



ABRIDGED AUDITED CONSOLIDATED RESULTS FOR THE SIXTEEN MONTH PERIOD ENDED 30 JUNE 2014

Adjusted NAV¹ per share increased 7.1% from 96.9 euro cents to 103.8 euro cents

Capital raise of €180 million drove market capitalisation increase from R0.9 billion to R5.4 billion at period end

Acquired 41.5% of Karoo Investment Fund

Strong progress on acquisition of pipeline assets

COMPANY INFORMATION

MAS Real Estate Inc.		
Registered in British Virgin Islands	Registration number	1750199
Registered as an external company in the Republic of South Africa	Registration number	2010/000338/10
SEDOL (XLUX)		B96VLJ5
SEDOL (ALT ^x)		B96TSD2
JSE share code		MSP
ISIN		VGG5884M1041

("MAS" or "the company")

MAS aims to achieve a high-quality income distribution from a diversified Western European investment property portfolio. By the end of 2016, the directors aim to have 90% of the portfolio invested in income-producing assets and the remainder invested in development and value-add opportunities. They are targeting strong total returns through a combination of income from the investment property portfolio, and growth on both this portfolio and through development and active asset management.

MAS has its primary listing on the Euro MTF market of the Luxembourg Stock Exchange and a secondary listing on the ALT^x of the Johannesburg Stock Exchange.

REPORTING CURRENCY

The company's results are reported in euro.

REVIEW

The 16 months to 30 June 2014 have been transformational for the business. The acquisition of the company's stake in the Karoo Fund, together with the significant capital raise in the first quarter of 2014, have resulted in an increase in net assets to €289,3 million, from €64,2 million at the previous financial year-end, and a market capitalisation on the JSE of R5.4 billion compared to R900 million at the previous year-end. This capital raise bolsters the balance sheet, increases the number of valued shareholders in the company, and enlarges the universe of assets that can be acquired.

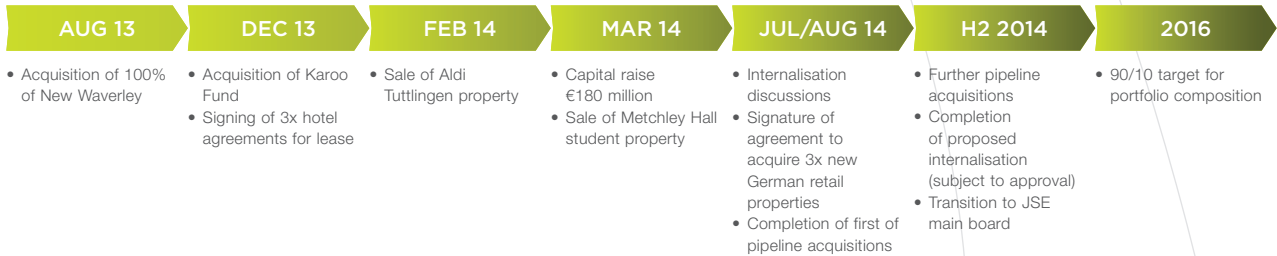
The confidence expressed by investors in the strategy of the company through their capital support is clear. Despite a changing economic environment and the quickly "shifting sands" of capital markets seeking exposure to European real estate, our thesis for investing in European real estate remains as strong as ever. We believe now is a most opportune time to be expanding our existing assets, and fashioning a more diverse portfolio of well-located Western European property assets. The company is diligently forging ahead with these on behalf of shareholders as the capital raised is placed in our growing pipeline.

The Eurozone investment markets and global capital markets have stabilised in comparison to the same time last year. This has been evidenced by hardening real estate market yields, which are responding to near record levels of both local and cross-border capital flows into the asset class. In an environment of lower GDP growth than European central banks would like, low interest rates look set to remain for some time. This is likely to continue to fuel the demand for core commercial real estate given its relative higher income yielding attributes.

ABRIDGED AUDITED CONSOLIDATED RESULTS

For the period ended 30 June 2014

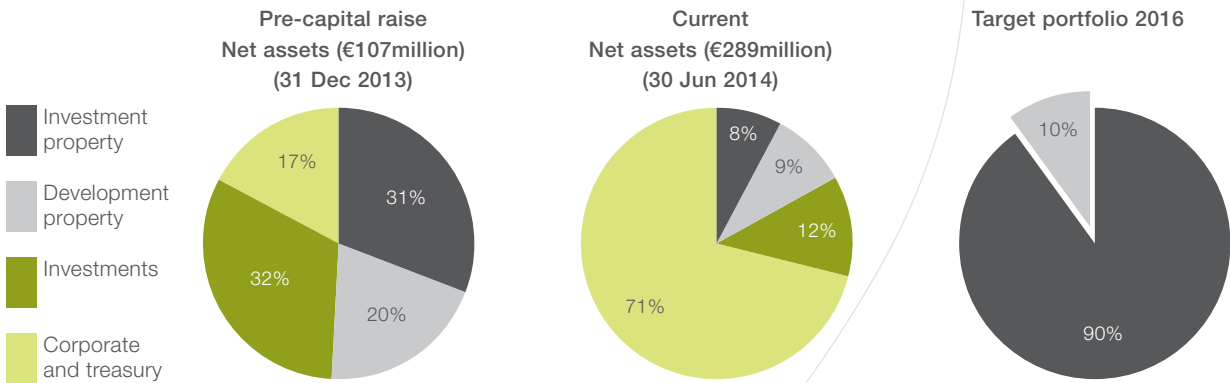
KEY MILESTONES



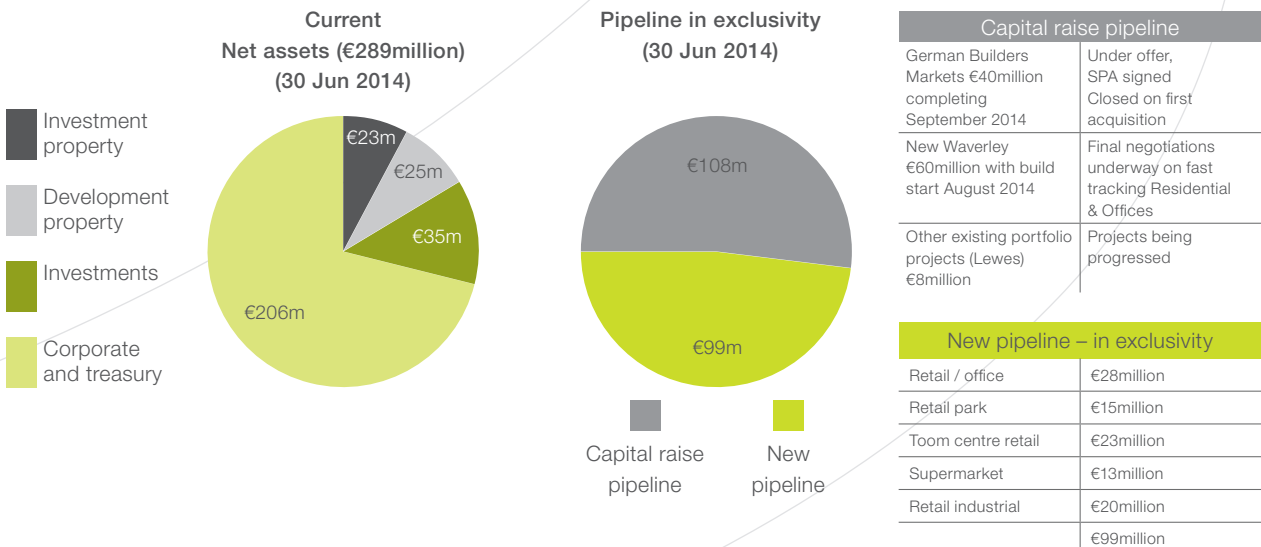
STRATEGY

The target is for the portfolio to deliver a core income in excess of 6% on the capital invested in the company.

TARGET PORTFOLIO



The company has continued to seek new and interesting deals in its core markets of Germany, Switzerland and the UK. Since the autumn of 2013 there has been a strong focus on creating a pipeline of good assets for the company to acquire and the initial elements of that pipeline were presented during the roadshow to investors in February 2014. Since then, the company has progressed and secured much of that original pipeline as well as pursuing further attractive investments, with a particular focus on supporting and improving the income return to investors.



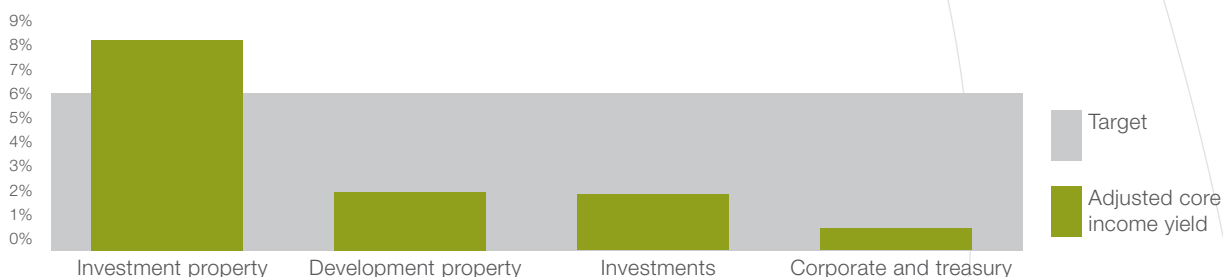
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PERFORMANCE

The underlying portfolio continues to perform well, but given the level of investable cash on the balance sheet, the focus of the company is on the pipeline portfolio. This pipeline currently has a bias towards Germany, where the cost of debt and relative income yields remain an enticing combination.

CORE INCOME YIELD (ANNUALISED)



Post year-end, the company has completed an acquisition in Donaueschingen, Germany, and signed for another three in strong catchment areas in central Germany. These investment properties are set to bolster the income property portfolio with 15-year net yields of some 7.4% being delivered from completion of the acquisitions. We believe that further transactions in the coming weeks are equally positive, and will continue to add depth and diversification to the existing investment portfolio.

In August 2013, the company bought out the other shareholders in the New Waverley (formerly “Caltongate”) development site on the Royal Mile in the heart of Edinburgh’s old town. Significant progress has been made with the development, with updated planning received in early 2014, opening the way for construction to begin. The signing of 20-year, institutional quality leases with the Whitbread and Adagio groups underpin the development’s value, and the next phase of dealmaking has now begun. Construction also begins in the coming weeks and the “cranes on site” will provide a significant boost to already strong occupier demand in this exciting location. A decision has therefore been made to accelerate the phasing of the New Waverley development site in Edinburgh, as demand in this city’s occupier and investment markets is heating up in a timeous manner.

In addition, the sale of two properties – the Metchley Hall student residential development and one of the Aldi stores in Germany – both for healthy profits – gives further confidence in the value of the portfolio being constructed.

INTERNALISATION

Through deliberation, input from the company’s corporate advisers, Java Capital, and significant support from key stakeholders, the board has asked the investment adviser to consider the possibility of an “internalisation of the company’s management”. An announcement will be made once the board has come to a final decision.

PROSPECTS

The board is pleased with the progress made in deploying the capital raised earlier this year and are excited about the outlook for the future.

DIVIDEND

The directors have proposed a final dividend for the sixteen month period of 1.24 euro cents per share. Details and timing of payment of the final dividend will be published in due course. This brings the total dividend for the year to 1.84 euro cents per share. The decline in dividend yield compared to prior periods has been previously highlighted, and the yield is expected to pick up again once the proceeds from the capital raise are invested in the pipeline assets.

BASIS OF PREPARATION

These results have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the rules of the Luxembourg Stock Exchange and the Listings Requirements of the JSE Limited.

ACCOUNTING POLICIES

The financial statements on which these abridged results are based, have been audited by the group’s auditors, KPMG Audit LLC, and their unqualified audit report is available on request from the company secretary and will be released together with the annual report. The accounting policies adopted are consistent with those of the previous year.

ABRIDGED AUDITED CONSOLIDATED RESULTS

For the period ended 30 June 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Euro	Audited sixteen month period ended 30 Jun 2014	Audited year ended 28 Feb 2013
<i>Revenue</i>		
Gross rental income	5 247 429	4 090 484
<i>Expenses</i>		
Portfolio related expenses	(665 096)	(676 254)
Investment adviser fees	(2 410 812)	(618 836)
Administration expenses	(884 564)	(685 462)
Net operating income	1 286 957	2 109 932
Net gain/(loss) on investment property activity	528 974	(1 231 311)
Equity accounted earnings	1 479	20 128
Exchange differences	3 931 722	(848 219)
Profit before net financing costs	5 749 132	50 530
Net finance income/(costs)	509 539	(744 110)
Profit/(loss) before taxation	6 258 671	(693 580)
Taxation	(1 198 435)	(193 313)
Profit/(loss) for the period/year	5 060 236	(886 893)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translating foreign operations	156 323	(217 330)
Total comprehensive income/(loss) for the period/year	5 216 559	(1 104 223)
Earnings/(loss) per share (euro cents)*	2,76	(2,06)
Headline earnings per share (euro cents)*	3,10	0,66
Adjusted core income per share (euro cents)	2,82	4,21
Weighted average number of ordinary shares in issue	183 068 848	43 055 472
Adjusted core income	5 157 102	1 811 492

*The company has no dilutionary instruments in issue

ABRIDGED AUDITED CONSOLIDATED RESULTS

For the period ended 30 June 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro	Audited as at 30 Jun 2014	Audited as at 28 Feb 2013
<i>Non-current assets</i>		
Goodwill	1 371 537	—
Investment property	64 751 842	57 012 693
Investments	35 743 617	—
Investment in associate	—	1 055 174
Loan to associate	—	2 433 270
Plant and equipment	—	47 577
Deferred taxation asset	52 886	—
Total non-current assets	101 919 882	60 548 714
<i>Current assets</i>		
Short-term loans receivable	—	256 885
Trade and other receivables	2 270 221	753 610
Cash and cash equivalents	205 800 188	24 708 091
Total current assets	208 070 409	25 718 586
Total assets	309 990 291	86 267 300
<i>Equity</i>		
Share capital	289 978 080	67 423 236
Retained (loss)	(1 276 580)	(3 674 324)
Foreign currency translation reserve	622 928	466 605
Shareholder equity	289 324 428	64 215 517
<i>Non-current liabilities</i>		
Long-term loans	14 340 752	17 465 162
Financial instruments	2 104 606	2 522 790
Deferred taxation liability	926 285	—
Total non-current liabilities	17 371 643	19 987 952
<i>Current liabilities</i>		
Short-term loans payable	1 757 425	491 460
Trade and other payables	1 536 795	1 572 371
Total current liabilities	3 294 220	2 063 831
Total liabilities	20 665 863	22 051 783
Total shareholder equity and liabilities	309 990 291	86 267 300
Actual number of ordinary shares in issue	279 483 998	66 238 363
Net asset value per share (euro cents)	103,5	96,9
Adjusted net asset value per share (euro cents)	103,8	96,9

ABRIDGED AUDITED CONSOLIDATED RESULTS

For the period ended 30 June 2014

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

Euro	Audited sixteen month period ended 30 Jun 2014	Audited year ended 28 Feb 2013
Cash (used in)/generated from operating activities	(575 325)	1 947 320
Cash generated from/(used in) investing activities	3 563 687	(5 755 370)
Cash generated from financing activities	177 209 574	22 673 370
Cash and cash equivalents at the beginning of the period	24 708 091	5 742 860
Effect of exchange rate fluctuations	894 161	99 911
Cash and cash equivalents at the end of the period/year	205 800 188	24 708 091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Euro	Share capital	Retained income	Foreign currency translation reserve	Total
Opening balance at 1 March 2012 – audited	42 154 015	(1 295 506)	683 935	41 542 444
Loss for the year	—	(886 893)	—	(886 893)
Other comprehensive loss	—	—	(217 330)	(217 330)
Total comprehensive loss	—	(886 893)	(217 330)	(1 104 223)
Issue of shares	25 269 221	—	—	25 269 221
Dividends paid	—	(1 491 925)	—	(1 491 925)
Closing balance at 28 February 2013 – audited	67 423 236	(3 674 324)	466 605	64 215 517
Profit for the period	—	5 060 236	—	5 060 236
Other comprehensive income	—	—	156 323	156 323
Total comprehensive income	—	5 060 236	156 323	5 216 559
Issue of shares	221 665 796	—	—	221 665 796
Dividends paid	889 048	(2 662 492)	—	(1 773 444)
Closing balance at 30 June 2014 – audited	289 978 080	(1 276 580)	622 928	289 324 428

18 August 2014

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RECONCILIATION OF PROFIT/(LOSS) FOR THE PERIOD/YEAR TO HEADLINE EARNINGS

Euro	Audited sixteen month period ended 30 Jun 2014	Audited year ended 28 Feb 2013
Profit/(loss) for the period/year	5 060 236	(886 893)
Adjusted for:		
Revaluation of investment property	623 630	1 170 695
Headline earnings	5 683 866	283 802
Weighted average number of ordinary shares in issue	183 068 848	43 055 472
Headline earnings per share (euro cents)	3,10	0,66

RECONCILIATION OF PROFIT/(LOSS) FOR THE PERIOD/ YEAR TO ADJUSTED CORE INCOME - UNAUDITED

Euro	Sixteen month period ended 30 Jun 2014	Year ended 28 Feb 2013
Profit / (loss) for the period/year	5 060 236	(886 893)
Adjusted for:		
Capital raising fees and structure costs	595 893	359 085
Net gain/(loss) on investment property activity	(528 974)	1 231 311
Exchange differences	(3 931 722)	848 219
Deferred taxation	873 399	—
Realised profit on disposals ¹	2 453 147	—
Income shortfall guarantee	635 123	259 770
Adjusted core income	5 157 102	1 811 492

¹ Realised profits can be distributed or reinvested at the board's discretion. In the current period the board has elected to distribute the realised retained earnings from the disposal of Metchley Hall property and the Aldi Tuttlingen store in order to supplement the core income distribution as the portfolio is in the build up phase.