

NEW EUROPE PROPERTY INVESTMENTS PLC

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South Africa, registration number 2009/000025/10)

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(‘NEPI’, ‘the Group’ or ‘the Company’)



UPDATE ON ACQUISITIONS AND DEVELOPMENTS AND ISSUE OF FIRST-TIME CREDIT RATING

This announcement advises shareholders of the various investments NEPI has recently concluded, updates the status of properties under development and informs shareholders about the issue of a first-time corporate family rating by Moody’s Investors Service.

Vulcan Value Centre

NEPI completed the construction of the Vulcan Value Centre, which opened for trading on 4 September 2014, seven months after the start of development works. The property is NEPI’s first retail centre in Bucharest, has 25,200m² of Gross Leasable Area (“GLA”), is 95% let and houses various international brands, including Carrefour, CCC, C&A, Deichmann, dm, Domo, Hervis Sports, H&M, JYSK, Lems, Noriel and Takko. Trading has been very encouraging since opening.

Shopping City Targu Jiu

NEPI completed the construction of Shopping City Targu Jiu, which started trading on 16 October 2014. This regional mall, which has 26,800m² of GLA, is 94% let and houses various international brands, including Carrefour, CCC, Cinema City, Deichmann, dm, H&M, JYSK and KFC.

Other developments

Mega Mall: Construction and leasing of the 70,700m² GLA mall are progressing well and it is expected to open as scheduled, during the second quarter of 2015. Erste Bank rejected the acquisition offer for the joint venture partner’s 30% interest.

Shopping City Timisoara: Permitting and leasing of the planned 80,000m² GLA regional mall, located in Timisoara, Romania’s third largest city, are progressing well. Phase I (55,700m² of GLA) will include modern leisure and entertainment offerings. Carrefour has been secured as hypermarket anchor tenant.

Victoriei Office: Construction will commence on this A-grade office development, located in central Bucharest, near the Government building, once the final deviation works permits are received from the planning authorities.

Various other opportunities, such as the development of a regional mall in Piatra Neamt and extensions to properties in Cluj, Constanta, Deva and Severin are under consideration and remain subject to permitting and Board approved pre-leasing requirements.

Aurora Shopping Mall and Alba Iulia strip mall

NEPI has acquired Aurora Shopping Mall and a strip mall with 3,200m² of GLA, for a total consideration of EUR10 million, in a combined acquisition. The former has 17,900m² of GLA and is located in Buzau, the capital of Buzau county, Romania, which has approximately 116,000 inhabitants. The latter is located in Alba Iulia, the capital of Alba county, Romania, which has approximately 64,000 inhabitants.

The Buzau mall has a prime location, with approximately 430,000 inhabitants within a 45-minute drive. It is the city’s largest retail scheme, and existing tenants include Altex, Carrefour, Deichmann and New Yorker. Currently it suffers from

a poor layout and tenant mix. NEPI plans to reconfigure and refurbish this mall, including the construction of a cinema, at an approximate total cost of EUR6 million.

The strip mall in Alba Iulia is located between a Kaufland hypermarket and a Profi hypermarket, near the intersection of two busy roads. There are approximately 137,000 inhabitants within a 45-minute drive. Present tenants include Altex, Deichmann, dm, Lems and Takko.

Kragujevac Plaza

NEPI has acquired Kragujevac Plaza, a shopping mall with 22,000m² of GLA, located in Kragujevac, the capital of Sumadija, Serbia, for a purchase price of EUR38.6 million. Kragujevac is Serbia's fourth largest city, with approximately 150,000 inhabitants and a major automobile factory.

The mall, which opened in 2012, enjoys a prime location and is close to several residential neighbourhoods. It is the only modern Serbian mall outside Belgrade. There are approximately 280,000 inhabitants within a 45-minute drive. The mall is almost fully let and current major tenants include strong brands such as: C&A, Cineplexx, Deichmann, Idea and New Yorker.

Further opportunities

Further acquisitions are being considered, including a regional shopping centre in Slovakia and a newly built mall in Bucharest. Subject to the completion of satisfactory due diligence investigations and detailed legal agreements, one of these properties is expected to be acquired shortly. Further announcements will be made, as appropriate.

Moody's Investors Service

Moody's Investors Service has assigned NEPI a first-time Ba1 (stable outlook) corporate family rating. This rating is one notch below the country rating for Romania and is due to the Group's robust financial metrics. The rating enables the Company to explore the possibility of issuing unsecured debt at the group level in order to optimise its funding sources.

This announcement is for information purposes only. Announcements in compliance with the Listings Requirements of the JSE Limited, the AIM Rules for Companies and the rules of the BVB will be made in due course, as appropriate.

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