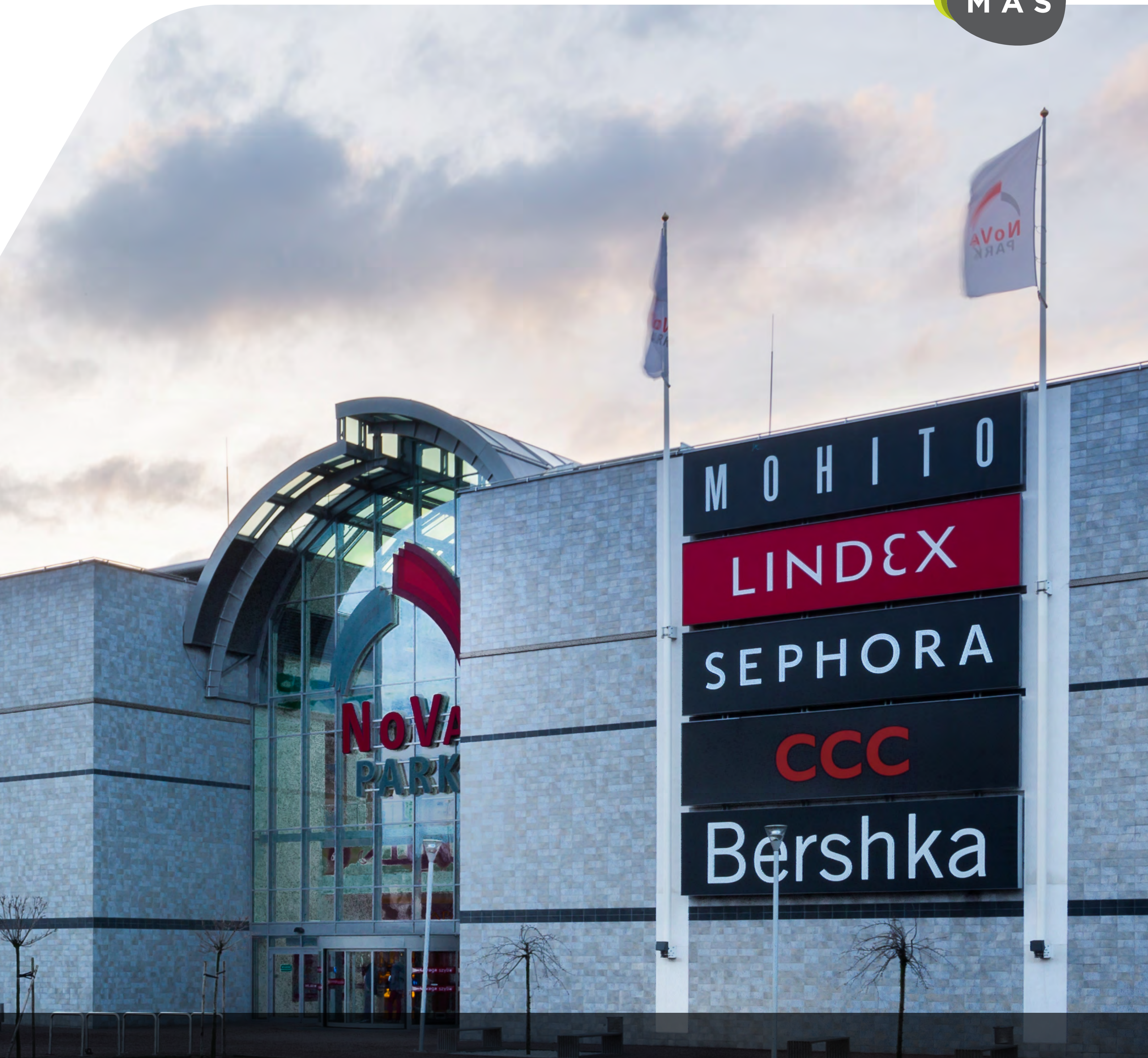
MAS REAL ESTATE INC



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2016

HIGHLIGHTS

PORTFOLIO

P

ACQUIRED EDEKA PORTFOLIO 2 (MIHA) AND MUNICH CONTRIBUTING ADDITIONAL PASSING RENT OF €3,86 MILLION AND €0,89 MILLION RESPECTIVELY

INCREASED PASSING RENT BY 60% SINCE YEAR END TO €27,74 MILLION

FUNDING

F

Daily median share volume increased by 63% since year end

RAISED €31,59 MILLION IN OVER-SUBSCRIBED PLACEMENT OF SHARES

TEAM

T

ESTABLISHED INVESTMENT JOINT VENTURE WITH PRIME KAPITAL

PROGRESSED IMPLEMENTATION OF VOYAGER, A PROPERTY MANAGEMENT AND ACCOUNTING SOFTWARE

RELATIONSHIPS

R

SHORTLISTED FOR RICS AWARD FOR REGENERATION PROJECT OF THE YEAR FOR NEW WAVERLEY

ESTABLISHED RELATIONSHIPS WITH MORE DEBT LENDERS

SUSTAINABILITY

S

SUPPORT FOR IKHAYA LE THEMBA

ikhaya le themba
community of hope

GROUP WALT INCREASED TO 11,08 YEARS

SOLD SHAREHOLDING IN SIRIUS AND REINVESTED IN INVESTMENT PROPERTY PORTFOLIO

ACQUIRED NOVA PARK, CONTRIBUTING NET PASSING RENT OF €4,42 MILLION

GROUP WEIGHTED AVERAGE COST OF DEBT 2,40%

DRAWN DOWN €80,43 MILLION OF DEBT

INCREASED STAFF NUMBERS

LEVERAGED EXPERIENCE FROM PRIME KAPITAL RELATIONSHIP

ESTABLISHED RELATIONSHIPS WITH NEW TENANTS

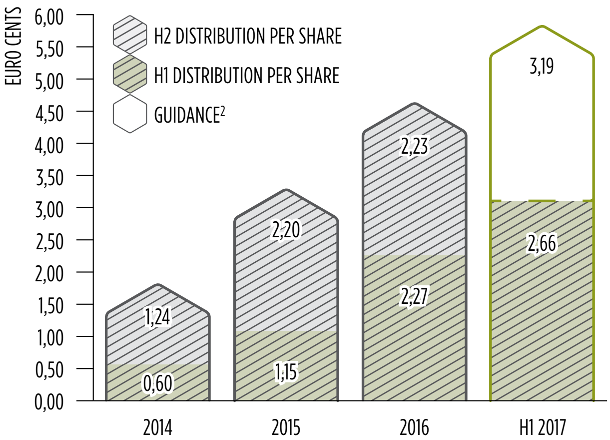
CONTINUED TO DEVELOP EXISTING TENANT RELATIONSHIPS

5 537 INCANDESCENT LAMPS SWITCHED TO LEDS

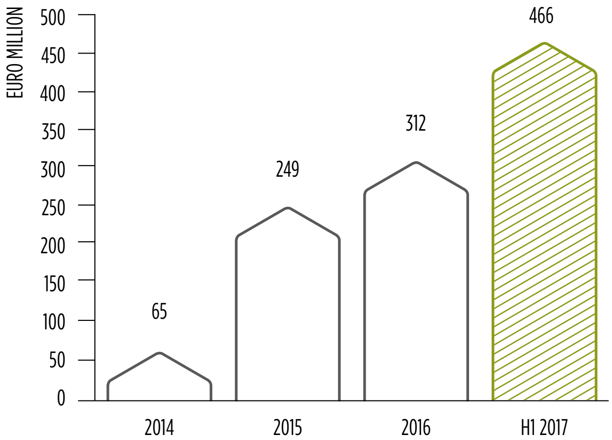
CONSTRUCTION OF **ADAGIO** COMPLETED, CONSERVING THE LISTED FRONTAGE ON THE ROYAL MILE

KEY METRICS

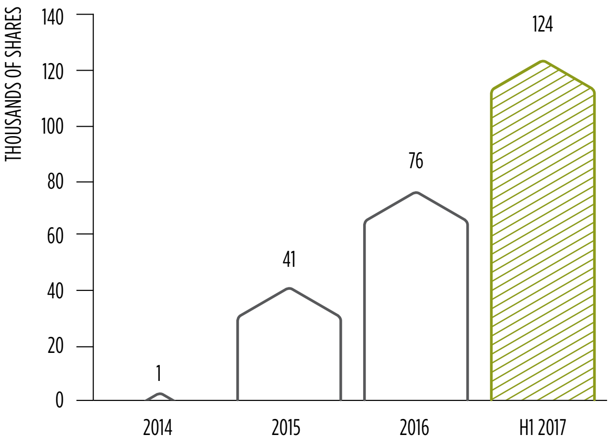
DISTRIBUTION PER SHARE



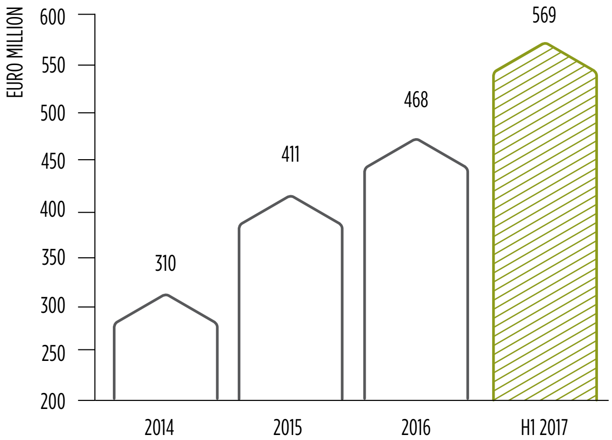
INVESTMENT PROPERTY[1]



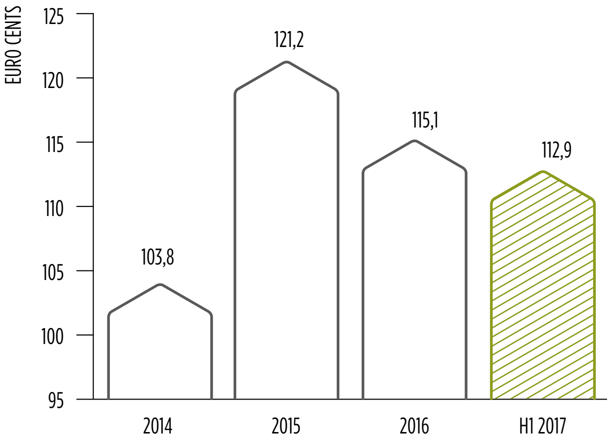
MEDIAN DAILY SHARE VOLUME



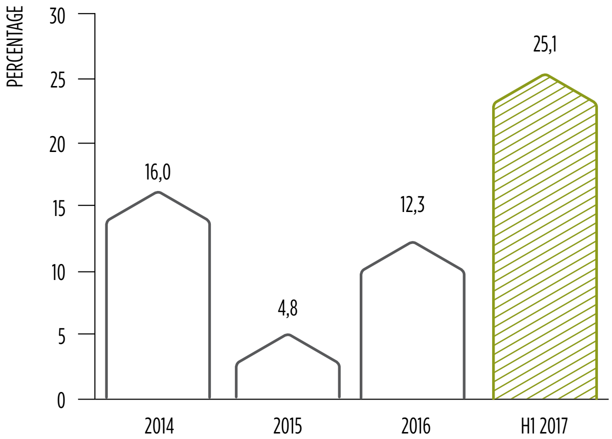
TOTAL ASSETS[1]



ADJUSTED NAV PER SHARE



LOAN TO VALUE[1]



[1]Data extracted from the management accounts in Appendix 1.

[2] Assumes a stable macro-economic environment will prevail, that no major corporate failures will occur and that the investments and developments reported on above will progress in accordance with expectations. Budgeted rental income is based on contractual escalations and market related renewals. This forecast has not been audited or reviewed by our auditors.

DIRECTORS' REPORT

Distributable earnings

The group achieved distributable earnings of 2,27 euro cents per share for the six-months ended 31 December 2016, compared to distributable earnings of 0,79 euro cents per share for the six-months ended 31 December 2015. The improvement in recurring distributable earnings per share was driven by the accretive acquisitions of investment property in Poland and Germany and the completion of the Adagio aparthotel at New Waverley in Scotland.

Distribution

The board of directors has proposed a distribution of 2,66 euro cents per share in respect of the six-months ended 31 December 2016, which includes an amount of €1,49 million of reserves. This distribution represents an increase of 19,3% over the 2,23 euro cents per share distribution declared in relation to the six-months to 30 June 2016. Shareholders continue to have the option to receive the distribution in cash or as a return of capital by way of an issue of new shares. Further details regarding the distribution will follow in due course.

The board will consider distributing retained earnings during forthcoming financial periods as the group pursues various highly accretive property developments. Once completed, these developments are expected to have a significant positive impact on per share distributions. Given the strength of the acquisition and development pipeline, discussed in more detail below, in combination with the previously announced planned re-deployment of the balance sheet, the board is of the view that the group is well placed to achieve its targeted annual growth in distribution per share of 30% per annum over a three year period.

Acquisition and development update

The income-generating property portfolio has grown by 67,5% from €242,63 million to €406,44 million in the six-months ended 31 December 2016, with the acquisition of the Nova Park mall in Poland, the Edeka MIHA food retail portfolio and the Munich logistics property in Germany, as well as the completion of the Adagio hotel at New Waverley, in Edinburgh, UK.

Nova Park

Nova Park is a dominant regional mall situated in Gorzów, Poland, with a catchment area of 460 000 people within 60 minutes drive. Gorzów is located in the wealthier western region of Poland, 150 km from Berlin and 50 km from the German border. The property has an occupancy rate of 95,3% and anchor tenants include Bershka, C&A, CCC, Cropp Town, Deichmann, H&M, House, Intersport, Media Expert, Mojito, New Yorker, Piotr I Pawel, Pull&Bear, Reserved, Reserved Kids, Smyk and Stradivarius. An extension of approximately 6 800 square metres will further enhance the footfall to this shopping centre, which already dominates its local competitors, and will add further to net operating income over time through turnover linked leases.

Edeka MIHA food retail portfolio

The Edeka portfolio, which comprises 20 supermarkets in north-east Germany, provides particularly strong income returns that underpin the low cost debt financing, resulting in attractive income returns on equity invested.

Munich logistics centre

The recently acquired Munich property, currently let to Volkswagen AG, has an initial acquisition yield of 7%, but is also an exciting redevelopment opportunity. MAS is already in pre-lease negotiations with various tenants and in planning discussions with the local municipality.

Pipeline

The group made significant progress in expanding its acquisition and development pipeline during the interim period. As of 31 December 2016 the group had secured several additional earnings enhancing acquisitions and a number of attractive new development opportunities.

Highlights

DISTRIBUTION PER SHARE
19,3%
HIGHER THAN IN THE PREVIOUS PERIOD

PASSING RENT INCREASED BY **60%** SINCE 30 JUNE 2016

INVESTMENT PROPERTY PORTFOLIO GROWN BY
50%
SINCE 30 JUNE 2016

ACQUIRED
NOVA PARK MALL
WITH PARTNERS PRIME KAPITAL

€80,43 MILLION
OF DEBT DRAWN DOWN

ZAR **500 MILLION** OF NEW EQUITY RAISED

DIRECTORS' REPORT (CONTINUED)

Pipeline – Western Europe

New Waverley Phase II

Phase I of the New Waverley development delivered three hotels and twenty two new retail units. Phase II is now set to deliver a significant mix of new office, retail and residential uses. The group has been chosen as development partner to deliver approximately 19 000 square metres of Grade A office space on a pre-let to a significant tenant, and is now in the process of finalising detailed design and leasing agreements. The tenant will have an option to occupy an additional (up to) 3 000 square metres of further office space which would be delivered adjacent to the first proposed office building.

Pre-letting discussions with occupiers for the balance of the site are also underway. Attractive development and investment funding is being negotiated to fund the delivery of this next phase of development. Construction is set to begin in March 2017 for completion in mid 2019.

Pre-letting discussions with occupiers for the final residential component of the site are also underway.

Pipeline – Central and Eastern Europe

Accretive acquisition opportunities with value-add potential and high quality development opportunities are being pursued in Central and Eastern Europe (CEE) in partnership with experienced developers Prime Kapital. This should deliver significant growth in MAS' distributable earnings per share in the current and future financial periods.

Strong progress has been made since the end of the reporting period. The group secured a further large acquisition in excess of €50 million, with significant value-add potential. In addition, significant further progress has also been made in securing a development pipeline in excess of €370 million at cost, with substantial further opportunities being explored. The CEE development pipeline includes the opportunities discussed below in more detail, all of which have been concluded within the Prime Kapital development joint venture.

Emonika mixed use retail, office and hotel development

In January 2017 the Prime Kapital development JV concluded an agreement to acquire a 97% interest in Emonika, a large-scale development project for the construction of commercial and public logistic assets in a public-private partnership with the Slovenian Railways and the Republic of Slovenia, in the heart of the country's capital Ljubljana. The project entails the development of a 59 000 square metre gross lettable area ("GLA") mall and 21 000 square metre GLA of A-grade offices and a hotel in addition to the development of public logistic infrastructure. This includes the re-development of the city's central train station and the development of a new central bus station.

Emonika benefits from a prominent and highly visible central location, surrounded by dense residential and office elements. The site is well served by public transport and lies on the main traffic routes that connect the city centre with the main regional road and rail network. The catchment area is estimated to include a population of approximately 305 000 and 560 000, respectively, within 15 and 30-minute drives.

Slovenia benefits from significantly higher per capita purchasing power than other CEE countries and yet Ljubljana lacks a large modern and centrally located mall. Feedback from potential anchor tenants has been particularly encouraging. Significant progress has been made in the re-design of the retail and railway sections, the last in conjunction with Slovenian Railways. Given that the project benefits from an approved master plan, construction should commence in early 2018.

Balotesti retail value centre

During 2016 the development JV secured a development site of approximately 4,1 hectares in Balotesti, Romania, with a view to developing a value centre. Since then, given the extraordinarily high demand from retailers, an additional neighbouring plot of approximately 3,8 hectares has been secured with the intention of developing a larger retail value centre.

Balotesti, a rapidly developing affluent residential area, is approximately 25km north of Bucharest. Conveniently situated on the DN1, a major motorway connecting the northern lakeside residential areas with Bucharest, the land plots are adjacent to Bucharest's most successful DIY outlet, Hornbach Balotesti, and the development site for a new Lidl supermarket. Catchment analysis indicates a population of 85 000 and 137 000, respectively, within 15 and 30-minute drives. The planned development will be integrated with Hornbach and the new planned Lidl on the adjacent sites, extending the combined 18 122 square meters GLA of these two operators by an additional 28 000 square metres of GLA in the first phase. This is planned to be open by October 2018 with a substantial further extension to be developed at a later stage. Tenant negotiations are progressing well and include discussions with two international hypermarket groups, as well as various international fashion and other discounters.

Ploiesti retail value centre

In February 2017 the development JV secured approximately 9,5 hectares of land in Ploiesti, Romania, with the intention of developing and operating a 25 600 square metre GLA retail value centre with a high concentration of anchor tenants. Ploiesti, with 210 000 inhabitants and the capital of Prahova county, is placed centrally in the larger urban agglomeration emerging north of Bucharest that is home to a population of approximately 750 000. The city is an important industrial centre hosting major production facilities for leading international oil, chemical and automotive players as well as an important distribution hub for the wider area. The scheme will be integrated with the existing Kaufland mini-hypermarket located next to the project site, as well as with the Lidl supermarket to be developed on an adjacent site. The planned development is located in a densely populated residential area in close proximity to the city's main train station, tram station and bus station with high visibility and very good road access. The property benefits from a catchment of 96 000 residents within walking distance and 565 000 residents within a 30-minute drive. Major anchor tenants have already expressed a strong interest in the project and consideration is being given to expanding the planned scheme.

Kaufland value extensions
Five land plots have been secured in various smaller cities across Romania with the intention of developing approximately 20 000 square metres of GLA of convenience value extensions to be integrated with the existing Kaufland mini-hypermarkets. Kaufland is a German discount mini-hypermarket and supermarket chain that operates in excess of 1 000 stores in Germany and several Central and Eastern European countries. It has become the leading food retailer in Romania, with more than 100 well located owned and operated stores generating over €2.2 billion in annual sales. Approximately 70% of the planned extensions have been pre-leased to tenants including Deichmann, Jysk, Noriel and Pepco. The first three of these developments are expected to complete in 2017, with the balance soon thereafter.

Cash management and debt
During the interim period the group raised ZAR500 million via the issue of new ordinary shares in an over-subscribed private placing and ended the period with €20,80 million in cash (excluding the cash held in the Prime Kapital development JV). In addition, the group had €121,74 million of third-party debt finance in place as at 31 December 2016, having drawn-down €80,43 million of third-party debt during the period. This leaves the portfolio LTV at 25,1% at 31 December 2016.

In the six months ahead, a further €96,45 million of secured debt is expected to be drawn-down against the Edeka MIHA portfolio, Nova Park, Adagio and Lehrte property. The weighted average cost of this debt amounts to 1,9% per annum.

Prospects
Given the secured development pipeline and further potential developments being pursued, the board is confident that the group is well placed to achieve recurring distributable earnings per share in close proximation to its targeted growth in distribution per share of 30% per annum for the current and following two years. Guidance for the final distribution in the current financial year is 3,19 euro cents per share, on the assumption that a stable macro-economic environment will prevail, that no major corporate failures will occur and that the investments and developments reported on above will progress in accordance with expectations. Budgeted rental income is based on contractual escalations and market related renewals. This forecast has not been audited or reviewed by our auditors.

MAS will continue to pursue profitable growth through further acquisition and development opportunities in its markets. Further announcements will be made as appropriate.

By order of the board of directors

Directors:
Ron Spencer *(Non-Executive Chairman)*
Lukas Nakos *(Chief Executive Officer)*
Malcolm Levy *(Chief Financial Officer)*
Jonathan Knight *(Chief Investment Officer)*
Gideon Oosthuizen *(Non-Executive Director)*
Pierre Goosen *(Non-Executive Director)*
Morne Wilken *(Non-Executive Director)*
Jaco Jansen *(Non-Executive Director)*

There were no changes to the board during the six-month period ended 31 December 2016.

Management accounts
The figures referred to above have been extracted from the management accounts that can be found in appendix 1 of these condensed consolidated interim financial statements.

Reporting currency
The company's results are reported in euros.

Listings
MAS holds a dual primary listing on the Main Board of the Johannesburg Stock Exchange and the Euro MTF market of the Luxembourg Stock Exchange.

INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2016

REVIEW REPORT BY KPMG AUDIT LLC TO MAS REAL ESTATE INC.

For the six-month period ended 31 December 2016

We have been engaged by MAS Real Estate Inc. (the "company"), its subsidiaries and its associate (collectively the "group") to review the condensed set of consolidated financial statements for the interim report for the six-months ended 31 December 2016 which comprise the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related notes.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the Johannesburg Stock Exchange ("JSE") Listings Requirements. The annual financial statements of the group are prepared in accordance with IFRS. The condensed set of financial statements included in this interim report have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of consolidated financial statements in the interim report based on our review.

Scope of review

We have conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with applicable law and International Standards on Auditing (International) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion on the financial statements

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the interim report for the six-months ended 31 December 2016 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG Audit LLC
Chartered Accountants

Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN

24 February 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 31 December 2016

Euro	Note	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Rental income	4	11 067 791	6 586 450	14 203 699
Service charges and other recoveries		1 541 342	841 651	2 047 322
Revenue		**12 609 133**	**7 428 101**	**16 251 021**
Service charges and other property operating expenses		(2 421 484)	(1 783 557)	(4 036 748)
Net rental income		**10 187 649**	**5 644 544**	**12 214 273**
Other income		—	—	2 355 381
Corporate expenses		(1 885 474)	(2 992 634)	(3 188 770)
Investment expenses		(186 519)	—	(2 159 964)
Net operating income		**8 115 656**	**2 651 910**	**9 220 920**
Fair value adjustments	5	(3 265 620)	2 378 038	6 431 719
Exchange differences		(2 908 077)	(3 053 676)	(12 913 210)
Share of profit/(loss) from equity accounted investee, net of taxatiom	10	36 154	—	(31 908)
Profit before finance income/costs		**1 978 113**	**1 976 272**	**2 707 521**
Finance income		39 527	318 713	392 801
Finance costs		(841 656)	(303 529)	(773 765)
Profit before taxation		**1 175 984**	**1 991 456**	**2 326 557**
Taxation	6	(500 958)	(644 799)	(828 525)
Profit for period/year		**675 026**	**1 346 657**	**1 498 032**
Attributable to:				
Owners of the group		(397 549)	1 346 657	1 498 032
Non-controlling interest	8	1 072 575	—	—
Profit for period/year		**675 026**	**1 346 657**	**1 498 032**
Basic and diluted earnings per share (euro cents)	17	(0,11)	0,46	0,49

The notes on pages 15 to 40 form part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six-month period ended 31 December 2016

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Profit for period/year	**675 026**	**1 346 657**	**1 498 032**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	(2 765 558)	(2 901 167)	(12 387 307)
Total comprehensive loss for the period/year	**(2 090 532)**	**(1 554 510)**	**(10 889 275)**
Attributable to:			
Owners of the group	(3 163 107)	(1 554 510)	(10 889 275)
Non-controlling interest	1 072 575	—	—
Total comprehensive loss for the period/year	**(2 090 532)**	**(1 554 510)**	**(10 889 275)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six-month period ended 31 December 2016

Euro	Note	As at 31 December 2016	Restated* As at 31 December 2015	Audited As at 30 June 2016	Audited As at 30 June 2015
Non-current assets					
Intangible assets	7	24 499 280	28 449 119	25 262 818	29 351 139
Investment property	8	473 690 010	273 819 368	306 996 079	248 538 806
Financial investments	9	—	15 910 475	—	12 346 864
Investment in equity accounted investee	10	20 057 968	—	19 991 716	—
Property, plant and equipment		230 277	176 846	241 083	15 136
Deferred taxation asset	6	1 047 599	908 482	721 292	737 015
Total non-current assets		**519 525 134**	**319 264 290**	**353 212 988**	**290 988 960**
Current assets					
Financial investments	9	—	34 322 404	51 614 068	69 826 873
Short term loans receivable		—	19 056 917	—	—
Trade and other receivables	11	27 378 402	5 118 880	11 264 083	4 527 803
Cash and cash equivalents		20 794 725	31 997 044	47 997 978	45 111 775
Assets held for sale		3 393 501	2 043 750	3 515 237	—
Total current assets		**51 566 628**	**92 538 995**	**114 391 366**	**119 466 451**
Total assets		**571 091 762**	**411 803 285**	**467 604 354**	**410 455 411**
Equity					
Share capital	12	410 113 075	308 913 797	378 530 556	305 671 992
Retained earnings		26 753 444	35 197 243	27 503 007	40 269 910
Foreign currency translation reserve		(7 954 169)	4 297 529	(5 188 611)	7 198 696
Equity attributable to owners of the group		**428 912 350**	**348 408 569**	**400 844 952**	**353 140 598**
Non-controlling interest	8	1 072 595	—	—	—
Total equity		**429 984 945**	**348 408 569**	**400 844 952**	**353 140 598**
Non-current liabilities					
Interest bearing borrowings	14	117 948 266	14 219 630	43 227 831	14 779 769
Financial instruments	13	6 187 015	6 413 512	5 396 943	6 545 482
Provisions		40 410	—	—	—
Deferred taxation liability	6	1 652 903	1 430 625	1 242 741	1 143 646
Total non-current liabilities		**125 828 594**	**22 063 767**	**49 867 515**	**22 468 897**
Current liabilities					
Interest bearing borrowings	14	3 796 331	751 848	1 350 764	968 120
Financial instruments	13	1 344 932	35 271 134	7 146 090	29 082 436
Trade and other payables	15	10 059 974	5 215 677	8 296 197	4 795 360
Provisions		76 986	92 290	98 836	—
Total current liabilities		**15 278 223**	**41 330 949**	**16 891 887**	**34 845 916**
Total liabilities		**141 106 817**	**63 394 716**	**66 759 402**	**57 314 813**
Total shareholder equity and liabilities		**571 091 762**	**411 803 285**	**467 604 354**	**410 455 411**
Actual number of ordinary shares in issue		380 583 836	294 455 630	348 625 219	291 787 889
Net asset value per share (euro cents)		112,7	118,3	115,0	121,0
Adjusted net asset value per share (euro cents)#		112,9	118,5	115,1	121,2

* Restated as a result of reclassifications, no impact on NAV, see note 19.
# Net asset value per share as adjusted for deferred taxation

The notes on pages 15 to 40 form part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the board of directors on 24 February 2017 and signed on their behalf by:

Ron Spencer
Chairman

Malcolm Levy
Chief financial officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2016

Euro	Note	Share capital	Retained earnings	Foreign currency translation reserve	Equity attributable to owners of the group	Non-controlling interest	Total equity
Balance at 30 June 2015 (audited)		**305 671 992**	**40 269 910**	**7 198 696**	**353 140 598**	**—**	**353 140 598**
Comprehensive income for the period							
Profit for the period		—	1 346 657	—	1 346 657	—	1 346 657
Other comprehensive income		—	—	(2 901 167)	(2 901 167)	—	(2 901 167)
Total comprehensive income for the period		**—**	**1 346 657**	**(2 901 167)**	**(1 554 510)**	**—**	**(1 554 510)**
Transactions with the owners of the group							
Issue of shares	12	3 241 805	—	—	3 241 805	—	3 241 805
Distributions		—	(6 419 324)	—	(6 419 324)	—	(6 419 324)
Total transactions with the owners of the group		**3 241 805**	**(6 419 324)**	**—**	**(3 177 519)**	**—**	**(3 177 519)**
Balance at 31 December 2015		**308 913 797**	**35 197 243**	**4 297 529**	**348 408 569**	**—**	**348 408 569**
Comprehensive income for the period							
Profit for the period		—	151 375	—	151 375	—	151 375
Other comprehensive income		—	—	(9 486 140)	(9 486 140)	—	(9 486 140)
Total comprehensive income for the period		**—**	**151 375**	**(9 486 140)**	**(9 334 765)**	**—**	**(9 334 765)**
Transactions with the owners of the group							
Issue of shares	12	69 616 759	—	—	69 616 759	—	69 616 759
Distributions		—	(7 845 611)	—	(7 845 611)	—	(7 845 611)
Total transactions with the owners of the group		**69 616 759**	**(7 845 611)**	**—**	**61 771 148**	**—**	**61 771 148**
Balance at 30 June 2016 (audited)		**378 530 556**	**27 503 007**	**(5 188 611)**	**400 844 952**	**—**	**400 844 952**
Comprehensive income for the period							
Profit for the period		—	(397 549)	—	(397 549)	1 072 575	675 026
Other comprehensive income		—	—	(2 765 558)	(2 765 558)	—	(2 765 558)
Total comprehensive income for the period		**—**	**(397 549)**	**(2 765 558)**	**(3 163 107)**	**1 072 575**	**(2 090 532)**
Transactions with the owners of the group and non-controlling interests							
Issue of shares	12	39 576 609	—	—	39 576 609	—	39 576 609
Distributions		(7 994 090)	(352 014)	—	(8 346 104)	—	(8 346 104)
Acquisition of subsidiary with non-controlling interests		—	—	—	—	20	20
Total transactions with the owners of the group and non-controlling interests		**31 582 519**	**(352 014)**	**—**	**31 230 505**	**20**	**31 230 525**
Balance at 31 December 2016		**410 113 075**	**26 753 444**	**(7 954 169)**	**428 912 350**	**1 072 595**	**429 984 945**

The notes on pages 15 to 40 form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 31 December 2016

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Profit for the period/year	675 026	1 346 657	1 498 032
Cash (used in)/generated from operating activities	(6 144 396)	1 245 361	6 119 848
Net cash (used in)/generated from operating activities	(6 335 337)	743 083	5 808 854
Cash used in investing activities	(127 764 942)	(10 385 043)	(56 997 957)
Cash generated from/(used in) financing activities	108 235 974	(3 886 730)	58 824 462
Net (decrease)/increase in cash and cash equivalents	**(25 864 305)**	**(13 528 690)**	**7 635 359**
Cash and cash equivalents at the beginning of the period/year	47 997 978	45 111 775	45 111 775
Effect of exchange rate fluctuations	(1 338 948)	413 959	(4 749 156)
Cash and cash equivalents at the end of the period/year	**20 794 725**	**31 997 044**	**47 997 978**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 31 December 2016

1. Reporting entity

MAS Real Estate Inc. (the "company" or "MAS") is domiciled in the British Virgin Islands ("BVI"). These condensed consolidated interim financial statements as at, and for the six-month period ended 31 December 2016, comprise the company, its subsidiaries and associate (together referred to as the "group" and individually as "group entities") and reflect the group's interest in its associate.

MAS is a real estate investment company with a portfolio of commercial properties in Europe. MAS' strategy is to generate sustainable and growing distributable earnings per share by acquiring, developing and operating retail, office, industrial, logistics and hotel assets in western Europe and central and eastern Europe ("CEE"). Where exceptional opportunities arise, the group will embark on mixed-use or residential developments with the view to either generate recurring income, or capital gains. The company aims to distribute all of its distributable earnings on a semi-annual basis, with distribution of capital and other profits at the discretion of the directors.

2. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting and the Johannesburg Stock Exchange ("JSE") Listings Requirements.

3. Significant accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 30 June 2016. The accounting policy for business combinations below has been updated for the recognition of a non-controlling interest in the period.

Business combinations

These consolidated financial statements include the financial statements of the company and its group entities for the period under review.

The group accounts for business combinations using the acquisition method from the date when control of the entity is obtained. The consideration transferred on acquisition of the entity and the identifiable assets and liabilities of the entity are measured at fair value and the amount of any non-controlling interest is recognised. For each business combination, the Group measures the non-controlling interests proportionate share of the identifiable net assets. Transaction costs in relation to the acquisition are expensed unless they relate to the issue of new debt or equity.

Subsidiaries are the group entities controlled by the group. Control exists where the group is exposed to, or has the right to, variable returns from its involvement in an entity and has an ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date control ceases.

When the group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date control was lost.

Intra-group balances and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that there is no evidence of impairment.

New and amended standards and interpretations not yet adopted

Below is a summary of amendments/improvements to standards and interpretations that are not yet effective and were not early adopted:

Amendments/improvements to standards and interpretations not yet effective	IASB effective for annual periods beginning on or after
IFRS 12 – Amendments clarifying scope	1 January 2017
IAS 7 – Amendment to disclosure initiative	1 January 2017
IAS 12 – Amendments to recognition of deferred tax assets for unrealised losses	1 January 2017
IFRS 2 – Amendments to classification and measurement of share based payment transactions	1 January 2018
IFRS 9 (2014) – Financial instruments	1 January 2018
IFRS 15 - Revenue from contracts with customers	1 January 2018
IAS 28 – Amendments fair value measurement clarification	1 January 2018
IAS 40 -Amendments to clarify transfers of property to, or from, investment property	1 January 2018
IFRS 16 - Leases	1 January 2019

Management has not yet assessed the impact of adopting these standards, amendments and interpretations.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

4. Rental income

Rental income of €11 067 791 (December 2015: €6 586 450, June 2016: €14 203 699) was generated for the six-month period ended 31 December 2016.

Revenue derived from the following tenants represents more than 10% of the group's rental income and is included within the income-generating segment of the group:

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Edeka MIHA AG	2 630 622	—	—
Toom Baumarkt GmbH	1 134 034	1 103 528	2 227 811
Bauhaus GmbH and Co KG	859 092	825 041	1 644 562
	4 623 748	**1 928 569**	**3 872 373**

The future aggregate minimum rental receivable under non-cancellable operating leases is as follows:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
No later than 1 year	28 108 091	15 292 948	18 796 482
Greater than 1 year and less than 5 years	99 462 055	65 655 806	71 729 913
Greater than 5 years	185 296 845	121 583 632	157 873 608
	312 866 991	**202 532 386**	**248 400 003**

5. Fair value adjustments

The group's fair value adjustments comprise:

Euro	Note	Six-month period ended 31 December 2016	Restated* Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
(Loss)/gain on fair value of financial investments		(4 569 029)	8 100 659	12 938 105
Gain/(loss) on fair value of investment property		598 369	(2 074 710)	(3 088 606)
Gain on assets held for sale		26 474	—	—
Gain/(loss) on fair value of financial instruments		678 566	(3 647 911)	(3 417 780)
		(3 265 620)	**2 378 038**	**6 431 719**
Summarised as follows:				
Fair value movement in financial investments				
Karoo Fund	9	—	7 076 240	6 130 579
Sirius Real Estate Limited ("**Sirius**")	9	(4 569 029)	1 024 419	6 807 526
		(4 569 029)	**8 100 659**	**12 938 105**
Fair value movement in investment property				
Income-generating	8	677 340	(2 074 710)	(1 764 630)
Development	8	(78 971)	—	(2 103 869)
Land bank	8	—	—	779 893
		598 369	**(2 074 710)**	**(3 088 606)**
Fair value movement in assets held for sale				
Langley park – retail unit		(16 950)	—	—
New Waverley – retail unit		43 424	—	—
		26 474	**—**	**—**
Fair value movement in financial instruments				
Interest rate swaps	13	559 117	(46 837)	(493 594)
Attacq Limited (**"Attacq"**) financial liability	13	—	(3 601 074)	(4 032 584)
Development management fee	13	205 516	—	(1 092 047)
Forward currency contract	13	(86 067)	—	—
Priority participating profit dividend	13	—	—	2 200 445
		678 566	**(3 647 911)**	**(3 417 780)**

*Fair value adjustments disclosed in the prior period as 'Treasury investments' related to Sirius. These have been reclassified to fair value of 'Financial investments' to aid comparability with the classifications in the current period, see note 19.

6. Taxation

The company, which is domiciled in the British Virgin Islands, is not subject to tax in that jurisdiction. Operating subsidiaries of the group, however, are exposed to taxation in the jurisdictions in which they operate and, potentially, in the jurisdictions through which the SPV investment companies are held, as follows:

	Six-month period ended 31 December 2016		Six-month period ended 31 December 2015		Audited Year ended 30 June 2016	
Euro	Applicable rate	Taxation	Applicable rate	Taxation	Applicable rate	Taxation
Income taxation						
UK	20,0%	256 173	20,0%	322 347	20,0%	324 054
Switzerland	26,2%	—	26,2%	—	26,2%	—
Germany	15,8%	143 965	15,8%	176 505	15,8%	311 461
Luxembourg	0,0%	—	0,0%	—	0,0%	—
Wealth taxation						
Switzerland	0,2%	1 801	0,2%	3 426	0,2%	3 544
Luxembourg	0,5%	22 557	0,5%	—	0,5%	45 690
		424 496		**502 278**		**684 749**

Corporate taxation charge and deferred taxation

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Current taxation	424 496	502 278	684 749
Deferred taxation expense	76 462	142 521	143 776
Taxation expense	**500 958**	**644 799**	**828 525**

Reconciliation of deferred taxation:

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Deferred taxation brought forward	**521 449**	**406 631**	**406 631**
Current period/year deferred taxation	76 462	142 521	143 776
Foreign currency translation difference	7 393	(27 009)	(28 958)
Deferred taxation liability carried forward	**605 304**	**522 143**	**521 449**

The deferred taxation liability results from the following:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Deferred taxation on temporary differences between accounting and fiscal value of:			
Investment property	1 047 599	908 482	721 292
Deferred taxation asset	**1 047 599**	**908 482**	**721 292**
Deferred taxation on temporary differences between accounting and fiscal value of:			
Investment property	1 652 903	1 430 625	1 242 741
Deferred taxation liability	**1 652 903**	**1 430 625**	**1 242 741**
Net deferred taxation liability	**605 304**	**522 143**	**521 449**

Reconciliation of effective taxation rate

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

6. Taxation (continued)

Euro	%	Six-month period ended 31 December 2016	%	Six-month period ended 31 December 2015	%	Audited Year ended 30 June 2016
Profit before taxation		1 175 984		1 991 456		2 326 557
Taxation using the company's domestic rate	0,00	—	0,00	—	0,00	—
Effect of tax rates in foreign jurisdictions	(36,10)	(424 496)	(25,23)	(502 278)	(29,43)	(684 749)
Change in recognised deductible temporary differences						
– Revaluation of investment property	34,74	408 498	12,12	241 286	(7,99)	(185 826)
– Change in tax base	(41,24)	(484 960)	(19,27)	(383 807)	1,81	42 050
	(42,60)	**(500 958)**	**(32,38)**	**(644 799)**	**(35,61)**	**(828 525)**

7. Intangible assets

The group's intangible assets comprise:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Goodwill	24 387 942	28 449 119	25 262 818
Other intangible assets	111 338	—	—
	24 499 280	**28 449 119**	**25 262 818**

Reconciliation of the group's carrying amount of goodwill:

Euro	MAS Property Advisors Limited	New Waverley 10 Limited	Total
Cost			
Balance at 30 June 2015 (audited)	27 768 955	1 582 184	**29 351 139**
Foreign currency translation difference	(853 396)	(48 624)	**(902 020)**
Closing balance 31 December 2015	**26 915 559**	**1 533 560**	**28 449 119**
Foreign currency translation difference	(3 014 543)	(171 758)	**(3 186 301)**
Closing balance 30 June 2016 (audited)	**23 901 016**	**1 361 802**	**25 262 818**
Foreign currency translation difference	(827 715)	(47 161)	**(874 876)**
Closing balance 31 December 2016	**23 073 301**	**1 314 641**	**24 387 942**

Impairment

The recoverable amounts of the group's CGUs are determined by their value-in-use, as this is greater than fair value less costs to sell.

MAS Property Advisors Limited and New Waverley 10 Limited

As there were no indicators of impairment at 31 December 2016, no impairment test was performed. Goodwill will be tested for impairment at 30 June 2017. No impairment charge arose as a result of the group's previous annual impairment test of goodwill in relation to New Waverley 10 Limited and MAS Property Advisors Limited (December 2015: nil; June 2016: nil).

8. Investment property

The group's investment property comprises income-generating property, development property and land bank:

Segment	Detail
Income-generating property	Property that is currently producing income and held for the purpose of earning a yield. There may be further asset management opportunities on these properties, which could further enhance income returns.
Development property	Property that is being developed in order to create income producing property held for the purpose of earning a better yield than by acquiring standing property.
Land bank	Land bank consists of residential elements of the developments at New Waverley, North Street Quarter and Langley Park, all of which now have planning permission in place.

The carrying amount of the group's investment property was as follows:

	As at 31 December 2016		
Euro	Fair value	Cost	Total
Income-generating property	425 203 212	—	**425 203 212**
Development property	—	7 583 361	**7 583 361**
Land bank	—	40 903 437	**40 903 437**
	425 203 212	**48 486 798**	**473 690 010**

	As at 31 December 2015		
Euro	Fair value	Cost	Total
Income-generating property	169 911 602	—	**169 911 602**
Development property	—	59 081 009	**59 081 009**
Land bank	—	44 826 757	**44 826 757**
	169 911 602	**103 907 766**	**273 819 368**

	As at 30 June 2016 (audited)		
Euro	Fair value	Cost	Total
Income-generating property	242 625 172	—	**242 625 172**
Development property	17 927 863	4 502 390	**22 430 253**
Land bank	—	41 940 654	**41 940 654**
	260 553 035	**46 443 044**	**306 996 079**

As at 31 December 2016

Euro	Income-generating	Development	Land bank	Total
Opening balance	**242 625 172**	**22 430 253**	**41 940 654**	**306 996 079**
Property acquisitions	155 151 088	—	—	**155 151 088**
Capitalised acquisition costs	3 057 070	—	—	**3 057 070**
Capitalised retentions (see note 13)	600 000	—	—	**600 000**
Property disposal	—	(274 480)	—	**(274 480)**
Transfer	25 458 248	(23 907 416)	(1 550 832)	**—**
Capitalised expenditure	(22 373)	9 995 649	1 919 729	**11 893 005**
Capitalised interest from general borrowings	—	182 256	45 953	**228 209**
Fair value adjustment (see note 5)	677 340	(78 971)	—	**598 369**
Foreign currency translation difference	(2 343 333)	(763 930)	(1 452 067)	**(4 559 330)**
Closing balance	**425 203 212**	**7 583 361**	**40 903 437**	**473 690 010**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

8. Investment property (continued)

As at 31 December 2015

Euro	Income-generating	Development	Land bank	Total
Opening balance	**164 390 519**	**42 907 443**	**41 240 845**	**248 538 807**
Property acquisitions	10 315 400	—	—	**10 315 400**
Capitalised retentions (see note 13)	270 755	—	—	**270 755**
Capitalised acquisition costs	1 089 375	—	—	**1 089 375**
Capitalised expenditure	26 219	17 494 995	4 853 324	**22 374 538**
Fair value adjustment (see note 5)	(2 074 710)	—	—	**(2 074 710)**
Transfer to assets held for sale	(2 043 750)	—	—	**(2 043 750)**
Foreign currency translation difference	(2 062 206)	(1 321 429)	(1 267 412)	**(4 651 047)**
Closing balance	**169 911 602**	**59 081 009**	**44 826 757**	**273 819 368**

As at 30 June 2016 (audited)

Euro	Income-generating	Development	Land bank	Total
Opening balance	**164 390 518**	**42 907 443**	**41 240 845**	**248 538 806**
Property acquisitions	37 439 245	—	—	**37 439 245**
Capitalised retentions (see note 13)	1 370 755	—	—	**1 370 755**
Capitalised acquisition costs	4 578 229	—	—	**4 578 229**
Property disposal	(1 814 850)	—	—	**(1 814 850)**
Transfer	43 937 100	(43 937 100)	—	**—**
Capitalised expenditure	749 693	31 356 543	5 910 392	**38 016 628**
Capitalised financial liability (see note 13)	—	—	3 327 225	**3 327 225**
Capitalised interest from general borrowings	—	28 452	354	**28 806**
Fair value adjustment (see note 5)	(1 764 630)	(2 103 869)	779 893	**(3 088 606)**
Transfer to assets held for sale	—	—	(3 515 237)	**(3 515 237)**
Foreign currency translation difference	(6 260 888)	(5 821 216)	(5 802 818)	**(17 884 922)**
Closing balance	**242 625 172**	**22 430 253**	**41 940 654**	**306 996 079**

Fair value

Investment property is carried at fair value. Where fair value cannot be reliably determined for development and land bank property, but for which the group expects the fair value to be reliably determinable as construction progresses, these properties are measured under the cost model of investment property until fair value becomes reliably determinable. Changes in fair values are recognised in profit or loss.

Acquisitions and non-controlling interest

In August 2016, the group acquired a portfolio of 20 retail units tenanted by Edeka MIHA AG and an industrial property tenanted by Volkswagen AG both in Germany for €56 010 400 and €10 500 000 respectively.

On 20 September 2016 the group was issued 80% of the ordinary share capital of a newly incorporated entity PKM CEE Investments Limited ("PKM CEE") for the consideration of €80. The remaining 20% of the share capital of PKM CEE was issued to Prime Kapital CEE Property Investment Management Limited, a non-controlling interest ("NCI") for the consideration of €20. The shares of PKM CEE carry equal voting rights, such that the group has 80% of the voting rights and control over PKM CEE. At the date of acquisition PKM CEE had no assets or liabilities. PKM CEE was incorporated initially to purchase the Nova Park investment property.

In November 2016 PKM CEE acquired a retail shopping mall in Poland, Nova Park, for €88 640 688. The profit attributable to NCI of €1 072 575 is predominately attributable to a fair vlaue movement of Nova Park of which the NCI's share is €1 037 862. The profit attributable to NCI is disclosed in the condensed consolidated statement of profit or loss, the equity attributable to NCI of €1 072 595 is disclosed in the condensed consolidated statement of financial position.

Operating leases

Investment properties are subject to operating leases. The group's investment property portfolio generated €11 067 791 (December 2015: €6 586 450; June 2016: €14 203 699) in rental income and €1 541 342 (December 2015: €841 651; June 2016: €2 047 322) in service charges and other recoveries with service charges and other property operating expenses of €2 421 484 (December 2015: €1 783 557, June 2016: €4 036 748) being recognised in profit or loss.

Interest bearing borrowings
Bank borrowings of €121 744 597 (December 2015: €14 971 478; June 2016: €44 578 595) are secured on income-generating property with a fair value of €220 249 618 (December 2015: €28 272 258; June 2016: €79 269 836). The group has total designated bank borrowings of €107 417 874 (December 2015: €nil, June 2016: €29 978 966) as general borrowings. During the period interest costs on general borrowings of €228 209 (December 2015: €nil, June 2016: €28 806) have been capitalised and included within development and land bank investment property.

Related parties
The group has a development management agreement with the developer New Waverley Advisers Limited, a related party, for the development and construction of the New Waverley site in Edinburgh. A development management fee of €2 083 575 (December 2015: €1 528 321; June 2016: €2 367 448) has been recognised in relation to this development, see note 13.

The group has capitalised costs incurred from related parties amounting to €12 123 929 (December 2015: €17 790 498; June 2016: €27 117 356) during the period, see note 18.

Measurement of fair values

Valuation process for level 3 investment property
On an annual basis, the fair value of investment property is determined by external independent property valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. At the interim reporting date, the fair value of investment property is determined by the directors either by reviewing the most recent external valuation and updating for any material changes to the significant inputs or by reference to other relevant information generated by market transactions.

For all investment properties their current use equates to the highest and best use. The external valuations received are initially reviewed by the relevant internal asset manager and compared to their expectation of what fair value would be for individual investment properties. If the asset manager is in agreement with the valuation, the valuation reports are then checked by the finance team to confirm their numerical and methodological accuracy. Lastly, the investment property valuation is reviewed by the Audit Committee.

Fair value hierarchy
The fair value measurement of all the group's investment properties have been categorised as level 3 in the fair value hierarchy based upon the significant unobservable inputs into the valuation techniques used.

The following table shows the carrying amount and fair value of the group's investments in the fair value hierarchy:

As at 31 December 2016		**Fair value**		
Euro	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Income-generating property	425 203 212	–	–	425 203 212
	425 203 212	**–**	**–**	**425 203 212**

As at 31 December 2015		**Fair value**		
Euro	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Income-generating property	169 911 602	–	–	169 911 602
	169 911 602	**–**	**–**	**169 911 602**

As at 30 June 2016 (audited)		**Fair value**		
Euro	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
Income-generating property	242 625 172	–	–	242 625 172
Development property	17 927 863	–	–	17 927 863
	260 553 035	**–**	**–**	**260 553 035**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

8. Investment property (continued)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

As at 31 December 2016, 31 December 2015 and 30 June 2016

Investment property type	Valuation technique	Significant unobservable inputs	Inter-relation between key unobservable inputs and fair value measurement
Income-generating property	*Discounted cash flows:* The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.	– Risk adjusted discount rates – Market rent – Net rental growth – Reversionary discount rate	The estimated fair value would increase/(decrease) if: – Expected market rental growth was higher/ (lower) – The occupancy rate was higher/(lower) – The reversionary discount rate was lower/(higher) – The risk adjusted discount rate was lower/(higher)

As at 30 June 2016

Investment property type	Valuation technique	Significant unobservable inputs	Inter-relation between key unobservable inputs and fair value measurement
Development property	*Discounted cash flows less cost to complete:* The discounted cash flow is determined on the same basis as income-generating properties based on the completed development property. Costs to complete as determined by external quantity surveyors are deducted from the discounted cash flow.	– Risk adjusted discount rates – Market rent – Net rental growth – Reversionary discount rate – Costs to complete	The estimated fair value would increase/(decrease) if: – Expected market rental growth was higher/(lower) – The occupancy rate was higher/(lower) – The reversionary discount rate was lower/(higher) – The risk adjusted discount rate was lower/(higher) – The costs to complete were lower/(higher) – Completion date was earlier/ (later)

Income-generating investment property held at 31 December 2016 continues to be held at their 30 June 2016 fair value. A sensitivity analysis is available in the group's integrated annual report 2016. Development and land bank property for which fair value cannot be reliably determined are carried under the cost model of investment property.

9. Financial investments

The carrying amount of the group's financial investments was as follows:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Non-current			
Sirius	—	15 910 475	—
	—	**15 910 475**	**—**
Current			
Karoo Fund	—	34 322 404	—
Sirius	—	—	51 614 068
	—	**34 322 404**	**51 614 068**
	—	**50 232 879**	**51 614 068**

Financial investments have been classified as fair value through profit or loss ("FVTPL"). Accordingly, they are measured at fair value at the reporting date with changes in fair value being recognised in profit or loss.

On 22 August 2016 the group sold 60 000 000 shares in Sirius for €29 282 323. As a result, the group's shareholding in Sirius decreased to 4,3%. On 21 September 2016 the remaining 36 474 895 shares in Sirius were disposed of for €17 762 716.

Reconciliation of financial investments at fair value:

Euro	As at 31 December 2016	Restated* As at 31 December 2015	Audited As at 30 June 2016
Opening balance	**51 614 068**	**82 173 737**	**82 173 737**
Reclassification	—	(42 537)	(42 537)
Disposal	(47 045 039)	—	—
Cash redemptions	—	(37 799 435)	(40 376 739)
Fair value movement (note 5)	(4 569 029)	8 100 659	12 938 105
Foreign currency translation difference	—	(2 199 545)	(3 078 498)
Closing balance	**—**	**50 232 879**	**51 614 068**

*Fair value adjustments disclosed in the prior period as 'Treasury investments' related to Sirius. These have been reclassified to fair value of 'Financial investments' to aid comparability with the classifications in the current period, see note 19.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

10. Investment in equity accounted investee

The carrying amount of the group's investments in equity accounted investee was as follows:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
PKM Development Limitd ("PKM")	**20 057 968**	**—**	**19 991 716**

Reconciliation of investments in equity accounted investee

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Opening balance	**19 991 716**	**—**	**—**
Acquisition	—	—	20 000 000
Capitalised acquisition costs	30 098	—	23 624
	20 021 814	**—**	**20 023 624**
Share of profit/(loss)	36 154	—	(31 908)
	20 057 968	**—**	**19 991 716**

On 23 March 2016 the group invested €20 000 000 in the ordinary shares of PKM, a development property company with its principal place of business in CEE. PKM is an associate in which the group has a 40% ownership interest. PKM is a separate entity and the group has a residual interest in the net assets of the associate.

In addition to the investment in the ordinary shares, the group intends to fund a further €200 000 000 over 4 years through the investment in 7,5% preference shares.

The following table summarises the financial information of PKM as included in its own financial statements:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Statement of financial position – PKM			
Non-current assets	20 051 534	—	2 697 078
Current assets	30 696 114	—	47 496 624
Total assets	**50 747 648**	**—**	**50 193 702**
Current liabilities	737 035	—	273 474
Total liabilities	**737 035**	**—**	**273 474**
Net assets	**50 010 613**	**—**	**49 920 228**
Percentage ownership interest	40%	—	40%
Group share of net assets	**20 004 245**	**—**	**19 968 092**
Capitalised costs	53 723	—	23 624
Carrying amount	**20 057 968**	**—**	**19 991 716**

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Statement of profit or loss and other comprehensive income – PKM			
Revenue	—	—	—
Corporate expenses	(39 191)	—	(36 756)
Net finance income/(costs)	129 575	—	(43 014)
Total profit/(loss) and other comprehensive income	**90 384**	**—**	**(79 770)**
Percentage ownership interest	40%	—	40%
Group's share of total comprehensive profit/(loss)	**36 154**	**—**	**(31 908)**

11. Trade and other receivables

The group's trade and other receivables comprise:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Property retentions held in escrow	2 115 000	1 615 000	2 115 000
VAT receivable	20 911 114	757 949	1 866 772
Dividends receivable	—	—	1 256 586
Lease incentive accruals	207 710	—	737 423
Prepayments	578 672	411 651	3 746 679
Other	485 185	349 817	607 688
EMI receivable	—	—	589 826
Trade receivables from lessees	2 456 071	1 984 463	344 109
Collateral receivable (see note 18)	624 650	—	—
	27 378 402	**5 118 880**	**11 264 083**

The carrying amount of the group's trade and other receivables is an approximation of the fair value.

The property retentions that relate to the acquisition of the Bruchsal, Heppenheim Park and Munich properties have been held in escrow. Included in the VAT receivable balance is an amount of PLN92 000 000 which at the reporting date was approximately €20 280 739 (December 2015: nil; June 2016: nil) due to MAS CEE Investments Limited, a group entity on the purchase price of Nova Park.

12. Share Capital

The ordinary share capital of the company has no par value. The reconciliation of share capital for the period was as follows:

	Number of shares	Share capital Euro
Balance at 30 June 2015 (audited)	**291 787 889**	**305 671 992**
Issued during the period		
- Distributions reinvested	2 667 741	3 241 805
Balance at 31 December 2015	**294 455 630**	**308 913 797**
Issued during the period		
- Distributions reinvested	3 004 004	3 784 335
- Settlement of Attacq liability	21 317 449	28 156 329
- Capital raise	29 848 136	37 676 095
Balance at 30 June 2016 (audited)	**348 625 219**	**378 530 556**
Issued during the period		
- Distributions	—	(7 994 090)
- Distributions reinvested	6 317 591	7 983 727
- Capital raise	25 641 026	31 592 882
Balance at 31 December 2016	**380 583 836**	**410 113 075**

Distributions reinvested represent scrip dividends paid out of share capital. During the period the group incurred €199 328 (December 2015: nil; June 2016: €13 029) expenses in relation to issuing shares which have been offset against share capital.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

13. Financial instruments

The carrying amounts of the group's financial instruments were as follows:

Euro	As at 31 December 2016	Restated* As at 31 December 2015	Audited As at 30 June 2016
Non-current			
Derivative financial instruments	2 488 440	2 592 709	3 029 495
Financial liabilities	3 698 575	3 820 803	2 367 448
	6 187 015	**6 413 512**	**5 396 943**
Current			
Derivative financial instruments	86 067	–	–
Financial liabilities	1 258 865	35 271 134	7 146 090
	1 344 932	**35 271 134**	**7 146 090**
	7 531 947	**41 684 646**	**12 543 033**

* Deferred consideration as disclosed in December 2015 has been reclassified to financial instruments and is included within financial liabilities to aid comparability with the classifications in the current period, see note 19.

	As at 31 December 2016		
Euro	Fair value	Amortised cost	Total
Derivative financial instruments			
Current	86 067	–	**86 067**
Non-current	2 488 440	–	**2 488 440**
	2 574 507	**–**	**2 574 507**
Financial liabilities			
Current	–	1 258 865	**1 258 865**
Non-current	2 083 575	1 615 000	**3 698 575**
	2 083 575	**2 873 865**	**4 957 440**
	4 658 082	**2 873 865**	**7 531 947**

	As at 31 December 2015		
Euro	Fair value	Amortised cost	Total
Derivative financial instruments			
Non-current	2 592 709	–	**2 592 709**
	2 592 709	**–**	**2 592 709**
Financial liabilities			
Current	32 886 514	2 384 620	**35 271 134**
Non-current	3 820 803	–	**3 820 803**
	36 707 317	**2 384 620**	**39 091 937**
	39 300 026	**2 384 620**	**41 684 646**

	As at 30 June 2016 (audited)		
Euro	Fair value	Amortised cost	Total
Derivative financial instruments			
Non-current	3 029 495	–	**3 029 495**
	3 029 495	**–**	**3 029 495**
Financial liabilities			
Current	3 327 225	3 818 865	**7 146 090**
Non-current	2 367 448	–	**2 367 448**
	5 694 673	**3 818 865**	**9 513 538**
	8 724 168	**3 818 865**	**12 543 033**

Financial liabilities held at amortised cost

Deferred consideration is held at amortised cost. On the acquisitions of Heppenheim Park, Bruchsal and Munich, the group retained a portion of the purchase price per the relevant selling purchase agreements, which will be released to the vendor at such time that they complete the agreed retention works/activities. These amounts have been capitalised within investment property.

Reconciliation of financial liabilities held at amortised cost:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Opening	**3 818 865**	**2 703 865**	**2 703 865**
Purchase price retained	600 000	270 755	1 370 755
Purchase price released	(1 545 000)	(590 000)	(255 755)
Closing	**2 873 865**	**2 384 620**	**3 818 865**

Financial instruments held at fair value

The carrying amount of the group's financial instruments held at fair value was as follows:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Derivative financial instruments			
Interest rate swaps	2 488 440	2 592 709	3 029 495
Forward currency contract	86 067	—	—
	2 574 507	**2 592 709**	**3 029 495**
Financial liabilities			
Development management fee	2 083 575	1 528 321	2 367 448
Priority participating profit dividend	—	2 292 482	—
Attacq financial liability	—	29 112 780	—
Santon financial liability	—	3 773 734	3 327 225
	2 083 575	**36 707 317**	**5 694 673**

Derivative financial instruments

The group has hedged the interest rate exposure on €14 326 723 of interest bearing borrowings on German and Swiss debt. In addition, the group has entered into a Polish Zloty forward currency contract to hedge the exposure on VAT receivable in relation to the Nova Park acquisition (see note 11). These hedging instruments are classified as FVTPL; accordingly, they are measured at fair value at the reporting date with changes in fair value being recognised in profit or loss.

Reconciliation of derivative financial instruments:

Euro	Interest rate swaps	Forward currency contract	Total
Balance at 30 June 2015 (audited)	**2 603 535**	**—**	**2 603 535**
Fair value adjustment	46 837	—	**46 837**
Foreign currency translation difference	(57 663)	—	**(57 663)**
Balance at 31 December 2015	**2 592 709**	**—**	**2 592 709**
Fair value adjustment	446 757	—	**446 757**
Foreign currency translation difference	(9 971)	—	**(9 971)**
Balance at 30 June 2016 (audited)	**3 029 495**	**—**	**3 029 495**
Fair value adjustment	(559 117)	86 067	**(473 050)**
Foreign currency translation difference	18 062	—	**18 062**
Balance at 31 December 2016	**2 488 440**	**86 067**	**2 574 507**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

13. Financial instruments (continued)

Financial liabilities

Reconciliation of financial liabilities held at fair value:

Euro	Attacq financial liability	Santon financial liability	Development management fee	Priority participating profit dividend	Total
Balance at 30 June 2015 (audited)	**26 378 571**	**—**	**1 576 779**	**2 365 168**	**30 320 518**
Recognised on grant of planning permission	—	3 773 734	—	—	**3 773 734**
Fair value adjustment (note 5)	3 601 074	—	—	—	**3 601 074**
Foreign currency translation difference	(866 865)	—	(48 458)	(72 686)	**(988 009)**
Balance at 31 December 2015	**29 112 780**	**3 773 734**	**1 528 321**	**2 292 482**	**36 707 317**
Fair value adjustment (note 5)	431 510	—	1 092 047	(2 200 445)	**(676 888)**
Settlement	(28 156 329)	—	—	—	**(28 156 329)**
Foreign currency translation difference	(1 387 961)	(446 509)	(252 920)	(92 037)	**(2 179 427)**
Balance at 30 June 2016 (audited)	**—**	**3 327 225**	**2 367 448**	**—**	**5 694 673**
Fair value adjustment (note 5)	—	—	(205 516)	—	**(205 516)**
Settlement	—	(3 327 225)	-	—	**(3 327 225)**
Foreign currency translation difference	—	—	(78 357)	—	**(78 357)**
Balance at 31 December 2016	**—**	**—**	**2 083 575**	**—**	**2 083 575**

Development management fee and priority participating profit dividend
These financial liabilities are classified as FVTPL. This reduces the accounting mismatch by matching the movement in the fair value of the financial liabilities with the fair value movement on the related investment directly in profit or loss.

The group has a development management agreement with the developer under which the developer provides services in procuring the construction of the New Waverley site in Edinburgh. Under the terms of this agreement, a fee is payable to the developer for its services with that fee being in two parts. Under the terms of a shareholders' agreement between the shareholders of New Waverley 10 Limited, shareholders are entitled to a 7,5% annualised return on invested capital. The first part of the fee payable to the developer is an amount equal to one third of the annualised return payable to the group. The second part of the fee payable to the developer is linked to the value of the site following development with the developer entitled to a fee broadly equal to 25% of the value of the development site less both costs of development and annualised return to shareholderse on invested capital. This second part of the fee is only payable once the group has received its return on capital meaning that, in effect, the developer will receive a fee broadly equal to 25% of any capital gain that will be made should New Waverley 10 Limited ever decide to realise its investment in the site.

Measurement of fair values

Fair value hierarchy
The following table shows the carrying amount and fair value of the group's financial instruments held at fair value in the fair value hierarchy:

As at 31 December 2016

		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Derivative financial liabilities				
Interest rate swaps	2 488 440	—	2 488 440	—
Forward currency contract	86 067	—	86 067	—
Financial liabilities				
Development management fee	2 083 575	—	—	2 083 575
	4 658 082	**—**	**2 574 507**	**2 083 575**

As at 31 December 2015

Euro	Carrying amount	Fair value Level 1	Level 2	Level 3
Derivative financial liabilities				
Interest rate swap	2 592 709	—	2 592 709	—
Financial liabilities				
Attacq financial liability	29 112 780	—	29 112 780	—
Development management fee	1 528 321	—	—	1 528 321
Santon financial liability	3 773 734	—	—	3 773 734
Priority participating profit dividend	2 292 482	—	—	2 292 482
	39 300 026	**—**	**31 705 489**	**7 594 537**

As at 30 June 2016 (audited)

Euro	Carrying amount	Fair value Level 1	Level 2	Level 3
Derivative financial liabilities				
Interest rate swap	3 029 495	—	3 029 495	—
Financial liabilities				
Development management fee	2 367 448	—	—	2 367 448
Santon financial liability	3 327 225	—	—	3 327 225
	8 724 168	**—**	**3 029 495**	**5 694 673**

Level 2 financial instruments

Valuation techniques and unobservable inputs
The following table shows the valuation technique used to measure investments held at fair value as well as the inputs used for level 2 financial instruments.

As at 31 December 2016

Level 2 financial liability	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Forward currency contract	The fair value of the forward contract is based on the underlying spot price of the currency, the risk-free rate and the date of expiration. The theoretical price is derived from the cash-and-carry arbitrage.	– Spot currency rate – Risk-free rate – Currency amount	The estimated fair value would increase/(decrease) if: – Spot currency rate for purchased currency was stronger/(weaker) – Risk free rate for purchased currency was lower/(higher) – Currency amount was higher/(lower)

As at 31 December 2016, 31 December 2015 and 30 June 2016

Financial instrument	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Interest rate swaps	The fair value is based on discounting future cash flows using the interest rate swap curves plus the historic charged credit margin at the dates when the cash flows will take place.	– 3 month Swiss Libor/Euribor – Swap rate – Notional loan value – Fixed rate of interest	The estimated fair value would increase/(decrease) if: – 3 month Swiss libor/Euribor was higher/(lower) – Swap rate was lower/(higher) – Notional loan was lower/(higher) – Fixed rate of interest was lower/(higher)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

13. Financial instruments (continued)

Level 2 financial instruments (continued)

As at 31 December 2015

Level 2 financial liability	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Attacq financial liability	Fair value is based on the fund's reported net asset value ("NAV"). The NAV of the fund is valued by the fund's investment manager as follows: – Investments in equities by the Karoo Fund are valued at quoted prices in active markets – Where there is not an active market, fair value is based on broker quotes on similar contracts that are traded in an active market and the quotes reflect the actual transactions in similar instruments	NAV per share 31 December 2015 – €2 236 All inputs used by the fund's investment manager in determining the fund's NAV are observable with the exception of a convertible debenture that is not significant to the input for fair valuation.	The estimated fair value would increase/ (decrease) if: – NAV per share was higher/ (lower)

Level 3 financial instruments

Valuation process of level 3 financial liabilities

The fair value of level 3 financial liabilities in respect of New Waverley Advisers Limited and New Waverley Holdings Limited is calculated annually. The investment property valuation process is part of this valuation process as a consequence of the financial liability to New Waverley Advisors Limited and New Waverley Holdings Limited being derived from the fair value of New Waverley investment property. The fair value of the financial liability is calculated and based on the fair value of the New Waverley investment property. The fair value is then reviewed by the finance manager and chief financial officer before being reviewed by the Audit Committee.

Valuation techniques and unobservable inputs

The following table shows the valuation technique used to measure financial instruments held at fair value as well as the significant unobservable inputs for level 3 financial liabilities:

As at 31 December 2016, 30 June 2016 and 31 December 2015

Level 3 financial liability	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Development management fee and Priority participating profit dividend	Discounted cash flows: Fair value is based on the profitability of the New Waverley development. See note 8, for the valuation technique in respect of New Waverley.	– Expected market rental growth – Occupancy rate – Reversionary discount rate – Risk adjusted discount rates – Costs to complete – Completion dates	The estimated fair value would increase/(decrease) if: – Expected market rental growth was higher/(lower) – The occupancy rate was higher/(lower) – The reversionary discount rate was lower/(higher) – The risk adjusted discount rate was lower/(higher) – The costs to complete was lower/(higher) – Completion date was earlier/ (later)

As at 30 June 2016 and 31 December 2015

Level 3 financial liability	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Santon financial liability	Discounted cash flows: Fair value is based on the contractual amount.	– Risk adjusted discount rate – Contractual amount	The estimated fair value would increase/(decrease) if: – The risk adjusted discount rate was lower/(higher) – The contractual rate was higher/(lower)

A sensitivity analysis is available in the group's 2016 integrated annual report for the development management fee and priority participating profit dividend.

14. Interest bearing borrowings

The carrying amount of the group's interest bearing borrowings is as follows:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Non-current secured bank loans			
UK investment property	31 691 617	—	—
German investment property	77 943 361	5 620 509	34 833 306
Swiss investment property	8 313 288	8 599 121	8 394 525
	117 948 266	**14 219 630**	**43 227 831**
Current secured bank loans			
UK investment property	1 530 080	—	—
German investment property	1 903 083	391 917	991 886
Swiss investment property	363 168	359 931	358 878
	3 796 331	**751 848**	**1 350 764**
	121 744 597	**14 971 478**	**44 578 595**

Interest bearing borrowings are held at amortised cost, accordingly interest on interest bearing borrowings drawn down to fund development property is capitalised. All other interest is charged to profit or loss at the effective interest rate. These liabilities have been classified as amortised cost because the group does not hold them for trading purposes.

Reconciliation of the group's carrying amount of interest bearing borrowings:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Opening balance	**44 578 595**	**15 747 889**	**15 747 889**
Drawn down	80 430 900	—	30 550 000
Capitalised transaction costs	(1 456 967)	(30 135)	(412 345)
Amortisation	(1 135 900)	(375 923)	(922 638)
Finance costs	840 195	303 529	770 243
General borrowings capitalised	228 209	—	28 806
Interest paid	(842 927)	(300 072)	(827 855)
Foreign currency translation difference	(897 508)	(373 810)	(355 505)
	121 744 597	**14 971 478**	**44 578 595**

Interest from general borrowings of €228 209 was capitalised to investment property during the period (December 2015: nil; June 2016: €28 806), see note 8 at a capitalisation rate of 2,11%.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

15. Trade and other payables

The group's trade and other payables comprise:

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
Construction payables	707 600	796 643	3 881 404
Trade payables	6 152 030	2 746 407	3 382 531
Deferred income	1 373 463	716 879	425 202
Current taxation payable	593 793	460 289	373 755
VAT payable	1 233 088	495 459	233 305
	10 059 974	**5 215 677**	**8 296 197**

Construction payables relate to amounts owed to developers from the construction of the group's development properties.

16. Operating segments

The group's chief operating decision maker is determined to be the executive management team. During the prior period the segmentation to monitor group performance was refined. Performance is now considered as follows:

Reportable segment	Description
Income-generating property	Property that is currently producing income and held for the purpose of earning a yield. There may be further asset management angles on these properties, which could further enhance income returns.
Development property	Property that is being developed in order to create income producing property held for the purpose of earning a better yield than by acquiring standing property.
Land bank	Land plots held for schemes that have not yet commenced, residential developments and other real estate equity investments.
Corporate	Consists of the cash holdings outside of the other reporting segments and goodwill on the acquisition of MAS Prop.

The 31 December 2015 comparative period has been reclassified to aid comparability with segmental reporting in the current period and the 30 June 2016 year end.

The executive management team analyses the performance and position of the group by aggregating the group into the four reportable segments. These reportable segments have different risk profiles and generate revenue/income from different sources, accordingly, it allows the executive management team to make better informed strategic decisions for the group. Management reports are prepared and reviewed on a quarterly basis by the executive management team to facilitate this process.

31 December 2016

Euro	Income-generating property	Development property	Land bank	Corporate	Total
Statement of comprehensive income					
External revenue	12 379 928	1 823	227 382	-	**12 609 133**
Segment profit/(loss) before tax	10 240 594	161 924	(4 488 483)	(4 738 051)	**1 175 984**
Taxation	(499 520)	5	175	(1 618)	**(500 958)**
Interest income	157	—	17	39 353	**39 527**
Interest cost	(840 545)	—	—	(1 111)	**(841 656)**
Depreciation	—	—	—	(13 504)	**(13 504)**
Other material non-cash items					
– Fair value adjustments	1 150 391	126 544	(4 542 555)	—	**(3 265 620)**
– Foreign exchange	(57 672)	22	—	(2 850 427)	**(2 908 077)**
Statement of financial position					
Segment non-current assets	427 871 884	27 646 524	40 933 425	23 073 301	**519 525 134**
– Investment in equity accounted investee	—	20 057 968	—	—	**20 057 968**
Segment current assets	37 765 491	106 723	4 460 800	9 233 614	**51 566 628**
Segment non-current liabilities	123 704 609	2 083 575	—	40 410	**125 828 594**
Segment current liabilities	13 192 414	712 180	592 926	780 703	**15 278 223**

31 December 2015 – Restated*

Euro	Income-generating property	Development property	Land bank	Corporate	Total
Statement of comprehensive income					
External revenue	7 073 749	3 039	248 764	102 549	**7 428 101**
Segment profit/(loss) before tax	3 101 796	(5 407)	33 228	(1 138 161)	**1 991 456**
Taxation	(643 194)	—	—	(1 605)	**(644 799)**
Interest income	42	1	42	318 628	**318 713**
Interest cost	(303 529)	—	—	—	**(303 529)**
Depreciation	—	—	—	(2 990)	**(2 990)**
Other material non-cash items					
- Fair value adjustments	(2 121 548)	—	—	4 499 586	**2 378 038**
- Exchange differences	(527)	(2 888)	—	(3 050 261)	**(3 053 676)**
Statement of financial position					
Segment non-current assets	170 820 083	60 614 569	44 826 759	43 002 879	**319 264 290**
Segment current assets	16 228 343	544 064	34 655 977	41 110 611	**92 538 995**
Segment non-current liabilities	18 242 964	3 820 803	—	—	**22 063 767**
Segment current liabilities	7 584 154	5 352	4 032 094	29 709 349	**41 330 949**

* The December 2015 figures have been restated following the reclassification of prior year expenses in the condensed consolidated interim statement of profit or loss and the reclassification of certain items in the condensed consolidated statement of financial position, see note 19.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

16. Operating segments (continued)

30 June 2016 (audited)

Euro	Income-generating property	Development property	Land bank	Corporate	Total
Statement of comprehensive income					
External revenue	15 370 255	11 090	709 469	160 207	**16 251 021**
Segment profit/(loss) before tax	6 221 242	(1 007 358)	4 375 190	(7 262 517)	**2 326 557**
Interest income	–	57	383 370	9 374	**392 801**
Interest cost	(770 243)	–	–	(3 522)	**(773 765)**
Depreciation	–	–	–	(35 535)	**(35 535)**
Taxation	(828 525)	–	–	–	**(828 525)**
Other material non-cash items					
– Fair value adjustments	(1 478 331)	(995 471)	8 905 521	–	**6 431 719**
– Exchange differences	(93 783)	196	(5 835 877)	(6 983 746)	**(12 913 210)**
Statement of financial position					
Segment non-current assets	243 509 575	43 798 848	42 003 549	23 901 016	**353 212 988**
– Investment in equity accounted investee	–	19 991 716	–	–	**19 991 716**
Segment current assets	19 124 497	1 479 407	52 750 489	41 036 973	**114 391 366**
Segment non-current liabilities	47 500 067	2 367 448	–	–	**49 867 515**
Segment current liabilities	8 051 526	4 813 814	3 683 792	342 755	**16 891 887**

Where assets/liabilities and income/expense are shared by reportable segments they are allocated to each respective reportable segment based on a rational driver of use or ownership of the assets/liabilities or income/expense.

Geographical information

The group invests in investment property in western Europe and CEE. The geographical information below analyses the group's revenue and non-current assets by the company's country of domicile and the jurisdiction in which the underlying assets are held: UK; Germany; Switzerland; Poland and; Romania.

Revenue

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
BVI	–	–	–
UK	3 208 219	2 584 456	5 674 973
Germany	8 075 817	4 220 335	9 332 689
Switzerland	619 086	623 310	1 243 359
Poland	706 011	–	–
	12 609 133	**7 428 101**	**16 251 021**

Non-current assets

Euro	As at 31 December 2016	As at 31 December 2015	Audited As at 30 June 2016
BVI	–	–	–
UK	170 476 751	184 903 550	164 250 144
Germany	215 437 599	114 038 482	149 481 292
Switzerland	19 722 816	20 322 258	19 489 836
Romania	20 057 968	–	19 991 716
Poland	93 830 000	–	–
	519 525 134	**319 264 290**	**353 212 988**

17. Earnings per share and diluted earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
(Loss)/profit for the period/year attributable to the owners of the group	(397 549)	1 346 657	1 498 032

Weighted-average number of ordinary shares

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
Issued ordinary shares	**348 625 219**	**291 787 889**	**291 787 889**
Effect of shares issued for capital raise	21 599 777	—	5 871 764
Effect of shares issued related to the settlement of the Attacq liability	—	—	6 465 128
Effect of shares issued for scrip distributions	2 025 750	728 891	2 281 979
Weighted-average number of ordinary shares	**372 250 746**	**292 516 780**	**306 406 760**

Basic earnings per share

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Audited Year ended 30 June 2016
(Loss)/profit attributable to ordinary shareholders	(397 549)	1 346 657	1 498 032
Weighted-average number of ordinary shares	372 250 746	292 516 780	306 406 760
Basic earnings per share (euro cents)	**(0,11)**	**0,46**	**0,49**

Diluted earnings per share

There are no dilutionary investments in issue and therefore basic earnings and diluted earnings are the same.

Headline earnings and headline earnings per share

Headline earnings and headline earnings per share was as follows:

	Six-month period ended 31 December 2016	
Euro	Gross	Net
Loss for the period	(397 549)	(397 549)
Adjusted for:		
Revaluation of investment property	(598 369)	(1 006 867)
Headline earnings	**(995 918)**	**(1 404 416)**
Weighted-average number of ordinary shares	372 250 746	372 250 746
Headline earnings per share (euro cents)	(0,27)	(0,38)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

17. Earnings per share and diluted earnings per share (continued)

	Six-month period ended 31 December 2015	
Euro	**Gross**	**Net**
Profit for the period	1 346 657	1 346 657
Adjusted for:		
Revaluation of investment property	2 074 710	1 833 424
Headline earnings	**3 421 367**	**3 180 081**
Weighted-average number of ordinary shares	292 516 780	292 516 780
Headline earnings per share (euro cents)	1,17	1,09

	Audited Year ended 30 June 2016	
Euro	**Gross**	**Net**
Profit for the year	1 498 032	1 498 032
Adjusted for:		
Revaluation of investment property	3 088 606	3 274 432
Headline earnings	**4 586 638**	**4 772 464**
Weighted-average number of ordinary shares	306 406 760	306 406 760
Headline earnings per share (euro cents)	1,50	1,56

There are no dilutionary instruments in issue and therefore headline earnings and diluted headline earnings are the same.

The JSE Listings Requirements require the calculation of headline earnings and diluted headline earnings per share and the disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share, as required by IAS 33 – Earnings per Share. Disclosure of headline earnings is not an IFRS requirement. The directors do not use headline earnings or headline earnings per share in their analysis of the group's performance, and do not consider it to be a useful or relevant metric for the group. The directors make no reference to headline earnings or headline earnings per share in their commentaries, instead, the directors use distributable earnings as a more relevant measure.

18. Related parties

Parent and ultimate controlling party

The group has no ultimate controlling party, but is controlled by its ordinary shareholders in aggregate.

Related party transactions

Artisan Real Estate Investors Limited ("Artisan")

Artisan is a real estate management company over which the directors of MAS have significant influence. An associate of Malcolm Levy also has an indirect beneficial interest.

During the period, Artisan on-charged expenses of €6 179 (December 2015: €30 120; June 2016: €51 962 income). At the end of the reporting period there was €2 920 payable (December 2015: €7 494 receivable; June 2016: €41 255 receivable) to Artisan.

New Waverley Advisers Limited ("NW Advisers")

NW Advisers is a real estate developer and is a 100% owned subsidiary of Artisan, as such is controlled by Artisan which is a related party of the group.

During the period, NW Advisers on-charged expenses in relation to the development of New Waverley which amounted to €12 049 068 (December 2015: €17 790 498; June 2016: €21 117 356). These have been capitalised as part of the New Waverley development within investment property. On-charges were charged to the group in accordance with the development management agreement, were on an arm's length basis, and relate to the construction costs of the development.

In addition, the group has provided for a development management fee of €2 083 575 (December 2015: €1 528 321; June 2016: €2 367 448). This fee is in accordance with the development management agreement and is on an arm's length basis.

New Waverley Holdings Limited ("NW Holdings")

NW Holdings is a real estate developer and is a 100% owned subsidiary of Artisan. As such it is controlled by Artisan which is a related party of the group.

Corona Real Estate Partners Limited ("Corona")

Corona is a real estate management company with six staff members and is owned 100% by Jonathan Knight who is the Chief Investment Officer of the group.

During the period the group used the professional services of Corona and incurred expenses of €486 539 (December 2015: €464 726; June 2016: €850 180), which were charged to the group on an arm's length basis. At the end of the reporting period €nil (December 2015: €nil; June 2016: €41 984) was due from Corona.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

18. Related parties (continued)

Related party transactions

Euro	Income/(expenses) for the period/year ended			Capitalised for the period/year ended			Balances receivable/(payable) as at		
	31 Dec 2016	31 Dec 2015	Audited 30 June 2016	31 Dec 2016	31 Dec 2015	Audited 30 June 2016	31 Dec 2016	31 Dec 2015	Audited 30 June 2016
New Waverley Advisers Limited									
– Oncharged development costs	–	–	–	12 049 068	17 790 498	27 117 356	(90 587)	(127 164)	(1 069 607)
– Development management fee	913 946	–	(1 092 047)	–	–	–	(2 083 575)	(1 528 321)	(2 367 448)
	913 946	**–**	**(1 092 047)**	**12 049 068**	**17 790 498**	**27 117 356**	**(2 174 162)**	**(1 655 485)**	**(3 437 055)**
New Waverley Holdings Limited									
– Development profit participation fee[1]	–	–	2 200 445	–	–	–	–	(2 292 482)	–
	–	**–**	**2 200 445**	**–**	**–**	**–**	**–**	**(2 292 482)**	**–**
Corona Real Estate Partners Limited									
– Investment advisory	(486 539)	(464 726)	(850 180)	74 861	–	–	–	–	(41 984)
	(486 539)	**(464 726)**	**(850 180)**	**74 861**	**–**	**–**	**–**	**–**	**(41 984)**
Attacq									
– Karoo Fund financial liability	–	(3 601 074)	(4 032 584)	–	–	–	–	(29 112 780)	–
– Interest income from loan receivable	–	134 803	383 263	–	–	–	–	19 056 917	–
	–	**(3 466 271)**	**(3 649 321)**	**–**	**–**	**–**	**–**	**(10 055 863)**	**–**
Artisan Real Estate Investors Limited									
– Oncharged administrative expenses	(6 179)	(30 120)	51 962	–	–	–	(2 920)	7 494	41 255
	(6 179)	**(30 120)**	**51 962**	**–**	**–**	**–**	**(2 920)**	**7 494**	**41 255**
	421 228	**(3 961 117)**	**(3 339 141)**	**12 123 929**	**17 790 498**	**27 117 356**	**(2 177 082)**	**(13 996 336)**	**(3 437 784)**

All related party balances are unsecured and are repayable on demand.

[1] Differences between the income/(expense) and the corresponding receivable/(payable) related to foreign exchange movements recognised in OCI.

Transactions with key management

Six-months ended 31 December 2016

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Total
Lukas Nakos	CEO	95 120	—	190 240	—	285 360
Malcolm Levy	CFO	89 175	—	178 350	—	267 525
Jonathan Knight	CIO	35 670	—	89 176	—	124 846
Ron Spencer	Chairman	15 000	—	—	—	15 000
Gideon Oosthuizen	NED	13 750	—	—	—	13 750
Jaco Jansen	NED	13 750	—	—	—	13 750
Morne Wilken	NED	10 000	—	—	—	10 000
Pierre Goosen	NED	10 000	—	—	—	10 000
		282 465	**—**	**457 766**	**—**	**740 231**

Six-months ended 31 December 2015

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Total
Lukas Nakos	CEO	110 728	—	166 092	166 092	**442 912**
Malcolm Levy	CFO	103 808	—	155 711	155 711	**415 230**
Jonathan Knight	CIO	41 523	—	77 856	77 856	**197 235**
Ron Spencer	Chairman	15 000	—	—	—	**15 000**
Gideon Oosthuizen	NED	13 750	—	—	—	**13 750**
Jaco Jansen	NED	13 750	—	—	—	**13 750**
Morne Wilken	NED	10 000	—	—	—	**10 000**
Pierre Goosen	NED	10 000	—	—	—	**10 000**
		318 559	**—**	**399 659**	**399 659**	**1 117 877**

Year ended 30 June 2016 (audited)

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Total
Lukas Nakos	CEO	209 248	—	166 092	166 092	**541 432**
Malcolm Levy	CFO	196 170	—	155 711	155 711	**507 592**
Jonathan Knight	CIO	78 468	—	77 856	77 856	**234 180**
Ron Spencer	Chairman	30 000	—	—	—	**30 000**
Gideon Oosthuizen	NED	27 500	—	—	—	**27 500**
Jaco Jansen	NED	27 500	—	—	—	**27 500**
Morne Wilken	NED	20 000	—	—	—	**20 000**
Pierre Goosen	NED	20 000	—	—	—	**20 000**
		608 886	**—**	**399 659**	**399 659**	**1 408 204**

The directors haven't received any benefits other than as disclosed above.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 31 December 2016

19. Reclassification

The group has reclassified some period expenses in the condensed consolidated statement of profit or loss and some items in the condensed consolidated statement of financial position to aid comparability with the classifications in the current year.

There is no impact of the reclassifications on the prior period profit. The impact of the reclassification on the condensed consolidated statement of profit or loss and the condensed consolidated statement of financial position is as follows:

Condensed consolidated statement of profit or loss

Six-month period ended 31 December 2015

	Impact of reclassification		
Euro	As previously reported	Adjustment	As reclassified
Other income	145 964	(145 964)	—
Service charge	695 687	(695 687)	—
Service charges and other recoveries	—	841 651	841 651
	841 651	**—**	**841 651**

Condensed consolidated statement of financial position

As at 31 December 2015

	Impact of reclassification		
Euro	As previously reported	Adjustment	As reclassified
Non-current assets			
Investments	15 910 475	(15 910 475)	—
Financial investments	—	15 910 475	15 910 475
Current assets			
Investments	34 322 404	(34 322 404)	—
Financial investments	—	34 322 404	34 322 404
Current liabilities			
Deferred consideration	2 384 620	(2 384 620)	—
Financial instruments	32 886 514	2 384 620	35 271 134
	85 504 013	**—**	**85 504 013**

APPENDIX 1

Management accounts

Basis of preparation

In order to provide information of relevance to investors and a meaningful basis of comparison for users of the financial statements, unaudited management accounts have been prepared and are presented below, in conjunction with the condensed consolidated financial statements set out on pages 10 to 40. The directors consider that the management accounts are useful in interpreting the performance of the group. In terms of section 8.15 of the JSE Listings Requirements, the management accounts constitute pro forma financial information and the company is therefore required to comply with the requirement of sections 8.16 to 8.34 of the JSE Listings Requirements on pro forma financial information. In accordance with section 8.19, the pro forma financial information is to be presented in columnar format showing separately the unadjusted financial information, the pro forma adjustments and the pro forma financial information, see table on page 43 below.

The management accounts diverge from IFRS as they account for associates and joint ventures using the proportionate consolidation method, as opposed to the equity accounting method embodied in the condensed consolidated financial statements and in accordance with IFRS.

Directors' responsibility

The preparation of the management accounts is the sole responsibility of the directors and has been prepared in accordance with the basis stated, for illustrative purposes only, to show the impact on the distribution income statement and the summarised statement of financial position. Due to their nature the management accounts may not fairly present the results of the group and the financial position.

Distribution income statement

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Year ended 30 June 2016
Rental income	10 959 343	6 586 450	14 203 699
Net service charges and property operating expenses	(899 648)	(1 064 227)	(1 989 426)
– Service charges and other recoveries	1 508 587	841 651	2 047 322
– Service charges and other property operating expenses	(2 408 235)	(1 905 878)	(4 036 748)
Net rental income	**10 059 695**	**5 522 223**	**12 214 273**
Other income	—	—	1 717 829
Corporate expenses	(1 895 966)	(1 740 285)	(3 203 472)
Net operating income	**8 163 729**	**3 781 938**	**10 728 630**
Net finance costs	(669 627)	15 184	(355 990)
– Finance income	114 179	318 713	433 132
– Finance costs	(1 011 661)	(303 529)	(817 928)
– Interest capitalised on development and land bank property	227 855	—	28 806
Current taxation	(424 496)	(644 799)	(684 749)
Direct investment result	**7 069 606**	**3 152 323**	**9 687 891**
Fair value adjustments	(4 303 482)	2 378 038	6 431 719
Investment expenses	(183 040)	(1 130 028)	(2 202 144)
Other income	—	—	637 552
Exchange differences	(2 904 171)	(3 053 676)	(12 913 210)
Deferred taxation	(76 462)	—	(143 776)
Indirect investment result	**(7 467 155)**	**(1 805 666)**	**(8 189 859)**
IFRS net (loss)/profit for the period/year attributable to owners of the group	**(397 549)**	**1 346 657**	**1 498 032**
Earnings per share	(0,11)	0,46	0,49
Diluted earnings per share	(0,11)	0,46	0,49

Management accounts (continued)

Distribution income statement (continued)

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015	Year ended 30 June 2016
Direct investment result	7 069 606	3 152 323	9 687 891
Other specific adjustments	1 372 699	(844 123)*	1 698 750
Adjustment relating to shares issued during period/year	188 987	31 425	1 568 915
Distributable earnings	**8 631 292**	**2 339 625**	**12 955 556**
Distribution from reserves	1 492 238	4 355 077	2 750 000
Total distribution	**10 123 530**	**6 694 702**	**15 705 556**
Closing number of shares	380 583 836	294 455 630	348 625 219
Final distribution per share (euro cents)	—	—	2,23
Interim distribution per share (euro cents)	2,66	2,27	2,27
Total distribution per share (euro cents)	**2,66**	**2,27**	**4,50**

The group uses distribution per share as its relevant unit of measure for trading statement purposes.

* In order to align with industry peers, the board of directors has refined the methodology for commuting distributable earnings, upon which the level of distribution is based. In the prior year the difference between the core income methodology used and the updated direct investment result methodology amounts to (844 123). This has been included in other specific adjustments to reconcile the distributable earnings to core income in the previous year.

Summarised statement of financial position

Euro	As at 31 December 2016	As at 31 December 2015	As at 30 June 2016
Investment property	466 391 848	275 863 118	311 613 772
– Income-generating property	406 437 212	169 911 602	242 625 172
– Development property	15 665 601	59 081 009	24 907 797
– Land bank	44 289 035	46 870 507	44 080 803
Financial investments	21 875 305	50 232 879	51 614 068
Intangible assets	24 499 280	28 449 119	25 262 818
Deferred taxation assets	1 047 599	908 482	721 292
Trade and other receivables	23 174 544	5 118 880	11 313 808
Other assets	230 277	19 233 763	241 083
Cash and cash equivalents	32 210 809	31 997 044	66 946 902
Total assets	**569 429 662**	**411 803 285**	**467 713 743**
Shareholders' equity	**428 912 350**	**348 408 569**	**400 844 952**
Interest bearing borrowings	121 744 597	14 971 478	44 578 595
Financial instruments	7 531 949	41 684 646	12 543 033
Deferred taxation liabilities	1 652 903	1 430 625	1 242 741
Trade and other payables	9 470 469	5 215 677	8 405 586
Other liabilities	117 394	92 290	98 836
Total liabilities	**140 517 312**	**63 394 716**	**66 868 791**
Total shareholders' equity and liabilities	**569 429 662**	**411 803 285**	**467 713 743**
Actual number of ordinary shares in issue	380 583 836	294 455 630	348 625 219
NAV per share (euro cents)	112,7	118,3	115,0
Adjusted NAV per share (euro cents)	112,9	118,5	115,1

Reconciliation of unadjusted financial information to pro forma financial information

Distribution income statement

Euro	IFRS Six-month period ended 31 December 2016	ADJUSTMENTS Reclassification[1]	Equity accounted investee[2]	Nova Park[3]	MANAGEMENT ACCOUNTS Six-month period ended 31 December 2016
Rental income	11 067 791	—	—	(108 448)	10 959 343
Service charges and other recoveries	1 541 342	—	—	(32 755)	1 508 587
Revenue	**12 609 133**	**—**	**—**	**(141 203)**	**12 467 930**
Service charges and other property operating expenses	(2 421 484)	—	—	13 249	(2 408 235)
Net rental income	**10 187 649**	**—**	**—**	**(127 954)**	**10 059 695**
Other income	—	—	—	—	—
Corporate expenses	(1 885 474)	—	(15 676)	5 184	(1 895 966)
Investment expenses	(186 519)	186,519	—	—	—
Net operating income	**8 115 656**	**186 519**	**(15 676)**	**(122 770)**	**8 163 729**
Fair value adjustments	(3 265 620)	3 265 620	—	—	—
Exchange differences	(2 908 077)	2 908 077	—	—	—
Share of profit/(loss) from equity accounted investee, net of taxation	36 154	—	(36 154)	—	—
Profit before finance income/costs	**1 978 113**	**6 360 216**	**(51 830)**	**(122 770)**	**8 163 729**
Finance income	39 527	—	(6 020)	80 672	114 179
Finance costs	(841 656)	—	(170 005)	—	(1 011 661)
Interest capitalised on development property	—	—	227 855	—	227 855
Profit before taxation	**1 175 984**	**6 360 216**	**—**	**(42 098)**	**7 494 102**
Taxation	(500 958)	76 462	—	—	(424 496)
Profit for period/year	**675 026**	**6 436 678**	**—**	**(42 098)**	**7 069 606**
DIRECT INVESTMENT RESULT	**675 026**	**6 436 678**	**—**	**(42 098)**	**7 069 606**
Fair value adjustments	—	(3 265 620)	—	(1 037 862)	(4 303 482)
Investment expenses	—	(186,519)	—	3 479	(183 040)
Exchange differences	—	(2 908 077)	—	3 906	(2 904 171)
Deferred taxation	—	(76 462)	—	—	(76 462)
INDIRECT INVESTMENT RESULT	**—**	**(6 436 678)**	**—**	**(1 030 477)**	**(7 467 155)**

1 A number of items in the condensed consolidated interim statement of profit or loss have been reclassified in the management accounts to provide information of relevance to investors and a meaningful basis of comparison by classifying profit for the year as a direct or indirect investment result. The direct result represents the realised result attributable to the generating of gross rental income. The indirect relates to all other elements of profit or loss: unrealised fair value movements, deferred taxation, exchange differences and costs not attributable to gross rental income generation.

2 Proportional consolidation has been used as the basis of consolidation of the group's equity accounted investees in the management accounts.

3 Proportional consolidation has been used as the basis of consolidation for the group's 80% ownership of Nova Park.

APPENDIX 1 (CONTINUED)

Management accounts (continued)

Summarised statement of financial position

Euro	IFRS As at 31 Dec 2016	ADJUSTMENTS Reclassification[1]	Equity accounted investee[2]	Nova Park[3]	MANAGEMENT ACCOUNTS As at 31 Dec 2016
Non-current assets					
Intangible assets	24 499 280	—	—	—	24 499 280
Investment property	473 690 010	3 393 501	8 074 337	(18 766 000)	466 391 848
Investment in equity accounted investee	20 057 968	—	(20 057 968)	—	—
Property, plant and equipment	230 277	—	—	—	230 277
Deferred taxation asset	1 047 599	—	—	—	1 047 599
Total non-current assets	**519 525 134**	**3 393 501**	**(11 983 631)**	**(18 766 000)**	**492 169 004**
Current assets					
Financial investments	—	—	—	21 875 305	21 875 305
Trade and other receivables	27 378 402	—	70 773	(4 274 631)	23 174 544
Cash and cash equivalents	20 794 725	—	12 207 673	(791 589)	32 210 809
Assets held for sale	3 393 501	(3 393 501)	—	—	—
Total current assets	**51 566 628**	**(3 393 501)**	**12 278 446**	**16 809 085**	**77 260 658**
Total assets	**571 091 762**	**—**	**294 815**	**(1 956 915)**	**569 429 662**
Equity					
Share capital	410 113 075	—	—	—	410 113 075
Retained earnings	26 753 444	—	—	—	26 753 444
Foreign currency translation reserve	(7 954 169)	—	—	—	(7 954 169)
Equity attributable to owners of the group	**428 912 350**	**—**	**—**	**—**	**428 912 350**
Non-controlling interest	1 072 595	—	—	(1 072 595)	—
Total Equity	**429 984 945**	**—**	**—**	**(1 072 595)**	**428 912 350**
Non-current liabilities					
Interest bearing borrowings	117 948 266	3 796 331	—	—	121 744 597
Financial instruments	6 187 015	1 344 932	—	—	7 531 947
Provisions	40 410	76 986	—	—	117 396
Deferred taxation liability	1 652 903	—	—	—	1 652 903
Total non-current liabilities	**125 828 594**	**5 218 249**	**—**	**—**	**131 046 843**
Current liabilities					
Interest bearing borrowings	3 796 331	(3 796 331)	—	—	—
Financial instruments	1 344 932	(1 344 932)	—	—	—
Trade and other payables	10 059 974	—	294 815	(884 320)	9 470 469
Provisions	76 986	(76 986)	—	—	—
Total current liabilities	**15 278 223**	**(5 218 249)**	**294 815**	**(884 320)**	**9 470 469**
Total liabilities	**141 106 817**	**—**	**294 815**	**(884 320)**	**140 517 312**
Total shareholder equity and liabilities	**571 091 762**	**—**	**294 815**	**(1 956 915)**	**569 429 662**

1 A number of items in the condensed consolidated statement of financial position have been reclassified in the management accounts to provide information of relevance to investors and a meaningful basis of comparison by removing current and non-current assets and liabilities and reclassifying assets held for sale.
2 Proportional consolidation has been used as the basis of consolidation of the groups equity accounted investees in the management accounts.
3 Proportional consolidation has been used as the basis of consolidation for the groups 80% ownership of Nova Park.

SHAREHOLDER INFORMATION

Registered in the British Virgin Islands	Company number	1750199
Registered as an external company in South Africa	Registration number	2010/000338/10
JSE share code		MSP
SEDOL (XLUX)		B96VLJ5
SEDOL (JSE)		B96TSD2
ISIN		VGG5884M1041
Number of shares in issue as at 31 December 2016		380 583 836

MAS REAL ESTATE INC

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