

## NEW EUROPE PROPERTY INVESTMENTS PLC

Incorporated and registered in the Isle of Man with registration number 001211V  
Registered as an external company with limited liability under the laws of South Africa,  
registration number 2009/000025/10  
AIM share code: NEPI; JSE share code: NEP; BVB share code: NEP  
ISIN: IM00B23XCH02  
("NEPI" or "the Company")



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## ACQUISITION OF AUPARK KOSICE MALL AND AUPARK KOSICE TOWER

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### INTRODUCTION

Shareholders are advised that, on 18 December 2014, NEPI, through its subsidiary NE Property Cooperatief UA, concluded an agreement to acquire all the issued shares in, and shareholders' claims against, AUPARK Košice spol. s.r.o., AUPARK Košice SC s.r.o., AUPARK Tower Kosice, s.r.o. and INLOGIS VI s.r.o. (collectively "the Acquired Companies") from HB REAVIS GROUP B.V. ("the Transaction").

The Acquired Companies own the Aupark Kosice Mall, the Aupark Kosice Tower and Malinovsky Barracks (a 4.1 hectare site located in the centre of Kosice) (collectively, the "**Properties**").

### RATIONALE FOR THE TRANSACTION

Kosice has a population of approximately 240,000 residents and is the second largest city in Slovakia. It is the economic and cultural centre of eastern Slovakia and the seat of the Košice Region. The U.S. Steel Košice mill is the largest employer in the city.

The Aupark Kosice Mall is a 34,000m<sup>2</sup> GLA shopping centre located in the historic city centre, at a major intercity crossroad. It has excellent visibility, a simple layout with a large parking capacity and car access from the main ring road. The catchment area includes approximately 480,000 residents within a 45-minute drive.

The mall contains numerous international fashion brands, such as Bata, C&A, Deichmann, Geox, Guess, H&M, Intersport, Mango, New Yorker, Office Shoes, Orsay, Tom Tailor, Tommy Hilfiger and US Polo Assn. Other tenants include a Billa supermarket, a Datart Megastore and various other international and national tenants.

The Aupark Kosice Tower has 12,800m<sup>2</sup> of GLA and is the office of international firms such as GTS Slovakia, Holcim, IBM and PwC.

### SALIENT TERMS OF THE TRANSACTION AND CONDITIONS PRECEDENT

The aggregate purchase price for the Transaction is EUR165 million. NEPI will assume bank debt of EUR 83 million as part of the Transaction. The net amount of EUR82 million, adjusted for working capital, was settled from NEPI's existing cash resources.

Completion of the Transaction is subject to obtaining the relevant approvals from the Anti-Monopoly Office of the Slovak Republic.

The purchase agreements for the Acquired Companies contain warranties that are typical for transactions of this nature.

### DETAILS OF THE PROPERTIES

The details of the Properties, including the valuation, effective as at 18 December 2014, attributed by NEPI, are as follows:

Property description	Location	Sector	Monthly weighted average rent per m <sup>2</sup> (EUR)	Rentable area (GLA) (m <sup>2</sup> )	Purchase price * (EUR' million)	Valuation* (EUR' million)	Estimated passing rent (EUR' million)
Aupark Kosice Mall / Aupark Kosice Tower / Malinovsky Barracks	Kosice, Slovakia	Retail / Office	19	46,800	165	165	10.9

\*The purchase price reflects the price for the acquisition of the issued shares in and shareholder's claims against the Acquired Companies, whilst the valuation amount reflects the value attributed to the Properties by the directors of the Company. The directors of the Company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the South African Property Valuers Profession Act, No 47 of 2000.

As required by the AIM Rules for Companies and the JSE Listings Requirements, the Acquired Companies earned an EBITDA of EUR 6.5 million for the ten months ended 31 October 2014 as shown in the management accounts for the Acquired Companies.

#### CATEGORISATION OF THE TRANSACTION

The Transaction is classified as a category 2 transaction in terms of paragraph 9.5(a) of the Listings Requirements of the JSE Limited (and accordingly does not require approval by NEPI's shareholders) and a substantial transaction under the AIM rules.

19 December 2014

For further information please contact:

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