration to the directors, officers or employees of such company).

Subject as herein provided and to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Increase, consolidation, cancellation and sub division of Capital

To the extent that the shares in the capital of the Company comprise shares with a par value, the Company in general meeting may from time to time by resolution:

- increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- consolidate and/or divide, re-designate or redenominate or convert all or any of its share capital into shares of larger or smaller par value, into shares having a purchase price of another currency, or into different classes of shares than its existing shares;
- cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- sub-divide its shares or any of them into shares of smaller par value and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- convert any shares into stock and re-convert any stock into shares of any denomination, or into shares of no par value;
- convert all of its ordinary or preference share capital consisting of shares having a par value into share capital constituted by shares of no par value;
- convert its share capital constituted either by ordinary or preference shares of no par value into share capital consisting of shares having a par value; and
- convert any shares in the capital of the Company to shares of a different class, whether in issue or not, and (without limiting the generality of the foregoing) convert ordinary shares or preference shares to redeemable preference shares.

Reduction of capital

Subject to compliance with the solvency test and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any share premium account or any undistributable reserve in any manner.

General meetings

The Board shall convene in each year a general meeting of the members of the Company called the annual general meeting; any annual general meeting so convened shall be held at such time and place as the Board may determine. All general meetings other than annual general meetings, shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition no business shall be transacted except that stated by the requisition or proposed by the Board.

If there are not sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

Any annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director shall be convened by not less than twenty-one clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that a meeting is convened by shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed by all the members entitled to attend and vote at the meeting.

The notice shall be given to the members (other than any who under the provisions of the Articles of Association or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors, to the Auditors and if more than one for the time being, to each of them. In addition, for as long as the shares of the Company are listed on one or more exchanges, then to the extent prescribed in terms of the requirements of the relevant exchange/s, the notice shall be given to the exchange/s concerned within the time periods stipulated by the relevant exchange/s.

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

Proceedings at general meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the Meeting. If quorum not present, three persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member, or one person entitled to attend and to vote on the business to be transacted, being a member holding not less than one-tenth of the issued share capital of the Company and being present in person or by proxy, shall be a quorum.

If within fifteen minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to later on the same day, to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than fourteen nor more than twenty-eight days thereafter. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting one member present in person or by proxy shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than fourteen nor more than twenty-eight days thereafter).

The Chairman of the Board shall preside as Chairman at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the deputy Chairman (if any) of the Board shall if present and willing to act preside as Chairman at such meeting. If no Chairman or deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If no Director is willing to act as Chairman of the meeting or, if no Director is present within fifteen minutes of the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

A Director shall notwithstanding that he is not a member be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman may invite any person to attend and speak at any general meeting of the Company whom the Chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

The Chairman of the general meeting may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as he shall determine. However, without prejudice to any other power which he may have under the Articles of Association or at common law the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Where a meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for fourteen days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

Voting

At any general meeting, a resolution put to a vote of the meeting is decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

- the Chairman of the meeting; or
- by at least two members present in person or by proxy having the right to vote at the meeting; or
- a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or

- a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right;
- and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favor of or against such resolution.

No objection shall be raised to the qualification of any voter or to the counting of or failure to count any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that it is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

The Company may amend the Company's Memorandum of Association and the Articles of Association by way of special resolution only. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a special resolution no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on. In the case of a resolution, no amendment to it (other than a mere clerical amendment to correct a manifest error) may be considered or voted upon unless notice of such proposed amendment is given to the Office at least forty-eight hours prior to the time appointed for holding the relevant meeting or adjourned meeting or (in the absence of any such notice) the Chairman of the meeting in his absolute discretion rules that the amendment is fit for consideration at the meeting.

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll as demanded, as the Chairman shall direct. The Chairman may, and if so directed by the meeting shall, appoint scrutineers who need not be members and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made. The demand for a poll may before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. If a demand is withdrawn, the persons entitled in accordance with Article 62 (Method of voting) may demand a poll. On a poll votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares either in person or by proxy, or be counted in a quorum, in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company.

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment of it.

CONFLICTS MANAGEMENT

In February 2008, the Company has concluded a sale and purchase agreement to acquire two companies, namely General Investment SRL and General Building Management SRL, which together own a portfolio of 18 properties, situated in various cities in Romania. Further, on 3 February 2010, the Company signed a sale and purchase agreement to acquire Connect Investment SRL the holding company of a retail park located in Pitesti, Romania.

The vendor of General Investment SRL, General Building Management SRL and Connect Investment SRL was Central Eastern European Real Estate Shareholdings BV, part of the Avrig 35 Group. Dan Pascariu, one of the Company's directors, is also a minority shareholder in Avrig 35 Group. Mr Pascariu did not participate in the board discussions on the transactions and abstained from voting on the transactions.

4. SHARE CAPITAL AND MAIN SHAREHOLDERS

The Company was incorporated under the Isle of Man Companies Act 2006. Accordingly, on incorporation the Company's share capital was not divided into authorized and issued shares. On incorporation the subscriber share was issued to Mr Dewald Joubert. Neither the Law nor the Company's original Articles of Association imposed pre-emption rights on the issue of new shares. Accordingly, at incorporation, the Directors were generally and unconditionally authorized to allot securities in the Company up to the authorized but unissued share capital of the Company and such power was not limited in duration.

On 14 August 2007 an extraordinary general meeting of the Company was held at which the sole shareholder of the Company, Mr Joubert adopted new Articles of Association for the Company. The new Articles of Association established an authorized share capital of 150,000,000 shares of €0.01 each.

The NEPI`s share capital as at 31 December 2010 consists of 76,933,734 ordinary shares of €0.01 each with voting rights. Therefore, the total number of voting rights in NEPI is 76,933,734.

Provided below is information relating to the authorized and issued share capital of the Company and share premium as the date of this document:

	EUR
Authorised share capital: 150,000,000 ordinary shares of EUR 0.01 each	1,500,000
Issued share capital: 76,933,734 ordinary shares of EUR 0.01 each	769,337
Share premium	166,355,956
Total share capital and premium	**167,125,293**

ALTERATION OF SHARE CAPITAL

Details of NEPI shares issued since incorporation are set out below.

Date of issue	Number of NEPI ordinary shares issued	Price at which NEPI ordinary shares were issued (€)	Reason for the issue
22 August 2007	12,877,200	2.00	Listing on AIM
14 December 2007	13,917,800	2.00	Private placement
5 June 2008	1,355,000	2.18	Share purchase scheme
16 September 2009	2,815,000	2.10	Private placement
16 September 2009	43,214	2.10	Share purchase scheme
20 October 2009	9,014,781	2.03	Vendor placement
28 October 2009	634,668	2.10	Share purchase scheme
11 March 2010	9,310,823	2.25	Vendor placement
1 April 2010	5,882,352	2.59	Private placement
25 May 2010	799,633	2.58	Share purchase scheme
28 June 2010	2,450,748	2.58	Internalisation of Investment Advisor
28 June 2010	2,832,515	2.58	Share purchase scheme
17 December 2010	15,000,000	2.67	Rights issue

Note: a futher 2,000,000 shares were approved for issue by the board and are expected to be issued as part of the Share purchase scheme between the date of drafting this report and its publication, at a price to be determined on the issue date in accordance with the Share purchase scheme.

There have been no issues or offers of securities by NEPI's subsidiaries within the three years preceding the date of this pre-listing statement.

MAJOR SHAREHOLDERS

10 LARGEST SHAREHOLDERS

Shareholder	Beneficial shareholdings	Percentage of issued shares
Resilient Property Income Fund	16,830,000	21.88%
RMB Securities	12,437,363	16.17%
Martin Slabbert	4,579,029	5.95%
Des de Beer	3,655,249	4.75%
Capital Property Fund	3,450,000	4.48%
Chataprop Holdings	2,700,288	3.51%
Fortress Income Fund	2,577,585	3.35%
Coco Haven 31	2,507,096	3.26%
Pershing Nominees	2,429,723	3.16%
Coronation Fund Managers	1,664,168	2.16%
Total	52,830,501	68.67%

NOTE: Excludes shares held through listed vehicles; data for December 31, 2010

5. INFORMATION CONCERNING THE SHARES ADMITTED TO TRADING

The securities admitted to trading are ordinary shares issued by the Issuer, with ISIN no. IM00B23XCH02.

The shares are in registered and book-entry form, and are issued in euro on the AIM and South-African Rand on the JSE. Trading on BSE is carried out in RON.

RIGHTS ATTACHED TO SHARES

The ordinary shares carry the right to vote at general meetings, the right to dividends and the right to the surplus assets of the Group on a winding-up. The ordinary shares carry pre-emption rights as well as transfer rights.

The source for information presented below about rights attached to shares is the Company's Articles of Association.

Dividends and rights to share in the Issuer's profits. Subject to the provisions of the Company's Articles of Association, the Company may, subject to the satisfaction of the solvency test, by resolution declare that dividends out of the Company's profits may be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. The Board may, subject to the satisfaction of the solvency test, declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

All dividends and interest are paid (subject to any lien of the Company) to those members whose names are on the register at the date at which such dividend are declared or at the date at which such interest are payable respectively, or at such other date as the Company by resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due from him to the Company.

The Company in general meeting may, on the recommendation of the Board, by resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways.

Where any difficulty arises in regard to such distribution the Board may settle it as it thinks fit. In particular, the Board may:

- issue fractional certificates or authorize any person to sell and transfer any fractions or disregard fractions altogether;
- fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- vest any such assets in trustees on trust for the persons entitled to the dividend.

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

All dividends, interest or other sum payable and unclaimed for twelve months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

A general meeting declaring a dividend may, upon the recommendation of the Board, by resolution direct that it shall be satisfied wholly or partly by the distribution of assets and, in particular, of paid-up shares or debentures of any other company and, where any difficulty arises concerning such distribution, the Board may settle it as the Board thinks expedient and in particular may issue fractional certificates or, subject to the law and, in the case of shares held in uncertificated form, the system's rules, authorize and instruct any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the basis of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as the Board may think expedient.

The Board may with the prior authority of a resolution of the Company and subject to such conditions as the Board may determine, subject to the satisfaction of the solvency test, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the resolution.

The Board may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or certain future rights offered to that holder under provisions of the Articles of Association until the election mandate is revoked in accordance with any such procedure.

The Board may, before recommending any dividend (whether preferential or otherwise) carry to reserves out of the profits of the Company such sums as it thinks fit. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. The Board may also, without placing the same to reserve, carry forward any profit which it may think prudent not to distribute.

Notwithstanding any other provision of the Company's Articles of Association but without prejudice to the rights attached to any shares, the Company or the Board may fix any date ("the record date") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular. Such record date may be on or at any time within six months before any date on which such dividend, distribution, interest, allotment, issue, notice, information, document or circular is declared, paid or made but without prejudice to the rights inter se in respect of the same of transfers and transferees of any such shares or other securities. In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

Voting rights

Voting process in the general meeting is detailed in Section of this document called *"Issuer's administrative, management and supervisory bodies and organizational structure"*.

Subject to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles of Association of the Company, at any general meeting every member who (being an individual) is present in person or by proxy shall on a show of hands have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.

If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

Pre-emption rights in offers for subscription of securities of the same class. Subject as indicated below and unless the Company shall by special resolution otherwise direct, unissued equity securities in the capital of the Company shall only be allotted for cash in accordance with the following provisions:

- all equity securities to be allotted (the "offer shares") shall first be offered to the members of the Company who the Directors determine can be offered such offer shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of members in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "relevant members");
- the offer to relevant members set out above shall be made in proportion to the existing holdings of shares of relevant members;
- the offer shall be made by written notice (the "offer notice") from the Directors specifying the number and price of the offer shares and shall invite each relevant member to state in writing within a period, not being less than 14 days, whether they are willing to accept any offer shares and, if so, the maximum number of offer shares they are willing to take;
- at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant members who shall have notified to the Directors of their willingness to take any of the offer shares but so that no relevant member shall be obliged to take more than the maximum number of shares notified by him under the provisions above; and
- if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favorable to their subscribers than the terms on which they were offered to the relevant members.

The provisions above are dis-applied in respect of any allotments of equity securities of the Company in an aggregate nominal amount not exceeding 20% of the Company's total nominal issued share capital on 3 March 2010 such dis-application to apply until the earlier of (i) eighteen months from 03 March 2010 and (ii) the end of the next Annual General Meeting of the Company.

The provisions on pre-emption rights on allotment shall not, for the avoidance of doubt, apply to:

- the allotment of any equity securities for a consideration other than cash, and, accordingly, the Directors may allot or otherwise dispose of any unissued equity securities in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit;
- the allotment of equity securities pursuant to, or in connection with, any employee share scheme (which includes, for these purposes, a scheme established for the Groups's employees);

Redemption provisions. Subject to any shares expressly being non-redeemable as a term of their issue, shares may be redeemed or otherwise acquired for any consideration provided that such redemption or acquisition does not contravene section 60 of the Isle of Man Companies Act 2006 or the solvency test; the process for redemption or acquisition of shares shall be determined by the Directors in their absolute discretion and the Directors may, for the avoidance of doubt, permit an offer to one or more holders of shares in accordance with section 53(1)(b)(ii) of the Isle of Man Companies Act 2006 , subject to section 54 of the aforementioned Act.

The date on which or by which, or dates between which, any redeemable shares are to be or may be redeemed may be fixed by the Directors and in such a case must be fixed by the Directors before the shares are issued.

Unless otherwise specified in the Articles of Association, the amount payable on redemption of any redeemable shares shall be the par value of such shares.

Conversion provisions. Not applicable.

Other rights attached to shares. Subject to the provisions of the Isle of Man Companies Act 2006 and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, transfer, return of capital or otherwise as the Company may from time to time by resolution determine or if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may determine.

Subject to the provisions of the Isle of Man Companies Act 2006, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles of Association (but not otherwise). The foregoing provisions shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or to cease to be a Participating Security according to the Company's Articles of Association.

Subject to the provisions of the 2006 Isle of Man Companies Act, if at any time the share capital of the company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the company (and notwithstanding that the company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles of Association (but not otherwise). This paragraph shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the board resolving that a class of shares is to become or cease to be a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of a relevant system in accordance with the Uncertificated Regulations.

At the moment this Prospectus was drafted, there is no indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out procedures in relation to the securities.

No public takeover bids by third parties in respect of the Issuer's equity have occurred during the last financial year and the current financial year.

NEPI does not withhold tax on dividends. Any shareholder who is in doubt as to his/her position, including without limitation, his/her tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

Tax information provided in this Document is general in nature and does not take into account all tax provisions applicable to persons who are resident or non-resident in Romania, either legal or natural persons, which intend to invest in shares presented in this Document. Potential investors should get information regarding applicable Romanian tax legislation when deciding to invest in the shares presented, including the consequences of subscribing, acquiring, holding and selling shares, especially since tax provisions in Romania are continuously changing and being updated. Even though information presented in this document is based on current legislation and practice in its interpretation at the moment of the drafting of this document, no guarantees will be offered that this information will continue to be correct in the future.

This information does not cover tax implication that may appear in jurisdictions other than Romania and, therefore, potential non-resident investors should request tax advice regarding tax implications of subscribing, acquiring, holding or selling of shares that may appear in any jurisdiction in which they have to or may have to pay taxes.

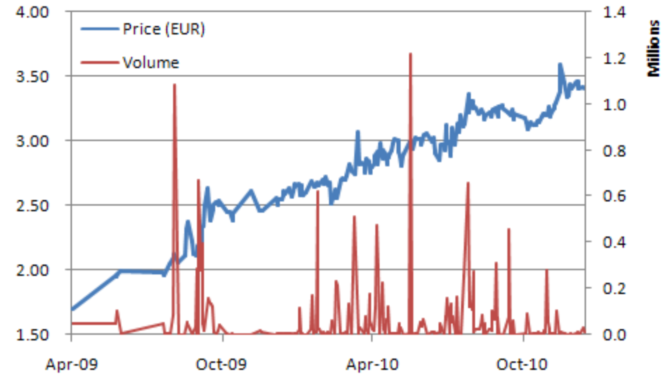
Natural and legal persons who invest in the shares presented in this document are required to calculate and pay taxes according to legislation in force. Investors are required to contact a tax advisor for details, depending on personal circumstances, as well as in case of future changes in applicable legislation.

TRADING OF SHARES

NEPI is currently listed on the AIM Market of the London Stock Exchange (with AIM Share Code: NEPI) and in the "Real Estate – Real Estate Holdings and Development" sector of the Main Board of the JSE (with JSE Share Code:NEP). NEPI's shares were admitted to trading on the AIM market on 22 August 2007. NEPI's held a secondary listing on the AltX of the JSE with effect from 17 April 2009. On 28 July 2010 the JSE approved the transfer of NEPI's listing from the AltX sector to the Main Board of the JSE with effect from 4 August 2010.

On 4 August 2010 the Company completed the transfer of its listing from the AltX sector of the JSE to the Main Board of the JSE in South Africa. During the year, the Company raised €36 million through a vendor placement in March and private placement in April, respectively. The Company raised a further €40 million in December 2010 through an over-subscribed rights issue. The capital raisings combined with the transfer of the Company's listing to the Main Board of the JSE in South Africa extended the Company's shareholder base and improved liquidity in the trading of the Company's shares, providing also a further source of capital.

NEPI's trading history on JSE is presented below (prices in EUR/share, apr 2009 - dec 2010):



Source: Reuters

The Board of the Company has decided for the admission to trading of the company's shares on the regulated market of the Bucharest Stock Exchange during the Board meeting held on 10 February 2011.

The Company has requested the admission to trading on the Bucharest Stock Exchange (BSE) based on this Prospectus for Admission to Trading. The approval in principle of the admission to trading on the regulated market managed by the Bucharest Stock Exchange was already obtained by the Company and its shares will be effectively admitted to trading provided that the Bucharest Stock Exchange issues the final approval for admission to trading. In the process of admission to trading on the Bucharest Stock Exchange no shares are offered in a public or other type of shares offering. The company's share code on the BSE, following the admission to trading, is NEP.

This Prospectus is drafted according to provisions of (Romanian) National Securities Commission Regulation No. 1/2006, Romanian Law 297/2004 on Capital Markets and of the European Commision Regulation 809/2004. Following the admission to trading on the Bucharest Stock Exchange, the shareholder registry in Romania will be held by Depozitarul Central, a company with registered offices in Bucharest, 25 Fagaras Street, Sector 1, Romania, Phone +4021 408 5800, Fax +4021 408 5913, Tax Registration Code RO 9638020, Trade Register Number J40/5890/1997, licensed by the (Romanian) National Securities Commission.

The managers of the admission to trading procedures are **Banca Comerciala Romana SA**, a credit institution with the registered office in Bucharest, No. 5 Regina Elisabeta Blvd., Sector 3, Romania, entered in the Trade Register under No. J40/90/1991, Tax Registration Code 361757, entered in the Banking Registry under No. RB-PJR-40-008/18.02.1999, in the NSC Register under No. PJR01INCR/400007/26.05.2006, and **SSIF Intercapital Invest SA**, a full-service brokerage company with the registered office in Bucharest, No. 33 Aviatorilor Blvd., 1st floor, Sector 1, Romania, entered in the Trade Register under No. J40/6447/1994, Tax Registration Code RO7631041, entered in the NSC Register under no. PJR01SSIF/400019/19.04.2006.

Since in the process of admission to trading of the Issuer's shares on the Bucharest Stock Exchange no shares are offered in a public offering, the following information is not applicable:

- Reasons for the offer and use of proceeds: not applicable;
- Expected issue date of securities: not applicable;

- Resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued: not applicable;
- Terms and conditions of the offer, including Conditions, offer statistics, expected timetable and action required to apply for the offer; plan of distribution and allotment; pricing; placing and underwriting: not applicable;
- Subscription or private placement of securities of the same class as securities created for which admission to a regulated market is being sought or creation of securities of other classes for public or private placing: not applicable;
- Stabilization: not applicable;
- Selling securities holders: not applicable;
- Expense of the issuer/offer: not applicable;
- Dilution: not applicable;
- Advisors and other third parties connected with the issue, other than advisors and third parties already presented in the Prospectus: not applicable.

6. ADDITIONAL INFORMATION

Documents available for inspection by investors:

- The present prospectus for admission to trading;
- The issuer's Articles of Association
- The issuer's audited financial statements for the past three years

According to applicable legislation,

After reviewing the content of this document, New Europe Property Investments plc. declares that, after taking all reasonable measures, the information included in the present document is, based on its knowledge, in agreement with reality and does not contain material omissions that may significantly impact the content of the Document.

NEW EUROPE PROPRTY INVESTMENTS PLC.

Martin Slabbert, Chief Executive Officer

[____]

Victor Semionov, Chief Financial Officer

[____]

After reviewing the content of this document, BANCA COMERCIALA ROMANA SA and SSIF INTERCAPITAL INVEST SA, declares that, after taking all reasonable measures, the information included in the present document is, based on its knowledge, in agreement with reality and does not contain material omissions that may significantly impact the content of the Document.

BANCA COMERCIALA ROMANA SA

Dan Weiler, Executive Director, Corporate Finance & Investment Banking Division

[____]

Valerian Ionescu – Head of Financial Instruments Trading Department, Financial Markets Division

[____]

SSIF INTERCAPITAL INVEST SA

Razvan Florin Pasol, General Manager

[____]

Pompei Lupsan, Deputy General Manager

[____]