

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2013

Incorporated and registered in the Isle of Man with registered number 001211V
Registered as an external company with limited liability under the laws of South Africa Registration number 2009/000025/10
Registered office: 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, IM1 4LN
AIM share code: NEPI BVB share code: NEP JSE share code: NEP ISIN: IM00B23XCH02 ("NEPI", "the Group" or "the Company")

The Company is required to publish financial results for the three months ended 31 March 2013 in terms of the rules of the Romanian National Securities Commission ("CNVM") and the Rule Book of the Bucharest Stock Exchange ("the BVB"). Accordingly, this announcement presents the unaudited condensed consolidated financial results of the Group in respect of the financial period from 1 January 2013 to 31 March 2013 in a form compliant with the requirements of the CNVM and the BVB.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Pro forma Unaudited 31 Mar 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 31 Mar 2012	IFRS Unaudited 31 Mar 2013	IFRS Restated Unaudited 31 Dec 2012	IFRS Restated Unaudited 31 Mar 2012
	€	€	€	€	€	€
ASSETS						
Non-current assets	523 570 547	444 666 197	420 716 222	439 577 160	418 853 914	411 392 914
Investment property	484 807 438	416 674 175	396 877 528	361 237 385	356 732 724	365 840 699
Investment property at fair value	457 317 692	393 966 226	372 674 412	339 895 497	339 851 226	345 964 129
Investment property under development	27 489 746	22 707 949	24 203 116	21 341 888	16 881 498	19 876 570
Goodwill	17 325 704	13 188 795	15 906 114	13 134 609	13 134 609	15 851 928
Investments in subsidiaries	–	–	–	8 600 000	–	–
Investments in joint ventures	–	–	–	3 644 410	3 546 212	(371 091)
Long term loans granted to joint ventures	–	–	–	30 626 602	30 368 931	23 224 208
Other long-term assets	21 367 835	14 727 635	6 259 329	22 264 584	14 995 846	6 259 352
Financial assets at fair value through profit or loss	69 570	75 592	1 673 251	69 570	75 592	587 818
Current assets	106 087 745	185 176 059	43 758 487	148 018 617	176 894 494	37 461 633
Trade and other receivables	22 771 308	15 798 975	9 321 411	15 597 438	9 748 620	8 580 463
Financial investments at fair value through profit or loss	72 772 627	81 865 443	–	72 772 627	81 865 443	1 085 433
Cash and cash equivalents	10 543 810	87 511 641	34 437 076	59 648 552	85 280 431	27 795 737
Investment property held for sale	28 665 158	28 665 158	–	28 665 158	28 665 158	–
Total assets	658 323 450	658 507 414	464 474 709	616 260 935	624 413 566	448 854 547
EQUITY AND LIABILITIES						
Equity attributable to equity holders	405 612 868	393 622 378	243 723 452	405 089 776	393 622 378	243 723 452
Share capital	1 353 952	1 352 629	1 010 874	1 353 952	1 352 629	1 010 874
Share premium	355 619 791	355 026 520	243 760 927	355 619 791	355 026 520	243 760 927
Share-based payment reserve	15 368 607	15 491 810	7 716 757	15 368 607	15 491 810	7 716 757
Currency translation reserve	(1 228 783)	(1 228 783)	(1 717 990)	(1 228 783)	(1 228 783)	(1 717 990)
Accumulated profit / (loss)	34 499 301	22 980 202	(7 047 116)	33 976 209	22 980 202	(7 047 116)
Total liabilities	252 710 582	264 885 036	220 751 257	211 171 159	230 791 188	205 131 095
Non-current liabilities	138 299 859	147 151 095	202 352 646	110 160 816	120 605 636	187 514 292
Loans and borrowings	104 874 468	117 100 152	179 487 731	83 060 157	92 935 525	166 416 487
Deferred tax liabilities	26 846 363	22 321 189	18 549 817	21 841 317	21 567 836	17 927 987
Financial liabilities at fair value through profit or loss	6 579 028	7 729 754	4 315 098	5 259 342	6 102 275	3 169 818
Current liabilities	114 410 723	117 733 941	18 398 611	101 010 343	110 185 552	17 616 803
Trade and other payables	17 216 193	12 985 200	4 578 996	12 318 987	9 773 420	4 329 835
Loans and borrowings	94 143 262	102 048 042	11 052 981	86 049 442	97 781 406	10 558 949
Tenant deposits	3 051 268	2 700 699	2 766 634	2 641 914	2 630 726	2 728 019
Total equity and liabilities	658 323 450	658 507 414	464 474 709	616 260 935	624 413 566	448 854 547

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE

	Pro forma Unaudited 31 Mar 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 31 Mar 2012	IFRS Unaudited 31 Mar 2013
	€	€	€	€
Adjusted net asset value	427 616 233	415 243 794	259 112 545	426 279 190
Net asset value per the statement of financial position	405 612 868	393 622 378	243 723 452	405 089 776
Loans in respect of the Initial Share Scheme	12 482 706	12 489 022	12 745 390	12 482 706
Deferred tax liabilities	26 846 363	22 321 189	18 549 817	21 841 317
Goodwill	(17 325 704)	(13 188 795)	(15 906 114)	(13 134 609)
Net asset value per share	2.91	2.83	2.36	2.91
Adjusted net asset value per share	2.96	2.88	2.39	2.95
Number of shares for net asset value per share purposes	139 258 914	139 258 914	103 087 513	139 258 914
Number of shares for adjusted net asset value per share purposes	144 362 152	144 362 152	108 301 750	144 362 152

KEY PERFORMANCE INDICATORS

	Pro forma Unaudited 31 Mar 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 31 Mar 2012	IFRS Unaudited 31 Mar 2013
1. Current liquidity ratio	1.18	1.82	2.38	1.75
2. Gearing ratio (debt to equity)	2.6:10	3.0:10	7.4:10	2.1:10
3. Tenant's receivable turnover	13.57 days	10.02 days	10.36 days	10.86 days
4. Return on investment property	8% per annum	8% per annum	8% per annum	8% per annum

BASIS OF PREPARATION

These unaudited condensed consolidated quarterly financial results for the three months ended 31 March 2013 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Board ("IASB").

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

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

As the Group is focusing on being consistent on those areas of reporting that are seen to be of most relevance to investors and on providing a meaningful basis of comparison for users of the financial information, it has prepared unaudited pro forma statement of financial position and unaudited pro forma statement of income. The main differences between the unaudited pro forma statements and the unaudited condensed consolidated quarterly financial results prepared in accordance with IFRS are as follows:

CONSOLIDATED STATEMENTS OF INCOME

	Pro forma Unaudited 31 Mar 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 31 Mar 2012	IFRS Unaudited 31 Mar 2013	IFRS Restated Unaudited 31 Dec 2012	IFRS Restated Unaudited 31 Mar 2012
	€	€	€	€	€	€
Net rental and related income	9 867 662	30 432 771	7 284 865	7 548 314	28 344 410	6 928 220
Contractual rental income and expense recoveries	13 210 177	40 176 801	9 770 486	9 896 837	37 312 436	9 185 267
Property operating expenses	(3 342 515)	(9 744 030)	(2 485 621)	(2 348 523)	(8 968 026)	(2 257 047)
Administrative expenses	(629 828)	(2 211 006)	(477 726)	(560 753)	(2 103 006)	(427 287)
Acquisition fees	(429 432)	(1 594 393)	(431 097)	(426 196)	(915 212)	(431 097)
Fair value adjustments of investment property	–	6 450 485	–	–	1 063 940	–
Fair value gains of financial investments at fair value through profit or loss	3 205 037	10 287 980	–	3 205 037	10 287 980	186 103
Distributable income from financial investments at fair value through profit or loss	886 715	822 691	–	886 715	822 691	–
Share-based payment expense	(10 101)	(996 909)	(260 500)	(10 101)	(996 909)	(260 500)
Foreign exchange gain / (loss)	34 605	(2 529 495)	(677 835)	40 593	(2 352 634)	(585 024)
Other operating income	–	10 264 266	–	–	10 264 266	–
Profit before net finance (expense)/income	12 924 658	50 926 390	5 437 707	10 683 609	44 415 526	5 410 415
Net finance (expense)/income	(825 114)	(12 574 251)	(3 758 237)	658 492	(9 537 659)	(3 524 525)
Finance income	1 945 324	1 853 838	310 490	2 372 692	4 098 704	710 411
Finance expense	(2 770 438)	(14 428 089)	(4 068 727)	(1 714 200)	(13 636 363)	(4 234 936)
Share of profit / (loss) of joint ventures	–	–	–	119 569	2 720 919	(828 250)
Profit before tax	12 099 544	38 352 139	1 679 470	11 461 670	37 598 786	1 057 640
Deferred tax expense	(388 264)	(5 248 690)	(753 353)	(273 481)	(4 495 337)	(131 523)
Profit for the period attributable to equity holders	11 711 280	33 103 449	926 117	11 188 189	33 103 449	926 117

RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS

	Pro forma Unaudited 31 Mar 2013	IFRS Reported Audited 31 Dec 2012	IFRS Reported Unaudited 31 Mar 2012	IFRS Unaudited 31 Mar 2013
	€	€	€	€
Profit for the period attributable to equity holders	11 711 280	33 103 449	926 117	11 188 189
Unrealised foreign exchange (gain) / loss	(34 605)	2 529 495	677 835	(40 593)
Acquisition fees	429 432	1 594 393	431 097	426 196
Share-based payment expense	10 101	996 909	260 500	10 101
Accrued interest on share-based payments	140 735	569 597	152 277	140 735
Fair value adjustments of investment property	–	(6 450 485)	–	–
Fair value gains of financial investments at fair value through profit or loss	(3 205 037)	(10 287 980)	–	(3 205 037)
Financial assets at fair value	(1 144 705)	6 328 495	2 243 122	(836 911)
Amortisation of financial assets	(99 480)	(572 063)	(102 483)	(99 480)
Distributable income from financial investments at fair value through profit or loss	(886 715)	(822 691)	–	(886 715)
Accrued income from financial investments at fair value through profit or loss	1 126 986	3 092 147	–	1 126 986
Deferred tax expense	388 264	5 248 690	753 353	273 481
Shares issued cum distribution	–	3 156 648	112 093	–
Non-distributable portion of the vendor settlement income	–	(3 144 561)	–	–
Adjustments related to The Lakeview acquisition				
Profit for the period				523 091
Unrealised foreign exchange loss				43
Deferred tax expense				77 190
Adjustments related to joint ventures				
Unrealised foreign exchange loss				5 945
Acquisition fees				3 236
Financial assets at fair value				(307 794)
Deferred tax expense				37 593
Distributable earnings for the period	8 436 256	35 342 043	5 453 911	8 436 256
Less: distribution declared	–	(31 497 562)	–	–
Interim distribution	–	(14 101 923)	–	–
Final distribution	–	(17 395 639)	–	–
Earnings not distributed	8 436 256	3 844 481	5 453 911	8 436 256
Number of shares entitled to distribution	144 362 152	144 362 152	104 714 602	144 362 152
Distributable earnings per share (euro cents)	5.84	25.95	5.21	5.84
Less: distribution declared per share (euro cents)	–	(23.29)	–	–
Interim distribution per share (euro cents)	–	(11.24)	–	–
Final distribution per share (euro cents)	–	(12.05)	–	–
Earnings per share not distributed (euro cents)	5.84	2.66	5.21	5.84

» The unaudited pro forma statements are prepared using the proportionate consolidation method for the investments in joint ventures, consistent with financial statements prepared in accordance with IFRS reported in prior periods.

» The unaudited pro forma statements include the financial position and results of The Lakeview acquisition for the full three month period ended 31 March 2013. These unaudited pro forma statements were prepared on the basis that the acquisition of The Lakeview had been accounted for as at 1 January 2013, the effective date of the acquisition agreed with the vendors.

The unaudited pro forma statement of financial position and unaudited pro forma statement of income have been prepared by and are the responsibility of the directors of NEPI.

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

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

15 March 2013