

NEW EUROPE PROPERTY INVESTMENTS PLC

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

AIM share code: NEPI JSE share code: NEP BVB share code: NEP

ISIN: IM00B23XCH02

(“NEPI”)



ACQUISITION OF AUCHAN TITAN SHOPPING CENTER

INTRODUCTION

Shareholders are advised that NEPI has, through its subsidiaries Nepi Sixteen Real Estate Investment SRL and Nepi Bucharest Two SRL (collectively “the Buyers”), concluded an agreement to acquire all the issued shares in, and shareholders’ claims against, Degi Titan SRL (“Degi”) from Aberdeen Asset Management Deutschland AG and Degi Beteiligungs GmbH (collectively “the Sellers”) and repay Degi’s entire outstanding debt (“the Transaction”).

Degi wholly owns a shopping centre of 44,730 m² of GLA situated in Bucharest, Romania (“the Property”), which was developed in two phases. The first phase opened in 2007 and included the Auchan hypermarket and commercial gallery. The Property was extended and reconfigured in 2009, with additional fashion and entertainment offerings.

RATIONALE FOR THE TRANSACTION

Auchan Titan is located in Titan neighbourhood, in the most densely populated district of Bucharest. The Property is anchored by the first and largest Auchan hypermarket in Romania and contains numerous international brands, such as Adidas, C&A, CCC, Deichmann, dm, Flanco, H&M, New Yorker and Takko, and a seven-screen cinema.

SALIENT TERMS OF THE TRANSACTION

The Transaction was completed on 26 August 2015, with a commercial effective date of 1 July 2015.

The aggregate purchase price for the Transaction is EUR 86 million (“Purchase Price”) and was settled from NEPI’s existing cash resources.

The purchase agreement for the Transaction contains typical warranties. There are no outstanding conditions precedent.

DETAILS OF THE PROPERTY

The details of the Property, including the valuation, as at 26 August 2015 are as follows:

Property name	Location	Sector	Monthly weighted average rental per m ²	Rentable area (GLA)	Purchase price	Valuation	Estimated passing rent
			(EUR)	(m ²)	(EUR' million)	(EUR' million)	(EUR' million)
Auchan Titan	Bucharest, Romania	Retail	14.7	44 730	86	86	7.9

*The Purchase Price reflects the price for the acquisition of the issued shares in and shareholder's claims against Degi and settlement of debt, as noted above, whilst the valuation amount reflects the value attributed to the Property by the directors of NEPI. The directors of NEPI are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000.

CATEGORISATION OF THE TRANSACTION

The Transaction is not categorisable in terms of the JSE Listings Requirements but is classified as a substantial transaction under the AIM rules. As required by the AIM Rules for Companies, Degi reported an EBITDA of RON 14,813,729 for the six months ended 30 June 2015, based on the Romanian accounting standards.

26 August 2015

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