



MAS REAL ESTATE INC

MAS Real Estate Inc.

(formerly MAS plc)

(Registered in the British Virgin Islands)

(Registration number 1750199)

(Registered as an external company in the Republic of South Africa)

(Registration number 2010/000338/10)

JSE share code: MSP

SEDOL (EMTF): B96VLJ5

SEDOL (JSE): B96TSD2

ISIN: VGG5884M1041

(“MAS” or “the Company”)

DETAILED LISTING PARTICULARS

The definitions commencing on page 5 of these Detailed Listing Particulars have, where appropriate, been used on this cover page.

MAS is listed on the Euro-MTF market of the LuxSE and the main board of the JSE.

These Detailed Listing Particulars relate to a private placement of 83 333 332 shares of no par value in the capital of MAS, to be issued at the final issue price of ZAR 21,00, or EUR 1,5328 and 3 449 131 shares of no par value in the capital of MAS being new shares to be issued pursuant to the distribution election in respect of the six months ended 31 December 2016 of (the “**March 2017 scrip dividend**”). The private placement was by invitation only to applicants.

These Detailed Listing Particulars have been prepared and issued in terms of the LuxSE Listings Requirements. These Detailed Listing Particulars constitute a prospectus for the purposes of Part IV of the Luxembourg law on prospectuses for securities of 10 July 2005, as amended.

The shares to be issued pursuant to the private placement and the March 2017 scrip dividend will rank *pari passu* with all other shares issued by MAS. There are no convertibility or redemption provisions relating to the shares that are the subject of this private placement and the March 2017 scrip dividend and no fractions of shares will be issued.

These Detailed Listing Particulars are not an invitation to the public to subscribe for MAS shares. They are issued in compliance with the LuxSE Listings Requirements for the purpose of providing information to the public regarding MAS and to provide information to select investors with regards to the private placement. A potential investor should consult with its own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company.



These Detailed Listing Particulars do not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, MAS shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the MAS shares have not been, and will not be, registered under the Securities Act or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither these Detailed Listing Particulars nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the IOM and the Republic of South Africa where such distribution may lead to a breach of any legal or regulatory requirement. In the United Kingdom, these Detailed Listing Particulars are being distributed only to and are directed only at persons (i) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) who are high net worth entities falling within Article 49 of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated. Any person in the United Kingdom who is not one of the abovementioned persons should not act or rely on these Detailed Listing Particulars or any of its contents.

The issued share capital of the Company currently comprises 393 433 836 shares of no par value. The Company has a market capitalisation of ZAR 8 466 696 151, or approximately EUR 617 988 975, as at 17 March 2017 on the JSE and LuxSE respectively. After the private placement and the March 2017 scrip dividend, the issued share capital of the Company shall comprise 480 216 299 shares of no par value. On 6 March 2017 a distribution of 2,66 euro cents per share was declared, which is to be paid to shareholders on the register on 24 March 2017. The placement shares will be issued on 30 March 2016 and will therefore have **no entitlement** to the distribution.

The directors of MAS, whose names are given in page iv of these Detailed Listing Particulars, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that these Detailed Listing Particulars contain all information required by law and the LuxSE Listings Requirements. The directors further commit to comply with the requirements of Luxembourg law and the LuxSE Listing Requirements relating to initial, periodic, and specific information for the issue of the private placement shares as well as all future issues for which an admission to trading on the Euro-MTF market will be sought by the Company.

It is not necessary for these Detailed Listing Particulars to be filed or registered with any governmental or public body, authority or agency in the BVI either, on, before, or after the date of its publication and it is not intended that these Detailed Listing Particulars will be filed with the Registrar of Corporate Affairs in the BVI.

There is no requirement to file these Detailed Listing Particulars with the South African Companies and Intellectual Property Commission or any other governmental or public body, authority or agency in South Africa.

These Detailed Listing Particulars are required in terms of the LuxSE Listings Requirements for purposes of listing new shares of the Company on the Euro-MTF market of the LuxSE.



In these Detailed Listing Particulars an indicative exchange rate of €1 : R13,7004 has been used. Applicants should note that the private placement shares in MAS are Euro-denominated shares which will be issued and trade in Euros on the European share register and which will be issued and trade in Rands on the South African share register.

In line with exchange control approval obtained by the Company from the SARB, the shares will only be allotted and issued to the applicants on the listing date of the private placement shares and will only be issued on market as listed shares.

Warning Statement:

MAS is a Closed-Ended Investment Company and is not subject to approval or regulation in the BVI and investors are not protected by any statutory compensation arrangements in the event of the Company's failure. The British Virgin Islands Financial Services Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Potential investors must be advised of the risk of investing in an entity listed on the Euro-MTF market and the main board of the JSE. The Euro-MTF market is not an EU-Regulated Market, as defined in the European Directive 2004-39-EC, and is outside the scope of certain EU regulations such as, the IAS Regulation, the Prospectus Directive and the Transparency Directive. Applicants should also carefully consider the entire contents of these Detailed Listing Particulars and should consult with their own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company. There may be risks of which the directors are not aware. Applicants should consider carefully whether an investment in MAS is suitable for them, in the light of their personal circumstances and the financial resources available to them.

**Corporate advisor and JSE
sponsor**

JAVACAPITAL

**Isle of Man independent
auditors**

KPMG

Luxembourg listing agent

M Partners

A member of Maitland legal

Date of issue: 30 March 2017

These Detailed Listing Particulars are available in English only.



Corporate information and advisors

Directors of MAS

Ron Spencer (Chairman)*#
 Lukas Nakos (Chief Executive Officer)
 Malcolm Levy (Chief Financial Officer)
 Jonathan Knight (Chief Investment Officer)
 Jaco Jansen*#
 Gideon Oosthuizen*#
 Morné Wilken*
 Pierre Goosen*
 *non-executive
 #independent

Company secretary

Helen Margaret Cullen ((ACIS)*
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 E-mail: helen@masrei.com

Registered office address

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 (Registration number 1750199)
 Midocean Chambers
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 British Virgin Islands

Head Office and business address

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 2nd Floor Clarendon House
 Victoria Street
 Douglas
 Isle of Man, IM1 2LN

Independent auditors

KPMG Audit LLC
 (Registration number 617L)
 Heritage Court
 41 Athol Street
 Douglas
 Isle of Man, IM99 1HN

JSE sponsor

Java Capital Trustees and Sponsors Proprietary
 Limited
 2nd Floor
 6a Sandown Valley Crescent
 Sandown
 Sandton
 2196
 Johannesburg
 South Africa

Corporate advisor and bookrunner

Java Capital (Proprietary) Limited
 (Registration number 2002/031862/07)
 2nd Floor
 6a Sandown Valley Crescent
 Sandown
 Sandton
 2196
 Johannesburg
 South Africa
 (P O Box 2087, Parklands, 2121)

Luxembourg listing agent

M Partners
 56, rue Charles Martel
 L-2134
 Luxembourg

South African transfer secretaries

Computershare Investor Services
 (Proprietary) Limited
 (Registration number 2004/003647/07)
 Ground Floor
 70 Marshall Street
 Johannesburg, 2001
 South Africa
 (P O Box 61051, Marshalltown 2107)

BVI Registrar

(ensuring financial service and clearing
 in Luxembourg)
 Computershare Investor Services (BVI) Limited
 (Registrar number 003287V)
 Woodbourne Hall,
 P O Box 3162,
 Road Town, Tortola,
 British Virgin Islands

Depository

Computershare Investor Services PLC
 The Pavilions
 Bridgewater Road
 Bristol, BS13 8AE
 United Kingdom



Table of Contents

Salient features	1
1. Incorporation and history.....	1
2. Overview of MAS	1
3. Private placement	2
4. Financial information	3
Important dates and times	4
Definitions.....	5
SECTION 1 – INFORMATION ON THE GROUP	10
1. History and background of the Company.....	10
2. Overview of MAS	10
3. Directors and employees	11
4. Group structure	12
5. Subsidiaries and associates.....	13
6. Portfolio information	13
7. Properties acquired, to be acquired, or disposed of.....	15
8. Share capital of the company.....	16
SECTION 2 – DETAILS OF THE PRIVATE PLACEMENT	17
1. Purposes of the private placement.....	17
2. Details of the private placement.....	17
3. Terms, conditions and payment.....	17
4. Reservation of rights	18
5. Issue of private placement shares	18
6. Future capital raising.....	18
7. Listing statement	18
SECTION 3 – FINANCIAL INFORMATION OF MAS.....	18
1. Historical financial information of mas.....	18
2. Distributions	18
3. Material changes.....	19
SECTION 4 – ADDITIONAL MATERIAL INFORMATION.....	20



1.	Taxation	20
2.	Commissions paid or payable	21
3.	Amounts paid or payable to promoters	21
4.	Advisers' interests	22
5.	Code of corporate practice and conduct	22
6.	Directors' responsibility statement	22
7.	Litigation statement	22
8.	Paying agent	22
9.	Preliminary expenses and issue expenses	22
	Annexure 1 – Details of the directors of MAS	24
	Annexure 2 – Details of subsidiaries and associates of MAS	28
	Annexure 3 – Details of the property portfolio	33
	Annexure 4 – Major Shareholders and Capital Structure	38
	Annexure 5 – Extracts of the Articles of Association of the company	43
	Annexure 6 – Historical financial information	49
	Annexure 7 – Risk factors	142



SALIENT FEATURES

The salient features provide an outline of the information contained in these Detailed Listing Particulars and are not intended to be comprehensive. The salient features should be read in conjunction with the other sections of these Detailed Listing Particulars.

The definitions commencing on page 5 of these Detailed Listing Particulars apply to this salient features section.

1. Incorporation and history

MAS was incorporated in the IOM on 3 July 2008 under the name of Mergon Property Holdings Limited. The Company changed its name to MAS plc on 4 March 2009, and to MAS Real Estate Inc. on 4 January 2013 at the same time as redomiciling from the Isle of Man to the BVI.

MAS was registered as an external company in South Africa on 8 January 2010 and on the Foreign Companies register in the Isle of Man on 21 March 2013.

The MAS shares have been admitted on the official list of the LuxSE and traded on the Euro-MTF market on 12 August 2009. On 18 December 2014 the Company migrated its listing on the JSE from the Alt^x to the main board. MAS is dual-primary listed on the LuxSE and the JSE.

2. Overview of MAS

2.1 Introduction

MAS is a commercial property investor, developer and operator listed on the main board of the JSE and the Euro-MTF market of the LuxSE.

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 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.

MAS is internally managed, combining investment, development and asset management skills. Developments are undertaken both directly and by teaming up with strong developers that have intimate knowledge of the local markets and by agreeing terms that lead to a strong alignment of interests.

MAS has assembled a high quality portfolio of commercial property and developments across Western Europe and is currently expanding into CEE in two joint ventures with Prime Kapital, a development joint venture and a co-investment joint venture focussed on income-generating assets. Prime Kapital is a real estate development and investment business, founded by Martin Slabbert and Victor Semionov, with a team that has significant experience and a proven track record in real estate development and management in CEE. Both MAS' current developments, and its joint ventures with Prime Kapital, bring significant accretive pipeline to MAS, which will add significantly to its earnings and distributions on a per share basis.

The execution of MAS' pipeline of developments and potential acquisitions, as set out above, requires additional equity.



2.2 Growth strategy and prospects

Established in 2008, MAS has assembled, through acquisitions and developments, a high quality portfolio of retail, industrial, logistics and hotel properties in the United Kingdom, Germany, Switzerland and, more recently, Poland and Romania. Asset prices in Western Europe have increased in recent years and acquisition opportunities that offer an attractive return on equity are harder to find. MAS' focus in Western Europe is now on opportunities that can deliver substantial value through active asset management, development and re-development.

Although CEE markets have increased in price, attractive opportunities are still available that are backed by a combination of relatively high initial acquisition yields, substantial growth prospects and attractive debt terms. Even more appealing is the development market that is supported by rapidly expanding purchasing power and, in some cases, sub-optimally designed or undersized assets ripe for re-development or displacement.

Accordingly, MAS has embarked upon expansion into the growing economies of CEE. To facilitate the expansion, we have partnered with Prime Kapital, a management team with exceptional development, investment and financing experience in these markets.

3. Private placement

3.1 The salient features of the private placement are as follows:

Issue price per share	R21,00 (approximately €1,5328)
Number of shares to be issued in terms of the private placement	83 333 332
Total amount raised	R 1 749 999 972 million (approximately €127 733 495 million)

3.2 The purposes of the private placement

MAS has a significant pipeline of potential acquisitions and future developments, including investments to be made through the Prime Kapital investment partnership and development joint venture. In addition, MAS recently acquired Nova Park, which was funded on an interim basis. Such interim funding needs to be replaced.

The proceeds of the placements will be used to finance MAS' pipeline of potential acquisitions and future developments, and replace interim acquisition funding, as set out above. The only effect on MAS' statement of financial position is an increase in stated capital and increase in the cash and cash equivalents.

3.3 Details of the private placement

The private placement shares were offered for subscription to existing and new shareholders in compliance with the articles of association of MAS which are available on the Company's website www.masrei.com. Specifically, pre-emptive rights are not applicable to this placement due to the General Authority to issue shares given by shareholders at the Company's Annual Shareholders Meeting held on 17 February 2017, as well as the vendor consideration nature of the placement.

No offers were made to the public in respect of the private placement. The private placement was open to applicants only.

The placement shares will only be issued on market as listed shares.



3.4 Future capital raisings

It is the intention of the Company to raise additional capital in the coming years. The expansion of the capital base will be undertaken to capitalise on continued investment opportunities for the construction of the Company's overall portfolio.

4. Financial information

4.1 Anticipated returns

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 CEE.

4.2 Financial information

The condensed consolidated interim financial statements for the six-month period to 31 December 2016 can be found in Annexure 6.

Extracts of the audited consolidated annual financial statements of MAS for the financial year ended 30 June 2016 can be found in Annexure 6 with comparable information for the financial years ended 30 June 2015 and 30 June 2014.

The integrated annual reports for the financial years ended 30 June 2016, 30 June 2015 and the audited consolidated annual financial statements for the financial year ended 30 June 2014 can be found on the Company's website: www.masrei.com.

The compilation, contents and presentation of the financial information in these Detailed Listing Particulars and the annexures is the responsibility of the directors.



IMPORTANT DATES AND TIMES¹

2017

Announce the issue of the Detailed Listing Particulars on the LuxSE website and SENS	Thursday, 30 March 2017
Payment of subscription amount and accounts at CSDP, banks or brokers updated on or after 08:00 on	Thursday, 30 March 2017
Listing of private placement shares and March 2017 scrip dividend shares on Euro-MTF market and the JSE at commencement of trade on	Thursday, 30 March 2017

¹ All references to time are CET. The above dates and times are subject to amendment. Any such amendment will be released on the LuxSE website and SENS.



DEFINITIONS

In these Detailed Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and vice versa, words denoting one gender include the other genders, expressions denoting natural persons include juristic persons and associations of persons and vice versa, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“Alt^x”	the Alternative Exchange of the JSE, the exchange where MAS had its secondary listing until its migration to the main board of the JSE on 18 December 2014;
“applicants”	existing shareholders and new investors;
“Attacq”	Attacq Limited (previously Atterbury Investment Holdings Limited) (Registration number 1997/000543/06), a company incorporated in accordance with the laws of South Africa with its registered address at The Parkdev Building, 2 nd Floor, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, 0180, South Africa, and listed on the JSE, or any wholly owned subsidiary of Attacq through which its transacts;
“bps”	basis points;
“the board” or “the directors”	the board of directors of MAS, particulars of whom are set out in Annexure 1 ;
“business day”	any day other than a Saturday, Sunday or official public holiday in any of the BVI, the IOM, Luxembourg and/or South Africa;
“BVI”	British Virgin Islands;
“CEE”	A group of Eastern European nations that are members of the European Union, Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria, Slovenia and Croatia;
“certificated shareholders”	shareholders who have elected to hold their MAS shares in certificated format;
“CET”	Central European time (which at the last practicable date is one hour behind South African time);
“CHF”	Swiss Franc, the official currency of Switzerland;
“Clearstream”	Clearstream Banking S.A., a clearing and settlement house in Luxembourg;
“Clearstream system”	a clearing and settlement environment for security transactions to be settled and transfer of ownership to be recorded electronically, managed by Clearstream;
“Closed-Ended Investment	means a company with a capital structure in which investors have



Company”	no right against the company to redeem their investment and where the realisation by a shareholder of his investment occurs through the sale of shares to third parties;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK and Ireland Ltd is the operator (as defined in CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and such other regulations made under Section 783 to 788 (inclusive) of the Companies Act 2006 as are applicable to Euroclear UK & Ireland Ltd and/or the CREST Service and are from time to time in force;
“CSDP”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“custody agreement”	the agreement which regulates the relationship between the CSDP, bank or broker and each beneficial holder of dematerialised shares;
“dematerialisation”	the process whereby certificated shares are replaced by electronic records of ownership under Strate and recorded in the sub-register of shareholders maintained by a CSDP or broker;
“dematerialised shares”	shares which have been incorporated into the CREST or Strate systems and which are no longer evidenced by certificates or other physical documents of title;
“dematerialised shareholders”	shareholders who have elected to hold their shares in dematerialised format;
“Detailed Listing Particulars”	these Detailed Listing Particulars dated Monday, [30 March 2017] and the annexures thereto;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the board;
“ECB”	European Central Bank;
“Euribor”	the relevant reference rate provided by leading banks in the European interbank market;
“Euro” or “€”	Euro, the currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome in 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992);
“Euro-MTF market”	the Euro-MTF market of the Luxembourg Stock Exchange, the



	exchange where MAS has its primary listing;
“Europe”	all the Member States of the European Union;
“European share register”	the share register maintained on behalf of the Company in Europe by the BVI Registrar, full details of which are set out in the “Corporate Information” section;
“final issue price”	R21,00 (equivalent to €1,5328);
“GBP” or “£”	Pounds Sterling, the official currency of the United Kingdom;
“GLA”	the gross lettable area, being the total area of a property that can be rented to a tenant;
“Group”	collectively, MAS, its subsidiaries, its associates and any company controlled by any of the subsidiaries;
“investment adviser”	MAS Property Advisors Limited (Registration number 3542V), a company incorporated in accordance with the laws of the IOM and in which the Company acquired 100% of the issued shares on 15 October 2014 thereby internalising the investment advisory function of MAS;
“IOM”	Isle of Man;
“IOM independent auditors”	KPMG Audit LLC (Registration number 617L), registered accountants and auditors in the IOM;
“Java Capital”	collectively, Java Capital (Proprietary) Limited (Registration number 2002/031862/07) and Java Capital Trustees and Sponsors (Proprietary) Limited (Registration number 2006/005780/07), full details of which are set out in the “Corporate Information” section;
“JSE”	JSE Limited, (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the Financial Markets Act (Act No. 19 of 2012), as amended;
“JSE Listings Requirements”	the JSE Listing Requirements, as issued by the JSE from time to time;
“last practicable date”	the last trading date before the practical finalisation of these Detailed Listing Particulars, being Friday, 17 March 2017;
“LIBOR”	the London Inter-Bank Offer Rate;
“listing date”	Thursday, 30 March, being the date of listing of the private placement shares and the March 2017 scrip dividend shares in terms of the approval granted by the LuxSE and the JSE;
“LTV”	loan to value;
“LuxSE”	the Luxembourg Stock Exchange;



“LuxSE Listings Requirements”	the Rules and Regulations of the Luxembourg Stock Exchange;
“MAS” or “the Company”	MAS Real Estate Inc. (Registration number 1750199 in the BVI), a public limited company registered in accordance with the laws of the BVI and registered as an external company in South Africa and as a foreign company in the Isle of Man;
“MAS (BVI)”	MAS (BVI) Holdings Limited (Registration number 1514048), a private company incorporated in accordance with the laws of the BVI with a registered address at Midocean Chambers, Road Town Tortola, British Virgin Island, and a wholly owned subsidiary of MAS;
“MAS shares” or “shares”	ordinary shares of no par value in the share capital of MAS;
“MAS shareholders” or “shareholders”	registered holders of MAS shares;
“net asset value”	the most recently calculated net asset value of the Company;
“the Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 of the UK, as amended;
“participants”	participants in the share incentive scheme, details of which are set out in paragraph 7 of Annexure 4 ;
“Prime Kapital Development JV”	the joint venture with Prime Kapital in terms of which MAS has committed to invest an initial €20 million for ordinary equity in the JV, for a 40% equity interest. MAS has committed to invest an additional €100m in the JV, by way of subscription for preference shares to be drawn down by the JV over a four-year period.
“Prime Kapital Investment JV”	a long term co-investment agreement with Prime Kapital that creates strong alignment of interest. This is effected via a notional 80/20 full recourse loan model with no management fees, where by the Company funds Prime Kapital’s 20% co-investment stake at the joint ventures weighted average cost of debt. All future acquisitions made under this co-investment agreement shall result in the same effective economic interest for MAS as stated above.
“private placement”	the private placement to applicants by MAS of 83 333 332 million shares at the final issue price, thereby raising R 1 749 999 972 (approximately € 127 733 495);
“private placement shares”	83 333 332 million MAS shares offered to applicants for subscription in terms of the private placement;
“property portfolio”	the property portfolio held by the Group
“R” or “ZAR”	South African Rand, the official currency of South Africa;
“RPI”	retail price index for all areas;
“SARB”	the South African Reserve Bank;



“Share Scheme”	the share incentive scheme, details of which are set out in paragraph 7 of Annexure 4 ;
“the Securities Act”	the United States Securities Act of 1933, as amended;
“SENS”	the Stock Exchange News Service of the JSE;
“share registers”	collectively, the European share register and the South African share register;
“significant shareholders”	applicants who, prior to or following admission or a transfer of shares, have holdings of 10% or more of the issued share capital of MAS;
“South Africa”	the Republic of South Africa;
“South African share register”	the share register maintained on behalf of the Company in South Africa by the South African transfer secretaries, full details of which are set out in the “Corporate Information” section;
“SPV”	special purpose vehicle;
“sq ft”	square feet;
“sq m” or “m2”	square metres;
“Strate”	Strate Limited (Registration number 1998/022242/06), a public company incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
“Strate system”	a clearing and settlement environment for security transactions to be settled and transfer of ownership to be recorded electronically, managed by Strate;
“UK”	United Kingdom of Great Britain and Northern Ireland.



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 (Registered in the British Virgin Islands)
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 JSE Share code: MSP
 SEDOL (EMTF): B96VLJ5
 SEDOL (JSE): B96TSD2 ISIN: VGG5884M1041
 (“MAS” or “the Company”)

DETAILED LISTING PARTICULARS

SECTION 1 – INFORMATION ON THE GROUP

1. History and background of the Company

MAS was incorporated in the IOM on 3 July 2008 under the name of Mergon Property Holdings Limited. The Company changed its name to MAS plc on 4 March 2009, and to MAS Real Estate Inc. on 4 January 2013 at the same time as redomiciling from the Isle of Man to the BVI.

MAS was registered as an external company in South Africa on 8 January 2010 and on the Foreign Companies register in the Isle of Man on 21 March 2013.

2. The MAS shares have been admitted on the official list of the LuxSE and traded on the Euro-MTF market on 12 August 2009. On 18 December 2014 the Company migrated its listing on the JSE from the AltX to the main board. MAS is dual-primary listed on the LuxSE and the JSE.

3. Overview of MAS

3.1 Introduction

MAS is a commercial property investor, developer and operator listed on the main board of the JSE and the Euro-MTF market of the LuxSE.

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 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.

MAS is internally managed, combining investment, development and asset management skills. Developments are undertaken both directly and by teaming up with strong developers that have intimate knowledge of the local markets and by agreeing terms that lead to a strong alignment of interests.

MAS has assembled a high quality portfolio of commercial property and developments across Western Europe and is currently expanding into CEE in two joint ventures with Prime Kapital, a development joint venture and a co-investment joint venture focussed on income-generating assets. Prime Kapital is a real estate development and investment business, founded by Martin Slabbert and Victor Semionov, with a team that has significant experience and a proven track record in real estate development and management in CEE. Both MAS’ current developments, and its joint ventures with Prime Kapital, bring significant accretive



pipeline to MAS, which will add significantly to its earnings and distributions on a per share basis.

The execution of MAS' pipeline of developments and potential acquisitions, as set out above, requires additional equity.

MAS is subject to the BVI Business Companies Act, 2004 and according to such law the Company is not required to include a specific objects clause in its memorandum of association. A BVI company has full capacity to carry on any business or activity, do any act or enter into any transaction. The object of the Company can be determined by its board of directors and the object as aforementioned in this paragraph has been accepted by the directors as the objective of the Company.

3.2 Growth strategy and prospects

Established in 2008, MAS has assembled, through acquisitions and developments, a high quality portfolio of retail, industrial, logistics and hotel properties in the United Kingdom, Germany, Switzerland and more recently Poland, Romania and Slovenia.

Asset prices in Western Europe have increased in recent years and acquisition opportunities that offer an attractive return on equity are harder to find. MAS' focus in Western Europe is now on opportunities that can deliver substantial value through active asset management, development and re-development.

Although CEE markets have increased in price, attractive opportunities are still available that are backed by a combination of relatively high initial acquisition yields, substantial growth prospects and attractive debt terms. Even more appealing is the development market that is supported by rapidly expanding purchasing power and, in some cases, sub-optimally designed or undersized assets ripe for re-development or displacement.

Accordingly, MAS has embarked upon expansion into the growing economies of CEE. To facilitate the expansion, MAS has partnered with Prime Kapital, a management team with exceptional development, investment and financing experience in these markets.

4. DIRECTORS AND EMPLOYEES

A summary of the directors' details, experience and expertise, interests, remuneration, terms of office, and declarations set out in Annexure 1.

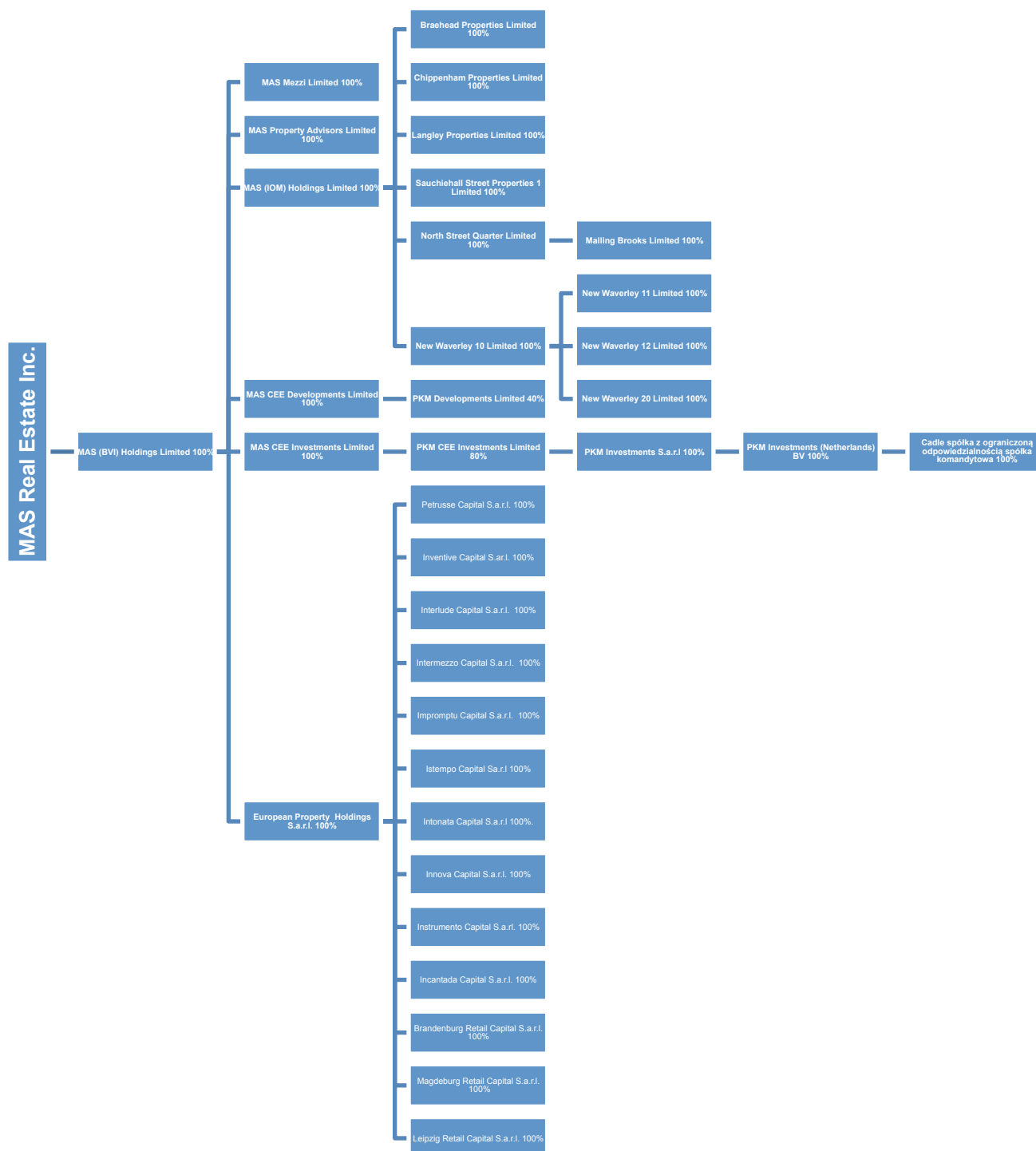
The number of Company employees as at the last 3 financial years ended 30 June and the last interim reporting period for the six months ended 31 December 2016:

	Directors and employees
31 December 2016	25
30 June 2016	23
30 June 2015	20
30 June 2014	7



5. GROUP STRUCTURE

The MAS Group structure at the last practicable date is set out below:





6. SUBSIDIARIES AND ASSOCIATES

Details of the subsidiaries and associates of MAS are set out in **Annexure 2**.

7. PORTFOLIO INFORMATION

7.1 Property portfolio

Details of the property portfolio are set out in **Annexure 3**.

7.1.1 Potential acquisition pipeline – Prime Kapital Investment JV

The Group has secured exclusivity in relation to a large acquisition in excess of €50 million, with significant value-add potential. The acquisition comprises of dominant retail assets in secondary cities in CEE. Due diligence is well advanced.

In addition, the board of directors are confident that attractive pipeline assets remain available in the current market.

7.1.2 Potential development pipeline – Prime Kapital Development JV

CEE

Emonika mixed use retail, office and hotel development, Slovenia

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, the Republic of Slovenia and the city of Ljubljana, in the heart of the country's capital Ljubljana. The project entails the development of a 59 000 square metre 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, Romania

During 2016 the Prime Kapital 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, Romania

In February 2017 the Prime Kapital 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, Romania

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 CEE 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.



7.1.3 Potential development pipeline – New Waverley Phase II

The New Waverley Phase I 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 selected as development partner to deliver approximately 19 000 square metres of Grade A office 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 (up to) an additional 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 facilitate 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.

8. PROPERTIES ACQUIRED, TO BE ACQUIRED, OR DISPOSED OF

8.1 Principal immovable property owned and leased

8.1.1 Save for the immovable property set out in paragraph 6.1, the Company does not own any other immovable property.

8.1.2 The Company does not lease any immovable property.

8.2 Principal immovable property acquired or to be acquired

8.2.1 Save for the immovable property set out in paragraph 6.1 above, the Company has not acquired or proposed to acquire any other immovable property since incorporation.

8.3 Subsidiaries acquired in the past three financial years or to be acquired

8.3.1 On 15 October 2014, the Group acquired 100% of the issued shares in MAS Property Advisors Limited for an aggregate price of EUR 25 million. The purchase price was partly settled by way of cash payment of EUR 12,5 million and the balance was settled through the issuance of 9 751 326 shares at a price per share of EUR 1,28188 (ZAR 17,95166).

The transaction internalised the investment advisory function of MAS.

8.4 Except for the Nova Park acquisition, which was funded on an interim basis, the issue of the private placement shares and the receipt of the private placement proceeds do not coincide, directly or indirectly, with the acquisition by the Group, of securities in or of the business undertaking of any other company.

8.5 As a property investor, developer and operator, properties are occasionally disposed for a variety of reasons. Detail of the properties owned by the Group at the last practicable date are presented in **Annexure 3**.



9. SHARE CAPITAL OF THE COMPANY

Details of shareholders holding more than 10% of the issued share capital and the shares issued since the Company's incorporation as well as the current capital structure and the expected capital structure subsequent to the conclusion of the private placement are included in **Annexure 4**. Rights attached to the shares are included in **Annexure 5**.

10. FINANCIAL ACCOUNTS OF THE COMPANY

MAS produces audited consolidated annual accounts and condensed consolidated interim half year accounts. All audited consolidated annual accounts and condensed consolidated interim half year accounts are available on the Company's website (www.masrei.com) free of charge.



SECTION 2 – DETAILS OF THE PRIVATE PLACEMENT

1. PURPOSES OF THE PRIVATE PLACEMENT

- 1.1 MAS has a significant pipeline of potential acquisitions and future developments. These include the Prime Kapital investment and development joint ventures. In addition, MAS recently acquired Nova Park, which was funded on an interim basis.
- 1.2 The proceeds of the placements will be used to finance MAS' pipeline of potential acquisitions and future developments, and replace interim acquisition funding, as set out above. The only effect on MAS' statement of financial position would be an increase in stated capital and, potentially, a reduction in financial liabilities.

2. DETAILS OF THE PRIVATE PLACEMENT

- 2.1 The private placement shares were offered for subscription to existing and new shareholders in compliance with the articles of association of MAS which are available on the Company's website www.masrei.com. Specifically, pre-emptive rights are not applicable to this placement due to the vendor consideration nature of the placement, as well as the General Authority to issue shares given by shareholders at the Company's AGM held on 17 February 2017.
- 2.2 No offers were made to the public in respect of the private placement. The private placement was open to applicants only.
- 2.3 The placement shares will only be issued on market as listed shares.

3. TERMS, CONDITIONS AND PAYMENT

- 3.1 Applications for the shares have already been obtained by the Company secretary (whose full details are to be found in the Corporate Information section).
- 3.2 The application forms may not be ceded, renounced or assigned in favour of anyone else by the applicant to whom it is addressed.
- 3.3 The application forms are irrevocable and may not be withdrawn now that they have been received by the Company secretary, Java Capital, M Partners, the South African transfer secretaries, the BVI Registrar (who ensures financial service in Luxembourg), the CSDP's, banks or the brokers.
- 3.4 Payment and delivery for applicants wishing to acquire shares via the Euro-MTF market of the LuxSE
 - 3.4.1 Payment may only be made by bank guaranteed cheque (crossed "not transferable"), banker's draft or internet transfer (followed by faxed or electronic proof of payment to the Company secretary in the case of internet transfers). Postal orders, cash or telegraphic transfers will not be accepted. Cheques must be made payable in favour of "MAS private placement". All cheques and bankers drafts will be deposited by MAS immediately upon receipt into the designated account of MAS.
 - 3.4.2 No applicants have elected to receive physical share certificates.



- 3.5 MAS shares will only be traded on the LuxSE and the JSE in electronic form, and as such, all shareholders need to dematerialise their shares, at their own expense, should they wish to trade therein. Applicants are advised that it takes between one and ten days to dematerialise certificated shares, depending on volumes being processed by CREST or Strate at the time of dematerialisation.

4. RESERVATION OF RIGHTS

The board has made, in its sole discretion, the appropriate allocations to applicants on a fair and reasonable basis.

5. ISSUE OF PRIVATE PLACEMENT SHARES

- 5.1 All private placement shares will be issued at the expense of MAS.
- 5.2 All private placement shares issued will rank *pari passu* in all respects with the existing shares in issue.
- 5.3 The issue of the private placement shares has not been underwritten or guaranteed.

6. FUTURE CAPITAL RAISING

It is the intention of the Company to raise additional capital in the future. The expansion of the capital base will be undertaken to exploit continued investment opportunities for the expansion of the Company's overall portfolio.

7. LISTING STATEMENT

7.1 LuxSE approval

Application will be made to the LuxSE for admission of the private placement shares on the official list of the LuxSE and to trade on the Euro-MTF market.

Application will be made to the JSE for the approval of the listing of the private placement shares.

7.2 Trading MAS shares on the LuxSE and the JSE

Shareholders are advised that their MAS shares will only be traded on the Euro-MTF market and the main board of the JSE in dematerialised form and accordingly all shareholders who hold their MAS shares on either the European share register or South African share register in certificated form will have to dematerialise their share certificates, at their own expense, in order to trade their MAS shares on the Euro-MTF market or the main board of the JSE. Such shareholders must make arrangements with their CSDP, bank or broker in terms of the custody agreement with their CSDP, bank or broker.



SECTION 3 – FINANCIAL INFORMATION OF MAS

1. HISTORICAL FINANCIAL INFORMATION OF MAS

- 1.1 The audited consolidated annual financial statements of MAS for the financial years ended 30 June 2016, 2015 and 2014 are available on the Company's website: www.masrei.com. Extracts of the audited consolidated annual financial statements of MAS for the financial years ended 30 June 2016, 2015 and 2014 are presented in **Annexure 6**.
- 1.2 The condensed abridged consolidated interim financial statements of MAS for the six months ended 31 December 2016 are also available on the Company's website: www.masrei.com. Extracts thereof are presented in **Annexure 6**.
- 1.3 The compilation, contents and presentation of the financial information in these Detailed Listing Particulars and the annexures is the responsibility of the directors.

2. DISTRIBUTIONS

- 2.1 The Company aims to provide an investment to shareholders that maximises shareholder value by adopting a growing income distribution policy. It is the Company's intention to distribute on a semi-annual basis all of its distributable earnings, subject to applicable laws and periodic repayment obligations under any amortising loan facilities. Other than in unforeseen and exceptional circumstances, it is not the intention to retain income for investment purposes. Where funds are required to grow the investment portfolio, the Company will ordinarily look to achieve this by raising fresh funds from shareholders or the market.
- 2.2 Distributions will be declared and paid in terms of any LuxSE and JSE timetables that may be applicable in respect to the declaration and payment of distributions by the Company.
- 2.3 In terms of the Company's articles of association, any distribution that remains unclaimed for a period of three years after having been declared by the Company shall revert to the Company.



2.4 Over the past three financial years the Company has paid the following distributions:

In respect of the 6 months ended	Distribution per share (Euro cents)
31 December 2013	0,60
30 June 2014	1,24
31 December 2014	1,15
30 June 2015	2,20
31 December 2015	2,27
30 June 2016	2,23
31 December 2016 (declared but not paid at the last practicable date)	2,66

MAS has had no share splits/consolidations, bonus issues or other dilutionary rearrangement of capital. Prior period distributions are comparable.

- 2.5 There is no arrangement under which future distributions will be waived or have been waived. However, the articles of association of the Company do provide for the waiver of distributions under certain circumstances.
- 2.6 Applicants are advised that the board of directors of the Company has declared a distribution of 2.66 euro cents in respect of the six months ended 31 December 2016. This private placement will have no entitlement to the distribution for the six months ended 31 December 2016.

3. MATERIAL CHANGES

- 3.1 Since the release of the financial statements for the six-month period to 31 December 2016, there have been no material changes, except for any announced via website of the LuxSE and via SENS, in the:
- 3.1.1 Financial or trading position of MAS;
 - 3.1.2 Business of the Group; or
 - 3.1.3 Trading objects of the Group.



SECTION 4 – ADDITIONAL MATERIAL INFORMATION

1. TAXATION

The following statements on taxation are based on advice received by the directors regarding the laws and practice in force in the relevant jurisdictions at the date of issue of these Detailed Listing Particulars.

1.1 Taxation of MAS

1.1.1 MAS is resident for tax purposes:

- (a) In the BVI and is exempt from income tax. There is no withholding tax payable by the Company in the BVI.
- (b) In the Isle of Man, where the rate of corporate tax is nil. There is no withholding tax payable by the Company in the IOM.

1.1.2 MAS is also exempt from capital gains tax in the BVI and the IOM. No BVI or IOM stamp duty or similar tax will be payable on the issue or transfer of shares in MAS.

1.2 Taxation of property investments

1.2.1 Rental income

Rental income is typically taxable in the jurisdiction in which the physical property is situated. Depending upon the jurisdiction, various deductions are permitted for allowable expenses, as well as capital allowances. The effective tax rate on taxable income differs by jurisdiction, ranging from 20% in the UK to 15,875% in Germany.

1.2.2 Capital gains

- (a) Sale of property: the sale of real estate by the property owning SPVs triggers the potential for capital gains taxes to be paid in the jurisdiction of the property. In some jurisdictions, such as the UK, the investing versus trading analysis is complicated, with capital gains from investment taxed in the jurisdiction of the investing company, being the Isle of Man. In other jurisdictions the effective rate of capital gains tapers off as the holding period of the investment increases. The effective rate of capital gains tax is up to a maximum of 20% in the UK.
- (b) Sale of shares in property-owning SPVs: in particular jurisdictions, capital gains taxes can be avoided by disposing of the shares in the SPV that owns the property, as opposed to the SPV itself. Such transactions are typically less common in the market in which the Company invests, but can lead to other benefits, including the avoidance of property transfer taxes.

1.2.3 Taxation on profit distribution from intermediary holding companies

MAS (BVI), the Group investment company, seeks to optimise the efficiency of the Group by structuring its investments in an appropriate manner. Certain jurisdictions do impose withholding taxes on interest and/or dividends, which can impact the amount of profit transferable to the parent company within the Group.



1.2.4 Taxation on profit distribution from the IOM property holding company

There is no withholding tax on the payment of distributions from an IOM company to another IOM company, and from an IOM company to a BVI company, meaning that there can be efficient profit distribution to MAS in respect of the UK real estate investments.

2. COMMISSIONS PAID OR PAYABLE

- 2.1 The Company has not paid any commission or consideration in respect of underwriting other than in the normal course of business during the three years preceding the date of these Detailed Listing Particulars.
- 2.2 In the three financial years preceding the date of the Detailed Listing Particulars, no commission, discount, brokerage or other special terms have been granted by MAS in connection with the issue or sale of any shares in MAS, save for the following:
 - 2.2.1 ZAR 36 806 040 paid to Java Capital, EUR 17 737 to M Partners, ZAR 2 523 326 to Sanlam Private Investors, and EUR 30 160 to Sabre Investments in terms of the private placement in March 2014;
 - 2.2.2 ZAR 31 074 to PSG Konsult Group, a South African financial services firm in terms of the private placement in September 2014;
 - 2.2.3 ZAR 32 000 to Java Capital for placement of scrip dividends in November 2014;
 - 2.2.4 ZAR 32 000 to Java Capital for placement of scrip dividends in April 2015;
 - 2.2.5 ZAR 32 000 to Java Capital for placement of scrip dividends in November 2015
 - 2.2.6 ZAR 32 000 to Java Capital for placement of scrip dividends in March 2016
 - 2.2.7 EUR 7 280 to M Partners, ZAR 3 128 400 to Java Capital and ZAR 166 705 to the JSE in terms of the private placement in March 2016;
 - 2.2.8 ZAR 76 088 to Strate Central Securities, ZAR 262 856 to the JSE and ZAR 2 500 000 to Java Capital in terms of private placement in July 2016; and
 - 2.2.9 ZAR 177 233 to the JSE and ZAR 18 317 to Strate Central Securities for the placement of Scrip dividends in November 2016.

3. AMOUNTS PAID OR PAYABLE TO PROMOTERS

- 3.1 In the three financial years preceding the date of these Detailed Listing Particulars, no promoter of MAS has had any material beneficial interest, either directly or indirectly, in the promotion of the Company.
- 3.2 No promoter of MAS has had any material beneficial interest, either directly or indirectly, in any property acquired or to be acquired by MAS.
- 3.3 The Company has not entered into any promoter's agreements during the three years preceding the date of these Detailed Listing Particulars.



4. ADVISERS' INTERESTS

None of the advisers in their capacity as such, whose names are set out in the "Corporate Information" section of these Detailed Listing Particulars, hold any shares in or have agreed to acquire any shares in the Company at the date of these Detailed Listing Particulars.

5. CODE OF CORPORATE PRACTICE AND CONDUCT

- 5.1 MAS and its directors are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.
- 5.2 Although not required to so by the laws of BVI, for good corporate governance reasons, MAS holds a shareholders' meeting at least once every year. The most recent such meeting took place on 17 February 2017.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page iv of these Detailed Listing Particulars, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that these Detailed Listing Particulars contain all information required by the LuxSE Listings Requirements.

7. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which MAS is aware, which may have or have had a material effect on the financial position of the Group in the last 12 months.

8. PAYING AGENT

CREST and Strate have been retained to act as paying agents for the listing of the private placement shares.

Shareholders must ensure that their chosen bank or broker (i) has access to a Clearstream securities and cash account and (ii) is able to effect trades on the Euro-MTF market of the LuxSE.

In cases where a scrip dividend is declared, Computershare Investors Services (BVI) Limited issues scrip dividend shares into the Crest account of Clearstream, for onward transfer into the Clearstream system and final allocation to the bank's or broker's Clearstream account. Banks and brokers must instruct Clearstream appropriately to ensure that the onward transfer of the shares from the Crest account of Clearstream into the Clearstream system is properly matched and the shares correctly allocated to the bank's or broker's relevant Clearstream account. Cash dividends due to shareholders on the LuxSE are paid to the Crest account of Clearstream whereafter such dividends are distributed to the banks or brokers holding accounts with Clearstream for onward distribution to shareholders.



9. PRELIMINARY EXPENSES AND ISSUE EXPENSES

The preliminary expenses and issue expenses that are expected to be or have been incurred in connection with the private placement are set out below:

Description	Payable to	€ (excluding VAT)
LuxSE listing fees	LuxSE	2 500
JSE listing fees	JSE	3 000
Corporate advisor, JSE sponsor fee and capital raising fee	Java Capital	700 000
SA transfer secretaries	Computershare	3 000
Depository	Computershare	13 000
BVI Registrar	Computershare	3 000
Luxembourg listing agent	M Partners	20 000
Total		744 500

ANNEXURE 1 – DETAILS OF THE DIRECTORS OF MAS

1. DETAIL OF THE DIRECTORS

The full names, ages, nationalities, capacities and business addresses of the directors of MAS are outlined below

Full name (Nationality)	Age	Capacity	Business Address	Date of appointment
Lukas Nakos (British)	41	Chief Executive Officer	2 nd Floor Clarendon, Victoria Street, Douglas IOM IM1 2LN	3 July 2008
Malcolm Howden Levy (British)	40	Chief Financial Officer	2 nd Floor Clarendon, Victoria Street, Douglas IOM IM1 2LN	16 February 2009
Jonathan Felix Knight (British)	50	Chief Investment Officer	9 St Thomas Street, London, SE1 8RS, United Kingdom	12 August 2014
Jaco Jansen (British)	44	Independent non-executive director	2 nd Floor Clarendon, Victoria Street, Douglas IOM IM1 2LN	16 July 2009
Gideon Johannes Oosthuizen (South African)	49	Independent non- executive director	Atterbury Building Lynnwood Bridge 4 Daventry Street Lynnwood Manor 0181 South Africa 0043	16 February 2009
Ronald Charles Spencer (British)	69	Chairman, Independent non- executive director	Carefree Cottage Mount Rule Braddan IOM M4 4HT	16 July 2009
Morné Cornelius Wilken (South African)	45	Non-executive director	Building 2, 2 nd Floor Maxwell Office park Magwa Crescent, Westfall, Midrand, South Africa	12 August 2014
Pierre Francois Goosen (British)	38	Non-executive director	4 th Floor European House, 22-24 Victoria Street, Douglas, IOM, IM1 2LE	12 August 2014



2. EXPERIENCE OF THE DIRECTORS

2.1. Lukas Nakos – (B.BusSc)

Lukas is a co-founder of the business and has served as CEO since the establishment of the Group. He is experienced in setting up and managing European real estate portfolios and has been involved in the European real estate markets since 2002. Lukas is based in the IOM.

2.2. Malcolm Howden Levy – (M.Com, MBA (Oxon), CA (SA), CFA)

Malcolm is a co-founder of the business and has served as CFO since the establishment of the Group. He was previously an equities fund manager and investment analyst in London. Malcolm is based in the IOM.

2.3. Jonathan Felix Knight – (B.Sc (Hons), MRICS)

Jonathan joined the Group as Chief Investment Officer in 2014. Jonathan has over 25 years' experience in the real estate industry, most recently as a director at ING Bank in London and Amsterdam, working on various European and global real estate projects. Jonathan is based in London.

2.4. Jaco Jansen – (B.Com Hons., CA (SA))

Jaco is an independent non-executive director of MAS. Previously Jaco was the head of the investment services division at a global wealth advisory and administration business managing in excess of \$500 million for private clients and advising on a multi-asset class basis to institutional clients with \$2,3 billion of assets. Jaco is based in the Isle of Man.

2.5. Gideon Johannes Oosthuizen – (B.Eng Mech)

Gideon is an independent non-executive director of MAS. He heads up Atterbury Europe, and is an executive director of the Atterbury Property Group, a leading South African real estate development and investment group with assets exceeding \$1,5 billion. Gideon is based in South Africa.

2.6. Ronald Charles Spencer (C.Dir)

Ron is an independent non-executive director and the chairman of MAS. He was managing director of Merrill Lynch Investment Managers Holdings (IOM) Limited, and is now the chair of the Isle of Man Gambling Supervision Commission. Ron is based in the Isle of Man.

2.7. Morné Cornelius Wilken (B.Eng (Hons) Industrial)

Morné is a non-executive director of MAS. He is the CEO of Attacq Limited and has extensive experience in property development, investment, finance and corporate restructuring. Morné is based in South Africa.

2.8. Pierre Francois Goosen (B.Com (Law), LLB, MBA)

Pierre is a non-executive director. He is managing director of Argosy Capital, a European based private equity and venture capital investment business. Prior to joining Argosy, Pierre worked at two highly regarded international law firms practising as a commercial, private equity and funds lawyer. Pierre is based in the Isle of Man.



3. REMUNERATION OF the DIRECTORS

3.1. The director's remuneration for the financial year ended 30 June 2016 is as follows:

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

Notes:

1. The amounts include all forms of remunerations received by the directors from the issuer and its subsidiaries.
 2. The directors have received no other material benefits or received any sums by way of an expense allowance.
 3. MAS has no commission, gain or profit-sharing arrangements with any director.
 4. MAS has not granted any share options to the directors.
- 3.2. MAS has not paid any other fees or incurred any fees that are payable to a third party in lieu of directors' fees.
- 3.3. There will be no variation in the estimated remuneration receivable by any of the directors as a direct consequence of the private placement.
- 3.4. MAS has not paid any amounts (whether in cash or in securities), nor given any benefits to any directors or to any company in which directors are beneficially interested, or to any partnership, syndicate or other association of which the directors are members, or to any director as an inducement to become a director or otherwise, or for services rendered by directors, or otherwise for services rendered by directors or by the associate company or associate entity in connection with the promotion or formation of the Company. There are no outstanding loans granted by MAS to any of the directors.
- 3.5. Under the terms of the share incentive scheme, approved on 17 February 2017, the following loans were made by the issuer to entities beneficially owned by the following directors to enable those entities to purchase shares. The interest payable is based on the Group's weighted average cost of debt:
- 3.5.1. Lukas Nakos: €8 193 000
 - 3.5.2. Malcolm Levy: €6 554 400
 - 3.5.3. Jonathan Knight: €2 457 900
- 3.6. Save as specified in paragraph 3.5, no transactions have been concluded between MAS and members of the board of directors during either the current financial year or preceding financial years which are unusual in nature or contain unusual conditions.
- 3.7. The business of MAS or any of its subsidiaries, or any part thereof, is not managed or proposed to be managed by any third party under contract or arrangement.



4. INTERESTS OF THE DIRECTORS

- 4.1. Set out below are the interests of directors, including proposed directors, in the Company as at the last practicable date. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest are separately disclosed (this relates principally to the holdings of spouses and minor children):

	Directly	Indirect/Associate	Total	%
Ron Spencer	11 370	-	11 370	0,003
Morné Wilken	55 784	246 000	301 784	0,077
Pierre Goosen	-	3 157 529	3 157 529	0,803
Gideon Oosthuizen	254 505	-	254 505	0,065
Jaco Jansen	-	-	-	0,000
Lukas Nakos	85 143	5 100 659	5 185 802	1,318
Malcolm Levy	11 633	5 568 928	5 580 561	1,418
Jonathan Knight	523 371	1 583 865	2 107 236	0,536
Total	941 806	15 656 981	16 598 787	4,219

- 4.2. On 17 February 2017 shareholders approved the Share Scheme that permits up to 19 029 191 shares of the Company to be issued, on loan account, to members of the management team. The implementation of this scheme will increase the shareholding of the management team in the Company, thereby increasing the alignment of interests.
- 4.3. Save for being a shareholder of MAS or the investment adviser, no director of MAS has had any material beneficial interest, either direct or indirect, in any property acquired or to be acquired by MAS.



ANNEXURE 2 – DETAILS OF SUBSIDIARIES AND ASSOCIATES OF MAS

1. MAS (BVI) was incorporated in the British Virgin Islands on 19 December 2008 under the name of MAS (BVI) Holdings Limited.
2. MAS (BVI) is a wholly-owned subsidiary and its entire shareholding was issued to MAS on incorporation. The subsidiary has an issued share capital of 100 ordinary shares of no par value, which shares were issued to the Company at €1,00 per share. The shares held in the subsidiary have been fully paid-up by the Company and are reflected at €100 in the Company's accounts. As MAS (BVI) is a wholly-owned subsidiary of MAS, it does not produce separate annual financial statements but MAS produces consolidated annual financial statements in respect of the Group.
3. MAS (BVI) in turn has five wholly-owned subsidiaries in the IOM under the name of MAS (IOM) Holdings Limited ("**MAS UK**"), MAS Mezzi Limited, MAS Property Advisors Limited, MAS CEE Developments Limited and MAS CEE Investments Limited. MAS (BVI) also has a wholly-owned subsidiary in Luxembourg under the name of European Property Holdings S.à r.l. ("**EPH**").
4. EPH in turn has thirteen wholly-owned subsidiaries in Luxembourg, as SPV's for property holding as follows:
 - Petrusse Capital S.à r.l., which company holds the Zurich asset;
 - Inventive Capital S.à r.l., which company holds the Aldi portfolio;
 - Interlude Capital S.à r.l., which company holds the Donaueschingen asset;
 - Intermezzo Capital S.à r.l., which company holds the Heppenheim portfolio;
 - Impromptu Capital S.à r.l., which company holds the Toom portfolio;
 - Istempo Capital S.à r.l., which company holds the Gotha asset;
 - Intonata Capital S.à r.l., which company holds the Bruchsal portfolio;
 - Innova Capital S.à r.l., which company holds the Lehtre asset;
 - Instrumento Capital S.à r.l., which company holds Edeka portfolio 1 – Thales;
 - Incantada Capital S.à r.l., which company holds the Munich asset;
 - Brandenburg Retail Capital S.à r.l., which company holds part of Edeka Portfolio 2 - MIHA portfolio;
 - Magdeburg Retail Capital S.à r.l., which company holds part of Edeka Portfolio 2 – MIHA portfolio; and
 - Leipzig Retail Capital S.à r.l., which company holds part of Edeka Portfolio 2 - MIHA portfolio.



5. MAS UK in turn has six wholly-owned subsidiaries incorporated in IOM, as SPV's for property holding, as follows:
 - Braehead Properties Limited, which company holds the Braehead property;
 - Chippenham Properties Limited, which company holds the Chippenham industrial and office park;
 - Langley Properties Limited, which company holds Langley Park – Residential assets;
 - Sauchiehall Street Properties 1 Limited, which is now dormant;
 - North Street Quarter Limited, which company holds the North Street Quarter development and has a wholly owned subsidiary incorporated in IOM, Malling Brooks Limited, which is now dormant; and
 - New Waverley 10 Limited, which company holds New Waverley Phase II Residential, New Waverley Adagio and Retail and New Waverley Phase II Office assets. It also has two wholly-owned subsidiaries incorporated in IOM. New Waverley 11 Limited, which is dormant, and New Waverley 12 Limited, which holds the New Waverley – Whitbread and Arches assets. It also has a wholly owned subsidiary incorporated in the UK on 28 November 2016, New Waverley 20 Limited, which is currently dormant.
6. MAS CEE Developments Limited, which company holds a 40% holding in PKM Developments Limited, an associate of the Group.
7. MAS CEE Investments Limited, which company holds 80% share in PKM CEE Investments Limited.
8. PKM CEE Investments, holds a 100% share of PKM Investments S.a.r.l Limited.
9. PKM Investments S.a.r.l Limited, holds a 100% share of PKM Investments (Netherlands) BV.
10. PKM Investments (Netherlands) BV, holds a 100% share of *Cadle spółka z ograniczoną odpowiedzialnością spółka komandytowa*, which holds our Nova Park asset.
11. Shareholders are referred to the structure of MAS set out in Section 1 of the Detailed Listing Particulars.
12. All the above entities are consolidated into the Group's accounts, with the exception of the associate, namely PKM Developments Limited



The table (1 of 3) below contains more detailed information in relation to MAS' subsidiaries and associates as at the last practicable date:

Name	MAS REI	MAS (BVI) Holdings	MAS PROP	MAS (IOM) Holdings	MAS Mezzi	European Property Holdings	MAS CEE Developments	MAS CEE Investments	Braehead Properties	Chippenham Properties
Registered office	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	Road Town, Tortola, British Virgin Islands	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	121 Avenue de la Faiencerie, L-1511, Luxembourg	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN
Field of activity		Operations company	Investment advisor	IOM holdings company	UK finance company	Luxembourg holding	CEE Investment holding	CEE Investment holding	Property holding	Property holding
Proportion of capital held	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Issued capital	€ 380,583,836	€ 100	£100	£100	£7,000,000	€ 86,868.18	€ 100	€ 100	£1,834,546	£9,697,757
Value of shares in MAS' accounts	€ 380,583,836	€ 100	£100	£100	£7,000,000	€ 86,868.18	€ 100	€ 100	£1,834,546	£9,697,757
Amount still to be paid up	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of distributions received	€ 1,547,971.26	€ 4,590,360	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of debts owed to MAS *	€408,917,511.64 to MAS (BVI) Holdings	€20,352,723.13 to MAS CEE Investments, €3,611,468.80 to Petrusse (CHF3,878,295.54), €32,484,297 to Brandenburg, €11,340,627.36 to European Holdings Limited, €10,471,546.82 to Impromptu, €11,362,041.66 to Incantada, €11,875,001.58 to Innova, €13,259,206.95 to Instrumento, €3,634,182.27 to Interlude, €10,736,180 to Intermezzo, €6,102,635.19 to Intonata, €1,751,107.07 to Inventive, €4,424,937.37 to Istempo, €10,296,598.98 to Leipzig, €18,847,783.99 to Magdeburg, €20,340,610.49 to MAS CEE Developments, €89,452,400.62 to MAS CEE Investments, €9,573,208.05 to MAS IOM, €58,984,082.26 to MAS Mezzi and €87,600 to MAS Property Advisors (£75,000)	£2,494,879.16 to MAS BVI (£2,914,019.97), £314.62 to New Waverley 10 and £1,209,445.19 to MAS REI (£1,412,632.62)	£1,949,999.19 to Sauchiehall	£5,096,522.10 to Braehead, £2,276,102.64 to Chippenham, £8,149,942.59 to Langley, £22,823.94 to Malling Brooks, £1,176,391.05 to New Waverley 12, £33,398,292.20 to New Waverley 10 and £20,240,016.18 to Santon North Street	€1,578,575 to Instrumento	€100 to MAS (BVI) Holdings	€109,549,394.95 to Poland Co	Nil	Nil
Amount of debts owed by MAS *	Nil	€ 100	£100	£100	£7,000,000	€ 86,868.18	€ 100	€ 100	£1,834,546	£9,697,757

* As at 31 December 2016



The table (2 of 3) below contains more detailed information in relation to MAS' subsidiaries and associates as at the last practicable date:

Name	Langley Properties	North Street Quarter	Malling Brooks	New Waverley 10	New Waverley 11	New Waverley 12	Inventive Capital	Interlude Capital	Impromptu Capital	Intermezzo Capital
Registered office	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg
Field of activity	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding
Proportion of capital held	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Issued capital	£6,847,330	£100	£100	£10,140,578	£1	£1	€475 000	€ 532,500	€ 1,557,850	€ 1,396,300
Value of shares in MAS' accounts	£6,847,330	£100	£100	£10,140,578	£1	£1	€475 000	€ 532,500	€ 1,557,850	€ 1,396,300
Amount still to be paid up	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of distributions received	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of debts owed to MAS *	Nil	Nil	£269,771.32 to North Street Quarter	£7,448 to New Waverley 11 and £27,628.25 to New Waverley 12	Nil	Nil	€300,000 to MAS (BVI) Holdings	€470,869.05 to MAS (BVI) Holdings	€1,142,711.91 to MAS (BVI) Holdings	Nil
Amount of debts owed by MAS *	£8,149,942.59 from MAS Mezzi	£20,240,016.18 from MAS Mezzi and £269,771.32 from Malling Brooks	£22,823.94 from MAS Mezzi	£100 from New Waverley 20 Limited, £33,398,292.23 from MAS Mezzi and £314.62 from MAS Property Advisors	£7,448 from New Waverley 10 (Artisan IP10)	£27,628.25 from New Waverley 10 (Artisan IP10), £1,176,391.05 from MAS Mezzi	€1,751,107.07 from MAS (BVI) Holdings	€3,634,182.27 from MAS (BVI) Holdings	€10,471,546.82 from MAS (BVI) Holdings	€10,736,180 from MAS (BVI) Holdings

* As at 31 December 2016



The table (3 of 3) below contains more detailed information in relation to MAS' subsidiaries and associates as at the last practicable date:

	Intonata Capital	Istempo Capital	Innova Capital	Instrumento Capital	Incantada Capital	Brandenburg Retail Capital	Leipzig Retail	Magdeburg Retail Capital	Petrusse Capital
Name									
Registered office	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg	121 Avenue de la Faïencerie, L-1511, Luxembourg
Field of activity	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding	Property holding
Proportion of capital held	100%	100%	100%	100%	100%	100%	100%	100%	100%
Issued capital	€ 1,081,525	€ 618,325	€ 12,500	€ 12,500	€ 12,500	€ 12,500	€ 12,500	€ 12,500	CHF4,260,000
Value of shares in MAS' accounts	€ 1,081,525	€ 618,325	€ 12,500	€ 12,500	€ 12,500	€ 12,500	€ 12,500	€ 12,500	CHF4,260,000
Amount still to be paid up	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of distributions received	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount of debts owed to MAS *	€329,921.43 to MAS (BVI) Holdings	€611,842.90 to MAS (BVI) Holdings	€426,000 to MAS (BVI) Holdings	€633,000 to MAS (BVI) Holdings	Nil	€526,000 to MAS (BVI) Holdings	Nil	€236,000 to MAS (BVI) Holdings	CHF846.78 to European Holdings (€788.52)
Amount of debts owed by MAS *	€6,102,635.19 from MAS (BVI) Holdings	€4,424,937.37 from MAS (BVI) Holdings	€11,875,001.58 from MAS (BVI) Holdings	€1,578,575 from European Holdings and €13,259,206.95 from MAS (BVI) Holdings	€11,362,041.66 from MAS (BVI) Holdings	€32,484,297 from MAS (BVI) Holdings	€10,296,598.98 from MAS (BVI) Holdings	€18,847,783.99 from MAS (BVI) Holdings	CHF3,878,295.54 from MAS (BVI) Holdings (€3,611,468.80)

* As at 31 December 2016



ANNEXURE 3 – DETAILS OF THE PROPERTY PORTFOLIO

										MAS' Share	
	Location	Asset type	Ownership	Completion date	Currency	No of assets	GLA	Occupancy	WALT	Book Value	Passing rent
							m ²	%	years	€m	€m
Income-generating portfolio						43	322,598	97,7%	11,08	406,44	27,98
Nova Park	Poland	Retail	80%	28.11.2016	EUR	1	32 580	95,3%	4,46	75,062	4,663
Edeka portfolio 2 - MIHA	Germany	Retail	100%	30.08.2016	EUR	20	51 109	100,0%	14,43	55,13	3,86
Heppenheim park	Germany	Retail	100%	2015	EUR	1	24 644	85,7%	7,92	27,90	2,29
Toom portfolio	Germany	Retail	100%	2015	EUR	3	25 291	100,0%	12,33	29,04	2,20
Edeka portfolio 1 - Thales	Germany	Retail	100%	2016	EUR	3	21 845	95,8%	14,00	28,98	2,00
Bruchsal	Germany	Retail	100%	2015	EUR	1	7 103	100,0%	5,45	21,70	1,41
Gotha	Germany	Retail	100%	2015	EUR	1	9 442	100,0%	9,49	12,20	0,99
Munich	Germany	Industrial	100%	12.08.2016	EUR	1	13 090	100,0%	2,00	10,50	0,89
Lehrte	Germany	Retail	100%	2016	EUR	1	9 203	100,0%	10,11	10,40	0,76
Donaueschingen	Germany	Retail	100%	2015	EUR	1	8 235	100,0%	12,08	9,60	0,72
Aldi portfolio	Germany	Retail	100%	2009	EUR	5	6 759	100,0%	12,91	8,94	0,60
Whitbread and Arches	UK	Hotel	100%	2016	GBP	1	17 744	100,0%	26,88	40,35	2,13
Chippenham	UK	Industrial	100%	2015	GBP	1	62 897	99,3%	6,90	23,56	2,01
Adagio and retail	UK	Hotel	100%	31.11.2016	GBP	1	8 481	87,5%	19,89	25,46	1,44
Braehead	UK	Industrial	100%	2013	GBP	1	18 476	100,0%	8,12	7,88	0,81
Zurich	Switzerland	Logistics	100%	2010	CHF	1	5 699	100,0%	7,75	19,74	1,21



	Location	Asset type	Ownership	Estimated completion date	Currency	No of assets	Book Value	Development ERV
							€m	€m
Developments						11	24,11	30,00
New Waverley - Phase II	UK	Office	100%	2019	GBP	1	7,05	5,48
Langley Park	UK	Hotel	100%	2018	GBP	1	0,54	0,42
Retail CEE developments	CEE	Retail	40%	2017-2020	EUR	8	4,75 2	24,1
Other CEE developments	CEE	Other	40%	2018-2019	EUR	1	11,77 2	-
Land bank						5	44,29	
North Street Quarter	UK	Residential				1	19,59	-
Langley Park	UK	Residential				2	17,14	-
New Waverley - Phase II	UK	Residential				2	7,56	-



1. DETAILS OF THE PROPERTY PORTFOLIO

1.1. Income-generating portfolio

1.1.1. Nova Park

A dominant regional mall situated in Gorzów. Nova Park has a diversified mix of high quality tenants including international and national brands Bershka, C&A, CCC, Cropp Town, Deichman, Douglas, Empik, H&M, Intersport, KFC, Media Expert, Mohito, New Yorker, Piotr i Pavel, Pull&Bear, Pure Fitness, Reserved, Rossmann, Sephora, Sinsay, Smyk, Stradivarius and Super-Pharm.

1.1.2. Edeka Portfolio 2 – MIHA

A portfolio of 20 retail units let on a long-term basis to Edeka MIHA AG. The Edeka Group is the largest German supermarket corporation, holding a market share of approximately 26% in Germany and operating approximately 4 100 stores under the Edeka brand.

1.1.3. Heppenheim Park

A retail park let on a long-term basis to Bauhaus and Media Markt, part of the of Metro Group. The property has a small office component, partially let to the local government.

1.1.4. Toom Portfolio

A portfolio of three retail warehouses let on a long-term basis to DIY operator Toom, part of the REWE Group, a large German retail and tourism co-operative.

1.1.5. Edeka Portfolio 1 – Thales

A portfolio of 3 retail units let on a long-term basis to Edeka Handelsgesellschaft Südwest GmbH. The Edeka Group is the largest German supermarket corporation, holding a market share of approximately 26% in Germany and operating approximately 4 100 stores under the Edeka brand.

1.1.6. Bruchsal

A retail scheme located in the town centre of Bruchsal in southern Germany. The property is let to leading national and international retailers, including H&M, REWE and Müller.

1.1.7. Gotha

A retail unit located in a well-established trading area and let on a long-term basis to Real, a leading hypermarket chain, part of the Metro Group.

1.1.8. Munich

An industrial property located in Munich, Germany. The property is let to Volkswagen, the leading German auto manufacturer.

1.1.9. Lehtre

A stand-alone retail warehouse let on a long-term basis to OBI, the largest DIY operator in Europe, part of the Tengelmann group.



1.1.10. Donaueschingen

A stand-alone retail warehouse let on a long-term basis to Bauhaus, a pan-European DIY franchise with approximately 250 stores in over 20 countries.

1.1.11. Aldi Portfolio

A portfolio of five stand-alone properties let on a long-term basis to Aldi, a leading global discount supermarket chain with approximately 10 000 stores in 18 countries.

1.1.12. New Waverley – Whitbread and Arches

A mixed-use project developed by MAS in the heart of Edinburgh, Scotland. Phase 1 of the project consists of two hotels and associated retail units, let on a long-term basis to Whitbread Group plc, a FTSE 100 company and operated under the brands Premier Inn and the Hub Premier Inn.

1.1.13. New Waverley – Adagio and retail

A 146 room aparthotel pre-let to Adagio, and guaranteed by both Accor and Pierre & Vacances, with frontage directly onto the Royal Mile, Edinburgh, together with a further 5 retail units. The development completed and has handed over to the tenant in November 2016

1.1.14. Chippenham

A 117 000 sq m industrial warehouse and office park more than half of which is occupied by Siemens, the largest engineering company in Europe, with the balance being let to other strong tenants. The property has an excellent location close to the town centre, adjacent to the town's train station.

1.1.15. Braehead

An industrial warehouse let to Howden Group, a subsidiary of the Colfax Corporation, a NYSE listed industrial solutions provider. The property has good development potential due to its close proximity to the Braehead shopping centre near Glasgow.

1.1.16. Zurich

A logistics warehouse located in proximity to Zurich and is let on a long-term basis to DPD, Europe's second largest parcel delivery network, part of Geo post.

1.2. Development property

1.2.1. New Waverley phase II office

The Group has been selected as development partner to deliver approximately 19 000 square metres of Grade A office space to and is in the process of finalising detailed design and leasing agreements with a significant tenant. More information available at www.newwaverley.com

1.2.2. Langley Park

A development of a 69 room hotel pre-let to Travelodge, together with a café of 2 000 square feet. Planning permission for this development was granted in September 2016, and construction commences before the end of the calendar year.

1.2.3. CEE Developments

This reflects the initial investment into the Prime Kapital Development JV. €20 million has been invested for a 40% stake. Secured projects to date are presented at section 6.1.2.

MAS expects to invest a further €200 million into this joint venture over the next 4 years.

1.3. Land Bank

1.3.1. North Street Quarter

North Street Quarter is a large development site in the heart of Lewes, East Sussex, near to the High Street. The strategy is to deliver a vibrant, mixed-use neighbourhood that will regenerate the area around North Street, including the Phoenix Industrial Estate. This is the largest brownfield site in the South Downs National Park.

Planning permission was granted in December 2015 for a mixed-use scheme. The 15 acre (6,07 ha) development plan has been created in partnership with Lewes District Council, delivering 416 new homes (40% affordable) and 130 000 square feet of commercial space, accommodating c475 full time jobs including workshops; retail space; a health centre; 70 000 square feet of industrial space on the separate Malling Brooks site; new riverside walkway and public square; foot and cycle bridge; and car park.

The final agreements with the planning and local government authorities subsequent to the granting of planning consent are currently being completed with the intention of undertaking a phased roll-out of the disposal strategy for the scheme commencing 2017 through to 2019.

More information available at www.northstreetqtr.co.uk

1.3.2. Langley Park - residential

Langley Park – Residential represents the residential development section of the Chippenham property acquired in 2014. Planning consent was received in September 2016 for 400 residential units – the land for which may be sold in phases to a house builder, or developed for a PRS fund; a 18 740 square feet discount food retailer, the plot for which is pre-sold to the operator; and a further 147 000 square feet of general business and industrial space to be developed in the coming years.

1.3.3. New Waverley - Residential Phase II

New Waverley – Phase II Residential represents the residential element of the large New Waverley development. Consideration is being given to either a sale or leasing of the project, with proposals on both currently being negotiated.

More information available at www.newwaverley.com



ANNEXURE 4 – MAJOR SHAREHOLDERS AND CAPITAL STRUCTURE

1. MAJOR SHAREHOLDERS OF MAS

At the last practicable date, the following shareholders, other than the directors of the Company, to the best of the directors' knowledge and belief, are beneficially interested in 10% or more of the issued share capital of MAS, namely Attacq, with a 37,3% interest, and Argosy, with a 14,2% interest.

Attacq is a large South African property investor and developer. Argosy is a IOM based private equity company.

Share capital

1.1. Share capital

The share capital of the Company prior to the private placement and prior to the March 2017 scrip dividend is as follows:

Share Capital	€	Number
<i>Issued before the private placement and March 2017 scrip dividend</i>		
Ordinary no par value shares	431 169 085	393 433 836

The share capital of the Company after the private placement and the March 2017 scrip dividend is as follows:

Share Capital	€	Number
<i>Issued after the private placement and March 2017 scrip dividend</i>		
Ordinary no par value shares	558 902 580*	480 216 299

*Before capital raising expenses

Notes:

There is no recognised concept of authorised share capital under the BVI Business Companies Act 2004. All issued and listed shares are fully paid up and freely transferrable.

- 1.2. No debentures or debt securities of any kind (including convertible debt securities, exchangeable debt securities or debt securities with warrants attached) have been created or issued by MAS or by the Company's subsidiaries.
- 1.3. MAS does not directly or indirectly hold any of its own shares.
- 1.4. MAS has no loan capital outstanding.

2. SOURCES AND USES OF SHARE CAPITAL

During the past three financial years the Company has generated and used the following funds:

Euro	Year ended 30 June 2016	Year ended 30 June 2015	Sixteen month ended 30 June 2014
Profit for the year/period	1 498 032	48 474 908	5 060 236
Adjustments for:			
Depreciation	35 535	18 884	14 941
Provisions	98 836	-	-
Fair value adjustments	(6 431 719)	(27 877 364)	(707 528)
Exchange differences	12 913 210	(17 660 295)	(3 931 722)
Finance income	(392 801)	(4 676)	(199 348)
Finance costs	773 765	581 374	876 699
Share of loss from equity accounted investees	31 908	-	(1 479)
Gain on disposal of investment property	-	-	(1 008 336)
Taxation expense	828 525	99 188	1 198 435
Changes in:			
Trade and other receivables	(6 736 280)	(2 257 582)	(1 516 611)
Trade and other payables	3 500 837	3 258 565	(35 576)
Cash generated from/(used in) operating activities	6 119 848	4 633 002	(250 289)
Taxation paid	(310 994)	(371 447)	(325 036)
Net cash from/(used in) operating activities	5 808 854	4 261 555	(575 325)
Investing activities			
Acquisition of investment property	(37 439 245)	(131 572 515)	-
Capitalised acquisition costs on investment property	(4 578 229)	(8 681 404)	(4 424 841)
Capitalised expenditure on investment property	(38 016 628)	(22 378 542)	-
Settlement of investment property acquisition retentions	(255 755)	-	-
Acquisition of subsidiary net of cash acquired	-	(12 500 000)	(2 015 573)
Acquisition of financial investments	-	(40 178 432)	-
Acquisition of equity accounted investee	(20 023 624)	-	-
Acquisition of property, plant and equipment	(263 591)	-	-
Issue of short term loans receivable	(18 920 000)	-	-
Proceeds from the sale of financial investments	40 376 739	51 910 765	-
Proceeds from the sale of investment property	1 814 850	-	10 148 032
Proceeds from the repayment of short term loans receivable	19 918 247	-	-
Repayment of short term loan	-	-	(256 885)
Interest paid on cash and equivalents	(3 522)	-	-
Interest received	392 801	4 676	112 953
Cash (used in)/from investing activities	(56 997 957)	(163 395 452)	3 563 686
Financing activities			
Proceeds from the issue of share capital	37 676 095	-	180 391 564
Proceeds from interest bearing borrowings	30 550 000	-	440 718
Transaction costs related to interest bearing borrowings	(412 345)	-	-
Repayment of interest bearing borrowings	-	(969 927)	(2 578 100)
Payment of amortisation on interest bearing borrowings	(922 638)	(819 723)	-
Interest paid on interest bearing borrowings	(827 855)	(581 374)	(876 699)
Distributions paid	(7 238 795)	(3 721 477)	(167 909)
Cash generated from/(used in) financing activities	58 824 462	(6 092 501)	177 209 574

Net increase/(decrease) in cash and equivalents	7 635 359	(165 226 398)	180 197 935
Cash and cash equivalents at the beginning of the year/period	45 111 775	205 800 188	24 708 091
Effect of movements in exchange rate fluctuations on cash held	(4 749 156)	4 537 985	894 162
Cash and cash equivalents at the end of the year/period	47 997 978	45 111 775	205 800 188

3. ALTERATIONS TO SHARE CAPITAL

Other than as detailed in paragraph 4. below, there have been no alterations to share capital in the three financial years preceding the date of the private placement and the March 2017 scrip dividend.

4. ISSUES OF SHARES

- 4.1. On incorporation, MAS issued and allotted 100 shares of no par value to the founding shareholder at €1,00 per share. On 27 January 2009, the founding shareholder transferred its entire holding in MAS to L Nakos at €1.00 per share.
- 4.2. There were 393 433 836 ordinary shares of no par value in issue, prior to the issue of the private placement and the March 2017 scrip dividend.
- 4.3. The amounts and dates of the share issues by the Company prior to the issue of the private placement and the March 2017 scrip dividend are set out in the table below:

Date of issue	No of shares issued	Reason for issue	Price per share
19 July 2013	846 714	Scrip Dividend Issue	€ 1,05
19 August 2013	5 111 182	Consideration for IP 10 Acquisition	€ 1,07
20 December 2013	31 962 365	Consideration for the Acquisition of the Karoo Investment	€ 1,07
21 March 2014	173 987 429	Capital Raise	€ 1,05
30 June 2014	1 337 946	Scrip Dividend Issue	€ 1,20
13 October 2014	9 751 326	Purchase of Mas Property Advisors	€ 1,28
19 November 2014	1 367 283	Scrip Dividend Issue	€ 1,24
30 June 2015	1 185 281	Scrip Dividend Issue	€ 1,28
19 November 2015	2 667 741	Scrip Dividend Issue	€ 1,22
11 March 2016	21 317 449	Issue of Shares to settle liability with Attaq	€ 1,32
13 April 2016	5 360 728	Share Issue	€ 1,27
19 April 2016	24 487 408	Share Issue	€ 1,27
19 April 2016	3 004 004	Scrip Dividend Issue	€ 1,26
27 July 2016	11 244 300	Share Issue	€ 1,24
02 August 2016	14 396 726	Share Issue	€ 1,24
02 November 2016	6 317 591	Scrip Dividend Issue	€ 1,27
09 March 2017	12 850 000	Share Scheme	€ 1,6386
Total in issue	393 433 836		



- 4.4. The shares were issued in order to raise funds for working capital purposes and to fund acquisitions by the Company.
- 4.5. The subsidiaries have not issued any securities since their incorporation, save for shares issued to MAS or its subsidiaries.
- 4.6. The private placement and the approval to issue the appropriate number of private placement shares was authorised by the directors of MAS by resolution on 16 March 2017.
- 4.7. The March 2017 scrip dividend and the approval to issue the appropriate number of March 2017 scrip dividend shares was authorised by the directors of MAS by resolution on 24 February 2017.
- 4.8. Save for the issues as set out in this paragraph 4, no further offers or issues of shares have been made by MAS in the preceding three financial years.
- 4.9. Since incorporation, no share repurchases, sub-divisions or consolidations have been undertaken by MAS.
- 4.10. Since incorporation, MAS has not made a public offer to buy a controlling interest any other company, nor has any other company tried to buy the controlling interest in MAS by way of public offer.

5. **UNISSUED SHARES**

Subject to the provisions of the articles of association of MAS, the LuxSE Listings Requirements and the JSE Listings Requirements, the directors may issue and allot shares in their absolute discretion.

6. **VOTING, VARIATION AND CONVERSION OF RIGHTS**

- 6.1. The provisions of the articles of association of MAS relating to the voting rights, rights to distributions, rights to capital on liquidation, rights on distribution of capital assets and variation of rights attaching to shares in the share capital of MAS are set out in **Annexure 5** to these Detailed Listing Particulars.
- 6.2. MAS will publish all notices to shareholders on the website of the LuxSE and on SENS.
- 6.3. There are currently no preferential conversion or exchange rights to shares in MAS.

7. **OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES**

- 7.1. The Company wishes to attract and reward persons who are able to influence the performance of the Group on a basis that aligns their interests with those of MAS's shareholders and retain those whose services are regarded by the Group to be important to the future growth and sustainability of the business. At the Annual Shareholders Meeting held on 17 February 2017 shareholders approved the MAS Share Incentive Scheme. The Share Scheme works as follows:
 - 7.1.1. MAS makes offers to eligible persons to become participants and to acquire shares in MAS, eligible persons being persons who are able to influence the performance of MAS and includes a present or future executive director, senior manager and employee of any member of the Group.



- 7.1.2. Eligible persons will be awarded loans on the basis of their performance, for the purpose of acquiring MAS shares.
- 7.1.3. A subsidiary lends money to the participants to enable them to buy the shares.
- 7.1.4. The loans have a 10-year term and bear interest at the weighted average borrowing rate of the Group.
- 7.1.5. The offer price of the shares to participants is determined by the 5-day volume weighted average price of a share on the JSE immediately preceding the offer date.
- 7.1.6. Shares become unlocked in tranches, over five years in respect of salaried participants and over six years in respect of non-salaried participants. If a participant leaves before all of the shares become unlocked, the remaining locked shares are forfeited and cancelled by the Company in settlement of the participant's proportionate loan outstanding.
- 7.1.7. Distributions on the shares are used to pay the interest on the loans in respect of all participants, with any surplus being paid to salaried participants and, in respect of non-salaried participants only, being used to reduce the capital of the loan.
- 7.1.8. Voting rights vest in the participants.
- 7.1.9. If MAS, at any time before a proportionate loan outstanding has been paid in full, is put into liquidation, the directors may adjust the proportionate loan outstanding as the auditors, acting as experts and not as arbitrators, certify as being fair and reasonable in the circumstances.
- 7.1.10. On departure of a participant, all unlocked Share Scheme shares are sold and used to repay the proportionate amount of the loan including all accrued and unpaid interest outstanding.
- 7.1.11. If the departing employee is a good leaver, the loan relating to the unlocked Share Scheme shares at the date of departure is repayable within 18 months of departure.
- 7.1.12. If the departing employee is a bad leaver, the loan relating to the unlocked Share Scheme shares at the date of departure is repayable immediately.
- 7.2. The directors will be authorised to issue up to a total of 19 029 191 new shares under the terms of the Share Scheme or one or more recipients. In the event of a sub-division or consolidation of shares, such adjustment should give any participant entitlement to the same proportion of the equity capital as that to which he was previously entitled.
- 7.3. Save for as set out above, there is no other contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or the subsidiary.

8. **CLEARING AND SETTLEMENT ON THE LUXSE**

The MAS shares have been accepted for clearance and settlement in the Clearstream system with ISIN: VGG5884M1041 and common code: 087254194.



ANNEXURE 5 – EXTRACTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The following paragraphs are extracted from the articles of association of MAS. Shareholders and potential investors should take note that the extract paragraphs set out below have been placed in numerical order for ease of reading but that the below paragraph numbers do not correspond to the paragraph numbers in the articles of association of MAS.

1. PROVISIONS RELATING TO SHARES

- 1.1. As long as the Company has only one class of Shares, those shares shall be referred to as ordinary Shares. If the Company has more than one class of Shares, they shall be distinguished by an appropriate designation. Any reference to shares in these Articles refers to ordinary shares unless the context indicates otherwise.
- 1.2. Subject to the provisions of Articles 1.19 and 1.21 and the rules of the Relevant Stock Exchange/s upon which the Company has a primary listing, shares and other securities may be issued and options to acquire shares and other securities may be granted at such times, to such persons, for such consideration and on such terms as the Directors may determine and provided that all shares which are listed on the Relevant Stock Exchange/s upon which the Company has a primary listing must be fully paid up when issued and freely transferable except (i) as otherwise required by law (ii) as may be permitted by the Relevant Stock Exchange/s.
- 1.3. Each share ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the JSE Listings Requirements) with every share of the same class.
- 1.4. Shares may be numbered or unnumbered.
- 1.5. Subject to the requirements of Relevant Stock Exchange/s upon which the Company has a primary listing and the Act, the Company may issue bonus shares, capitalisation shares (as defined in the JSE Listings Requirements), scrip dividends and nil or partly paid shares.
- 1.6. A share may be issued for consideration in any form, including money, a promissory note or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services provided that no shares may be issued for a consideration, which is in whole or in part, other than money, unless the Directors have passed a resolution stating:
 - 1.7. the amount to be credited for the issue of the shares;
 - 1.8. and that, in their opinion, the present cash value of the non-money consideration and money consideration, if any, is not less than the amount to be credited for the issue of the shares.
- 1.9. The Company shall keep a register of Shareholders containing:
 - 1.10. the name and address of each of the Shareholders;
 - 1.11. the number of shares of each class and series held by each Shareholder, in uncertificated and certificated form respectively;
 - 1.12. the date on which the name of each Shareholder was entered in the register of Shareholders; and
 - 1.13. the date on which any person ceased to be a Shareholder.



- 1.14. The register of Shareholders may be in any such form as the Directors may approve but, if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents.
- 1.15. A share is deemed to be issued when the name of the Shareholder is entered in the register of Shareholders.
- 1.16. The Company may exercise the powers conferred by the Act to pay commission or brokerage to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, to the full extent permitted by the Act and any rules of any Relevant Stock Exchange. Any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.
- 1.17. Subject to any rights or restrictions attached to any shares, each share confers upon the Shareholder:
 - 1.17.1. the right to one vote at a meeting of Shareholders or on any resolution of Shareholders;
 - 1.17.2. the right to an equal share in any distribution paid by the Company; and
- 1.18. the right to an equal share in the distribution of the surplus assets of the Company on its winding up.
- 1.19. Pre-emption Rights in respect of issues of new shares:
 - 1.19.1. The Board may not issue unissued ordinary shares unless such ordinary shares have first been offered to the existing ordinary Shareholders in proportion to their shareholding (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of shares:
 - (a) is a capitalisation issue, bonus issue, scrip dividend or is an issue pursuant to a dividend reinvestment plan, in which ordinary Shareholders are entitled to participate in proportion to their shareholding; or
 - (b) is for the acquisition of assets, is a vendor consideration placing (as contemplated in the JSE Listings Requirements), or is an issue for the purposes of an amalgamation or merger which is undertaken in compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing; or
 - (c) is an issue pursuant to options or conversion rights, which is undertaken in compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing; or
 - (d) is an issue pursuant to, or in connection with, any share incentive scheme (which includes, for these purposes, a scheme established for directors, officers and/or employees of the Company and/or the Investment Adviser), which is undertaken in compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing; or

- (e) is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders, either by way of a general authority (which may be either conditional or unconditional) to issue shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual shareholders' meeting of the Company or for 15 months from the date of the passing of the resolution, whichever is the earlier, and it may be varied or revoked by any shareholders' meeting prior to such annual shareholders' meeting; or
- (f) is an issue for consideration other than cash, including without limitation an issue for the purposes of the extinction or payment of any liability, obligation or commitment of the Group; or
- (g) is an issue of shares (the "offer shares") which were allocated to (but not taken up by) the Shareholders of the Company who the Directors determine can be offered such offer shares without the Company incurring securities compliance costs which, in the opinion of the Directors, would be burdensome given the number of Shareholders in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "relevant shareholders"), in terms of an offer undertaken on the following basis ("the offer"):
 - (i) the offer shall be made in proportion to the existing holdings of shares of relevant Shareholders;
 - (ii) the offer shall be made by written notice (the "offer notice") from the Directors specifying the number and price of the offer shares and shall invite each relevant Shareholder to state in writing a period, not being less than fourteen days, whether it is willing to accept any offer shares and, if so, the maximum number of offer shares it is willing to take;
 - (iii) at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant shareholders who shall have notified to the Company of their willingness to take any of the offer shares but so that no relevant shareholder shall be obliged to take more than the maximum number of shares so notified by him; and
 - (iv) if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant shareholders in terms of the offer;
- (h) otherwise falls within a category in respect of which it is not, in terms of the requirements of Relevant Stock Exchange/s upon which the Company has a primary listing, a requirement for the relevant shares to be so offered to existing Shareholders, and which is undertaken in compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing; or
- (i) is otherwise undertaken in accordance with an authority approved by Shareholders in shareholders' meeting.



- 1.20. Subject to compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing, if any entitlement to a fraction of a share will arise pursuant to such an offer, the Directors may deal with the fractions in any manner they think fit. In particular, the Directors may, subject to the Act, these Articles and the requirements of the Relevant Stock Exchange/s upon which the Company has a primary listing, sell all or any of such fractions and distribute the net proceeds thereof among the Shareholders entitled to such fractions in due proportion. In giving effect to any such sales, the Directors may, subject to the Act and these Articles, authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer and shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
- 1.20.1. The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in Article 1.19.1 if and to the extent that they consider it necessary or expedient to do so because of legal impediments or compliance with the laws or the requirements of any regulatory body of any territory, that may be applicable to the offer.
- 1.21. The Board may, subject to Articles 1.2 and 1.19.1, allot, issue or otherwise dispose of any unissued shares to such persons at such times and generally on such terms as they may think fit, but only –
- 1.21.1. within the classes provided for, and subject to any limitations contained in, in the Memorandum and/or Articles; and
- 1.21.2. to the extent that the authority of the Board to deal with the authorised but unissued shares in the capital of the Company has not been specifically limited by a resolution proposed by the Board and adopted by the Shareholders.
- 1.22. Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share or any interest in any share except an absolute right of the holder to the whole of the share.
- 1.23. Subject to compliance with any applicable rules of the Relevant Stock Exchange/s upon which the Company has a primary listing, if on any consolidation and/or subdivision of shares any Shareholders would become entitled to any fractions of a share, the Directors may deal with the fractions in any manner they think fit. In particular, the Directors may, subject to the Act and these Articles, sell all or any of such fractions and distribute the net proceeds thereof among the Shareholders entitled to such fractions in due proportion. In giving effect to any such sales, the Directors may, subject to the Act and these Articles, authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer and shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

2. Purchase and redemption of shares

- 2.1. Subject to the Act, the rules of the Relevant Stock Exchange/s upon which the Company has a primary listing and to any shares expressly being non-redeemable as a term of their issue, the Company may, in its sole discretion, purchase, redeem or otherwise acquire its own shares for any consideration provided that the Company continues to have at least one Shareholder at all times and save that the Company may not purchase, redeem or otherwise

acquire its own shares without the consent of the Shareholders whose shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the shares without their consent.

- 2.2. The Company may only offer to purchase, redeem or otherwise acquire shares if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after the purchase, redemption or other acquisition satisfy the Solvency Test.
- 2.3. Sections 60 (Process for acquisition of own shares) and 61 (Offer to one or more shareholders) and 62 (shares redeemed otherwise than at the option of company) of the Act shall not apply to the Company.
- 2.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Article shall be cancelled or held as Treasury Shares except to the extent that such shares are in excess of 20 per cent of the issued shares in which case they shall be cancelled but they shall be available for reissue.
- 2.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the share as a Treasury Share.
- 2.6. Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles and the Act) as the Company may by resolution of Directors determine, but subject to the rules of any Relevant Stock Exchange, and in particular the JSE Listings Requirements which require such transfer to be treated as if it was a fresh issue of shares for cash.

3. DIVISION AND COMBINATION OF SHARES

- 3.1. Subject to compliance with the Act, the rules of the Relevant Stock Exchange/s upon which the Company has a primary listing the Company may:
 - 3.1.1. divide its shares, including issued shares, into a larger number of shares; or
 - 3.1.2. combine its shares, including issued shares, into a smaller number of shares.
- 3.2. A division or combination of shares, including issued shares, of a class or series shall be for a larger or smaller number, as the case may be, of shares in the same class or series.
- 3.3. Where shares are divided or combined under this Article 3, the aggregate par value of the new shares (if applicable) must be equal to the aggregate par value of the original shares.

4. VARIATION OF CLASS RIGHTS

- 4.1. Subject to the provisions of the Act, if at any time there are different classes of shares, the rights attached to any class (and whether or not the Company is being wound up) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as is provided by those rights, or by a resolution of the Shareholders of that class passed at a separate meeting by a Shareholder or Shareholders holding at least seventy five per cent of the Voting Rights exercised in relation thereto.

- 4.2. Subject to compliance with the Act, the rules of the Relevant Stock Exchange/s upon which the Company has a primary listing, any amendment to the Memorandum or the Articles of the Company will require a resolution of the Shareholders holding at least seventy-five per cent of the Voting Rights exercised in relation thereto (in the case of a resolution adopted at a meeting) or at least seventy-five per cent of the Voting Rights exercisable in relation thereto (in the case of a written resolution), and any such amendment shall include but not be limited to:
- 4.2.1. the alteration of its shares as provided for in Articles 3.1.1, 3.1.2 and 4.1 above;
 - 4.2.2. the creation of any class of shares;
 - 4.2.3. the conversion of one class of shares into one or more other classes of shares; or
 - 4.2.4. the change of name of the Company.
- 4.3. To every such separate meeting, the provisions of these Articles relating to meetings of the Company shall, *mutatis mutandis*, apply but so that:
- 4.3.1. at every such separate meeting, the quorum shall be persons present in person or by duly appointed representative or by proxy holding at least twenty-five per cent of the Voting Rights entitled to be exercised and comprising at least three persons present in person or by duly appointed representative or by proxy, provided that, if at any adjourned meeting of the holders of any class a quorum as so defined is not present, those holders who are present in person or by proxy shall form a quorum;
 - 4.3.2. any holder of shares of the class in question present in person or by proxy may demand a poll; and
 - 4.3.3. each holder of the shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.
- 4.4. This Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class, the special rights of which were to be varied or abrogated.
- 4.5. For the avoidance of doubt, the provisions of these Articles relating to meetings of the Company shall apply, with necessary modifications, to any separate meeting of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.
- 4.6. Subject to the terms of issue or the rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Directors resolving that a class of shares is to become or cease to be a Participating Security.
- 4.7. The rights attached to any class of shares shall not (unless otherwise provided by the rights attached to the shares of that class) be deemed to be varied by the creation or issue of further shares ranking in all respects (save as to the date from which such new shares shall rank for dividend) *pari passu* therewith or by the purchase or redemption by the Company of any of its own shares in accordance with the provisions of the Act and these Articles.
- 4.8. Shares shall not be subject to any lien in favour of the Company.



ANNEXURE 6 – HISTORIAL FINANCIAL INFORMATION

Extracts from the condensed consolidated interim financial statements of MAS for the six month period ended 31 December 2016 are presented in section 1 below.

The audited consolidated annual financial statements of MAS for the years ended 30 June 2016, 2015 and for the sixteen-month period ended 30 June 2014 are available on the Company's website: www.masrei.com. Extracts of the audited consolidated annual financial statements of MAS for the periods then ended are presented in section 2 below.

The notes to the audited consolidated annual financial statements for the year ended 30 June 2016 are presented in section 3 below.

The compilation, contents and presentation of the financial information in these Detailed Listing Particulars and the annexures is the responsibility of the directors.

The independent auditors, KPMG Audit LLC, issued an unqualified audit opinion to the shareholders of MAS in respect of the year ended 30 June 2016. The independent auditors' reports are included in the annual reports for the preceding three financial years which are available on the Company's website www.masrei.com.

The Company releases financial information on a semi-annual basis. Reviewed condensed consolidated interim financials are released for the six-month period to 31 December. Audited consolidated financial statements are released for the twelve-month period to 30 June.

1. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD TO 31 DECEMBER 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Euro	Note	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Rental income	4	11 067 791	6 586 450
Service charges and other recoveries		1 541 342	841 651
Revenue		12 609 133	7 428 101
Service charges and other property operating		(2 421 484)	(1 783 557)
Net rental income		10 187 649	5 644 544
Other income		-	-
Corporate expenses		(1 885 474)	(2 992 634)
Investment expenses		(186 519)	-
Net operating income		8 115 656	2 651 910
Fair value adjustments	5	(3 265 620)	2 378 038
Exchange differences		(2 908 077)	(3 053 676)
Share of profit/(loss) from equity accounted investee, net of taxation	10	36 154	-
Profit before finance income/costs		1 978 113	1 976 272
Finance income		39 527	318 713
Finance costs		(841 656)	(303 529)
Profit before taxation		1 175 984	1 991 456
Taxation	6	(500 958)	(644 799)
Profit for period		675 026	1 346 657
Attributable to:			
Owners of the group		(397 549)	1 346 657
Non-controlling interest	8	1 072 575	-
Basic and diluted earnings per share (euro cents)	17	(0,11)	0,46

The notes on pages 53 to 78 form part of these condensed consolidated interim financial statements



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Profit for period	675 026	1 346 657
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)
Total comprehensive loss for the period	(2 090 532)	(1 554 510)
Attributable to:		
Owners of the group	(3 163 107)	(1 554 510)
Non-controlling interest	1 072 575	-
Total comprehensive loss for the period	(2 090 532)	(1 554 510)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro	Note	As at 31 December 2016	Restated* As at 31 December 2015
<i>Non-current assets</i>			
Intangible assets	7	24 499 280	28 449 119
Investment property	8	473 690 010	273 819 368
Financial investments	9	-	15 910 475
Investment in equity accounted investee	10	20 057 968	-
Property, plant and equipment		230 277	176 846
Deferred taxation asset	6	1 047 599	908 482
Total non-current assets		519 525 134	319 264 290
<i>Current assets</i>			
Financial investments	9	-	34 322 404
Short term loans receivable		-	19 056 917
Trade and other receivables	11	27 378 402	5 118 880
Cash and cash equivalents		20 794 725	31 997 044
Assets held for sale		3 393 501	2 043 750
Total current assets		51 566 628	92 538 995
Total assets		571 091 762	411 803 285
<i>Equity</i>			
Share capital	12	410 113 075	308 913 797
Retained earnings		26 753 444	35 197 243
Foreign currency translation reserve		(7 954 169)	4 297 529
Equity attributable to owners of the group		428 912 350	348 408 569
Non-controlling interest	8	1 072 595	-
Total equity		429 984 945	348 408 569
<i>Non-current liabilities</i>			
Interest bearing borrowings	14	117 948 266	14 219 630
Financial instruments	13	6 187 015	6 413 512
Provisions		40 410	-
Deferred taxation liability	6	1 652 903	1 430 625
Total non-current liabilities		125 828 594	22 063 767
<i>Current liabilities</i>			
Interest bearing borrowings	14	3 796 331	751 848
Financial instruments	13	1 344 932	35 271 134
Trade and other payables	15	10 059 974	5 215 677
Provisions		76 986	92 290
Total current liabilities		15 278 223	41 330 949
Total liabilities		141 106 817	63 394 716
Total shareholder equity and liabilities		571 091 762	411 803 285
Actual number of ordinary shares in issue		380 583 836	294 455 630
Net asset value per share (euro cents)		112,7	118,3
Adjusted net asset value per share (euro)		112,9	118,5

*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 53 to 78 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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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. 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.

4. Rental income

Rental income of €11 067 791 (December 2015: €6 586 450) 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:

	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Euro		
Edeka MIHA AG	2 630 622	-
Toom Baumarkt GmbH	1 134 034	1 103 528
Bauhaus GmbH and Co KG	859 092	825 041
	4 623 748	1 928 569

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

	As at 31 December 2016	As at 31 December 2015
Euro		
No later than 1 year	28 108 091	15 292 948
Greater than 1 year and less than 5 years	99 462 055	65 655 806
Greater than 5 years	185 296 845	121 583 632
	312 866 991	202 532 386

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
(Loss)/gain on fair value of financial investments		(4 569 029)	8 100 659
Gain/(loss) on fair value of investment property		598 369	(2 074 710)
Gain on assets held for sale		26 474	-
Gain/(loss) on fair value of financial instruments		678 566	(3 647 911)
		(3 265 620)	2 378 038
<i>Summarised as follows:</i>			
Fair value movement in financial investments			
Karoo Fund	9	-	7 076 240
Sirius Real Estate Limited ("Sirius")	9	(4 569 029)	1 024 419
		(4 569 029)	8 100 659
Fair value movement in investment property			
Income-generating	8	677 340	(2 074 710)
Development	8	(78 971)	-
Land bank	8	-	-
		598 369	(2 074 710)
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)
Attacq Limited ("Attacq") financial liability	13	-	(3 601 074)
Development management fee	13	205 516	-
Forward currency contract	13	(86 067)	-
Priority participating profit dividend	13	-	-
		678 566	(3 647 911)

* 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:

Euro	Six-month period ended 31 December 2016		Six-month period ended 31 December 2015	
	Applicable rate	Taxation	Applicable rate	Taxation
Income taxation				
UK	20,0%	256 173	20,0%	322 347
Switzerland	26,2%	-	26,2%	-
Germany	15,8%	143 965	15,8%	176 505
Luxembourg	0,0%	-	0,0%	-
Wealth taxation				
Switzerland	0,2%	1 801	0,2%	3 426
Luxembourg	0,5%	22 557	0,5%	-
		424 496		502 278

Corporate tax charge and deferred taxation

Euro	Six-month period ended	Six-month period ended 31
	31 December 2016	December 2015
Current taxation	424 496	502 278
Deferred taxation expense	76 462	142 521
Taxation expense	500 958	644 799

Reconciliation of deferred taxation:

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

The deferred taxation liability results from the following:

Euro	As at 31 December 2016	As at 31 December 2015
Deferred taxation on temporary differences between accounting and fiscal value of: Investment property	1 047 599	908 482
Deferred taxation asset	1 047 599	908 482
Deferred taxation on temporary differences between accounting and fiscal value of: Investment property	1 652 903	1 430 625
Deferred taxation liability	1 652 903	1 430 625
Net deferred taxation liability	605 304	522 143

Reconciliation of effective taxation rate

Euro	%	Six-month period ended 31 December 2016	%	Six-month period ended 31 December 2015
Profit before taxation		1 175 984		1 991 456
Taxation using the company's domestic rate	0,00	-	0,00	-
Effect of tax rates in foreign jurisdictions	(36,10)	(424 496)	(25,23)	(502 278)
Change in recognised deductible temporary differences				
• Revaluation of investment property	34,74	408 498	12,12	241 286
• Change in tax base	(41,24)	(484 960)	(19,27)	(383 807)
	(42,60)	(500 958)	(32,38)	(644 799)

7. Intangible assets

The group's intangible assets comprise:

Euro	As at 31 December 2016	As at 31 December 2015
Goodwill	24 387 942	28 449 119
Other intangible assets	111 338	-
	24 499 280	28 449 119

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).

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 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

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



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 Ltd, 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 the fair value 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) in rental income and €1 541 342 (December 2015: €841 651) in service charges and other recoveries with service charges and other property operating expenses of €2 421 484 (December 2015: €1 783 557) being recognised in profit or loss.

Interest bearing borrowings

Bank borrowings of €121 744 597 (December 2015: €14 971 478) are secured on income-generating property with a fair value of €220 249 618 (December 2015: €28 272 258). The group has total designated bank borrowings of €107 417 874 (December 2015: nil) as general borrowings. During the period interest costs on general borrowings of €228 209 (December 2015: nil) 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) 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) 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

Euro	Carrying amount	Fair value		
		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

Euro	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Income-generating property	169 911 602	-	-	169 911 602
	169 911 602	-	-	169 911 602

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 and 31 December 2015

Investment property type	Valuation technique	Significant unobservable inputs	Inter-relation between key unobservable inputs and fair value measurement
Income-generating property	<i>Discounted cash flows:</i> 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.	<ul style="list-style-type: none"> • Risk adjusted discount rates • Market rent • Net rental growth • Reversionary discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 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)

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:

	As at 31 December 2016	As at 31 December 2015
Euro		
Non-current		
Sirius	-	15 910 475
	-	15 910 475
Current		
Karoo Fund	-	34 322 404
Sirius	-	-
	-	34 322 404
	-	50 232 879

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:

	As at 31 December 2016	*Restated As at 31 December 2015
Euro		
Opening balance	51 614 068	82 173 737
Reclassification	-	(42 537)
Disposal	(47 045 039)	-
Cash redemptions	-	(37 799 435)
Fair value movement (note 5)	(4 569 029)	8 100 659
Foreign currency translation difference	-	(2 199 545)
Closing balance	-	50 232 879

* 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.

10. Investment in equity accounted investee

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

	As at 31 December 2016	As at 31 December 2015
Euro		
PKM Developments Limited ("PKM")	20 057 968	-

Reconciliation of investments in equity accounted investee

	As at 31 December 2016	As at 31 December 2015
Euro		
Opening balance	19 991 716	-
Acquisition	-	-
Capitalised acquisition costs	30 098	-
	20 021 814	-
Share of profit/(loss)	36 154	-
	20 057 968	-

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
Statement of financial position - PKM		
Non-current assets	20 051 534	-
Current assets	30 696 114	-
Total assets	50 747 648	-
Current liabilities	737 035	-
Total liabilities	737 035	-
Net assets	50 010 613	-
Percentage ownership interest	40%	-
Group share of net assets	20 004 245	-
Capitalised costs	53 723	-
Carrying amount	20 057 968	-
Euro	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Statement of profit or loss and other comprehensive income - PKM		
Revenue	-	-
Corporate expenses	(39 191)	-
Net finance income/(costs)	129 575	-
Total profit/(loss) and other comprehensive income	90 384	-
Percentage ownership interest	40%	-
Group's share of total comprehensive profit/(loss)	36 154	-

11. Trade and other receivables

The group's trade and other receivables comprise:

Euro	As at 31 December 2016	As at 31 December 2015
Property retentions held in escrow	2 115 000	1 615 000
VAT receivable	20 911 114	757 949
Dividends receivable	-	-
Lease incentive accruals	207 710	-
Prepayments	578 672	411 651
Other	485 185	349 817
EMI receivable	-	-
Trade receivables from lessees	2 456 071	1 984 463
Collateral receivable (see note 18)	624 650	-
	27 378 402	5 118 880

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 PLN 92 000 000 which at the reporting date was approximately €20 280 739 (December 2015: 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) expenses in relation to issuing shares which have been offset against share capital.

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
Non-current		
Derivative financial instruments	2 488 440	2 592 709
Financial liabilities	3 698 575	3 820 803
	6 187 015	6 413 512
Current		
Derivative financial instruments	86 067	-
Financial liabilities	1 258 865	35 271 134
	1 344 932	35 271 134
	7 531 947	41 684 646

*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.

Euro	As at 31 December 2016		
	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

Euro	As at 31 December 2015		
	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

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
Opening	3 818 865	2 703 865
Purchase price retained	600 000	270 755
Purchase price released	(1 545 000)	(590 000)
Closing	2 873 865	2 384 620

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
Derivative financial instruments		
Interest rate swaps	2 488 440	2 592 709
Forward currency contract	86 067	-
	2 574 507	2 592 709
Financial liabilities		
Development management fee	2 083 575	1 528 321
Priority participating profit dividend	-	2 292 482
Attacq financial liability	-	29 112 780
Santon financial liability	-	3 773 734
	2 083 575	36 707 317

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

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)
	(28 156 329)	-	-	-	(28 156 329)
Settlement	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)
	-	(3 327 225)	-	-	(3 327 225)
Settlement	-	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 Waverly 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 Waverly 10 Limited, shareholders are entitled to 7.5% annualised return on invested capital. The first part of the fee payable to the developer is $\frac{1}{3}$ rd 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 25% of the value of the developed site less both costs of development and the annualised return to shareholders 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 capital any gain that will be made should New Waverly 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		Fair value		
Euro	Carrying amount	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

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.	<ul style="list-style-type: none"> Spot currency rate Risk free rate Currency amount 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> 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 and 31 December 2015

Financial instrument	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Interest rate	The fair value is based	<ul style="list-style-type: none"> 3 month Swiss 	The estimated fair

swaps	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.	Libor/Euribor <ul style="list-style-type: none"> • Swap rate • Notional loan value • Fixed rate of interest 	value would increase/(decrease) if: <ul style="list-style-type: none"> • 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)
-------	--	--	---

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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 Advisers 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 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	<i>Discounted cash flows:</i> Fair value is based on the profitability of the New Waverley development. See note 8, for the valuation technique in respect of New Waverley.	<ul style="list-style-type: none"> • Expected market rental growth • Occupancy rate • Reversionary discount rate • Risk adjusted discount rates • Costs to complete • Completion dates 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 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 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	<i>Discounted cash flows:</i> Fair value is based on the contractual amount.	<ul style="list-style-type: none"> • Risk adjusted discount rate • Contractual amount 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 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
Non-current – secured bank loans		
UK investment property	31 691 617	-
German investment property	77 943 361	5 620 509
Swiss investment property	8 313 288	8 599 121
	117 948 266	14 219 630
Current		
UK investment property	1 530 080	-
German investment property	1 903 083	391 917
Swiss investment property	363 168	359 931
	3 796 331	751 848
	121 744 597	14 971 478

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
Opening balance	44 578 595	15 747 889
Drawn down	80 430 900	-
Capitalised transaction costs	(1 456 967)	(30 135)
Amortisation	(1 135 900)	(375 923)
Finance costs	840 195	303 529
General borrowings capitalised	228 209	-
Interest paid	(842 927)	(300 072)
Foreign currency translation difference	(897 508)	(373 810)
	121 744 597	14 971 478

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

15. Trade and other payables

The group's trade and other payables comprise:

Euro	As at 31 December 2016	As at 31 December 2015
Construction payables	707 600	796 643
Trade payables	6 152 030	2 746 407
Deferred income	1 373 463	716 879
Current taxation payable	593 793	460 289
VAT payable	1 233 088	495 459
	10 059 974	5 215 677

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.

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



***Restated**
31 December 2015

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.

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

	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Euro		
BVI	-	-
UK	3 208 219	2 584 456
Germany	8 075 817	4 220 335
Switzerland	619 086	623 310
Poland	706 011	-
	12 609 133	7 428 101

Non-current assets

	As at 31 December 2016	As at 31 December 2015
Euro		
BVI	-	-
UK	170 476 751	184 903 550
Germany	215 437 599	114 038 482
Switzerland	19 722 816	20 322 258
Romania	20 057 968	-
Poland	93 830 000	-
	519 525 134	319 264 290

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

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

Weighted-average number of ordinary shares

	Six-month period ended 31 December 2016	Six-month period ended 31 December 2015
Euro		
Issued ordinary shares	348 625 219	291 787 889
Effect of shares issued for capital raise	21 599 777	-
Effect of shares issued related to the settlement of the Attacq liability	-	-
Effect of shares issued for scrip distributions	2 025 750	728 891
Weighted-average number of ordinary shares	372 250 746	292 516 780

Basic earnings per share

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

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:

Euro	Six-month period ended 31 December 2016	
	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)
	372 250	
Weighted-average number of ordinary shares	746	372 250 746
Headline earnings per share (euro cents)	(0,27)	(0,38)

Euro	Six-month period ended 31 December 2015	
	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
	292 516	
Weighted-average number of ordinary shares	780	292 516 780
Headline earnings per share (euro cents)	1,17	1,09

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). At the end of the reporting period there was €2 920 payable (December 2015: €7 494 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). 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). 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), which were charged to the group on an arm's length basis. At the end of the reporting period nil (December 2015: nil) was due from Corona.



Related party transactions

	Income/(expense) for the period ended		Capitalised for the period ended		Balances receivable/(payable) as at	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Euro						
New Waverley Advisers Limited						
- Oncharged development costs	-	-	12 049 068	17 790 498	(90 587)	(127 164)
- Development management fee ²	913 946	-	-	-	(2 083 575)	(1 528 321)
	913 946	-	12 049 068	17 790 498	(2 174 162)	(1 655 485)
New Waverley Holdings Limited						
- Development profit participation fee ¹	-	-	-	-	-	(2 292 482)
	-	-	-	-	-	(2 292 482)
Corona Real Estate Partners Limited						
- Investment advisory	(486 539)	(464 726)	74 861	-	-	-
	(486 539)	(464 726)	74 861	-	-	-
Attacq						
- Karoo Fund financial liability	-	(3 601 074)	-	-	-	(29 112 780)
- Interest income from loan receivable	-	134 803	-	-	-	19 056 917
	-	(3 466 271)	-	-	-	(10 055 863)
Artisan Real Estate Investors Limited						
- Oncharged administrative expenses	(6 179)	(30 120)	-	-	(2 920)	7 494
	(6 179)	(30 120)	-	-	(2 920)	7 494
	421 228	(3 961 117)	12 123 929	17 790 498	(2 177 082)	(13 996 336)

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

² 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
Morné 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
Morné Wilken	NED	10 000	-	-	-	10 000
Pierre Goosen	NED	10 000	-	-	-	10 000
		318 559	-	399 659	399 659	1 117 877

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



19. Reclassification

The group has reclassified some prior year 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 period.

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

Euro	Impact of reclassification		
	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

Euro	Impact of reclassification		
	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



2. **AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

REPORT OF THE INDEPENDENT AUDITOR, KPMG LLC, TO THE SHAREHOLDERS OF MAS REAL ESTATE INC. (CONTINUED)

Audit opinion

We have audited the consolidated financial statements of MAS Real Estate Inc and its subsidiaries ("the group") for the year ended 30 June 2016 set out [below], which comprise the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 30 June 2016 and its consolidated performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the 'Auditor's Responsibilities for the Financial Statements' section of our report.

We are independent of the group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code), together with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion, thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property (€307,0m) refer to note 12 (investment property)

The key audit matter: The group's investment property portfolio, including income-generating, development and land bank, makes up 65,7% of total assets (by value) and is considered to be the key driver of the group's capital and revenue performance. The group's accounting policy in note 12 states that the value of the income-generating investment properties is determined by independent external experts using discounted cash flow models. The data used in these models includes significant unobservable inputs including, amongst other things, tenant occupation levels and terms, comparable transactions, as well as risk adjusted discount rates. Development and land bank property is held at cost where fair value is not considered determinable.

How the matter was addressed in our audit:

Our procedures over the valuation of the group's investment property portfolio included, among others:

- understanding and critically assessing the processes in place to record investment transactions and to value the portfolio;
- agreeing the valuation of all investment properties which have been revalued to valuation reports prepared by external experts appointed by the directors;

- considering the terms of engagement and basis of preparation of externally prepared property valuation reports, recalculating any specified valuation workings, and assessing the competence, capability and integrity of the appointed expert;
- testing the key assumptions used in the determination of the fair value in the valuation reports, including analysing the accuracy of the rental income in the calculations compared to the actual results and comparing discount rates used to available industry data for available investment properties;
- considering the changes in the relevant property markets and ensuring that these movements are reflected in the valuation of the investment property;
- recalculating the impact of movement in exchange rates on the investment property portfolio;
- reviewing the investment property held at cost for impairment; and
- assessing the adequacy of disclosures with regard to the investment property portfolio held in the consolidated financial statements

Impairment of goodwill (€25,3m) refer to note 11 (goodwill)

The key audit matter: The group has material goodwill resulting from the internalisation of its property advisor MAS Property Advisors Limited during the prior-year. The evaluation of recoverability of the carrying value at the year-end is dependent on the forecast performance of the group. As such, this requires significant judgement by the directors in forecasting future financial information and evaluating whether the assets recognised are impaired. Key assumptions include the relevant revenue, rate of growth and discount factor.

How the matter was addressed in our audit: Our audit procedures over the impairment of goodwill included, among others:

- Understanding the group's forecasting procedures, upon which the forecasts are based, through inquiry;
- testing the mathematical integrity of the group's discounted cash flow model;
- critically assessing the key assumptions used in the discounted cash flow model against current and past performance trends and the sensitivity of the forecast financial information to potential changes in the key assumptions;
- comparing assumptions to externally derived data, where appropriate, and to our own assessments of certain key inputs;
- recalculating the movement in goodwill due to foreign currency exchange rates; and
- assessing the adequacy of disclosures with regard to goodwill in the consolidated financial statements.

Other information

The directors are responsible for the other information. The other information comprises pages 1 to 62 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as the directors determine is necessary to enable the preparation of consolidated financial statements which are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has no realistic alternatives but to do so.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicated with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the group's shareholders, as a body. Our audit work has been undertaken so that we might state to the group's shareholders those matters we are required to state to them in an auditor's 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 group and the group's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Simon Nicholas.

Simon Nicholas

for and on behalf of KPMG Audit LLC
Statutory Auditors
Chartered Accountants

Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN
21 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Euro	Note	Year ended 30 June 2016	Year ended 30 June 2015 Restated*	Year ended 30 June 2014
Rental income	4	14 203 699	8 733 519	5 247 429
Service charge income and other recoveries		2 047 322	589 637	-
Revenue		16 251 021	9 323 156	5 247 429
Service charges and other property operating expenses		(4 036 748)	(3 405 450)	(3 075 908)
Net rental income		12 214 273	5 917 706	2 171 521
Other income	7	2 355 381	-	-
Corporate expenses		(3 188 770)	(1 767 154)	(884 564)
Investment expenses	5	(2 159 964)	(537 417)	-
Net operating income		9 220 920	3 613 135	1 286 957
Fair value adjustments	6	6 431 719	27 877 364	707 528
Disposal of investment property		-	-	1 008 336
Exchange differences	8	(12 913 210)	17 660 295	3 931 722
Share of loss from equity accounted investees, net of tax	14	(31 908)	-	1 479
Profit before finance income/(costs)		2 707 521	49 150 794	6 936 022
Finance income	9	392 801	4 676	199 348
Finance costs	9	(773 765)	(581 374)	(876 699)
Profit before taxation		2 326 557	48 574 096	6 258 671
Taxation	10	(828 525)	(99 188)	(1 198 435)
Profit for the year		1 498 032	48 474 908	5 060 236
Earnings per share (euro cents)	27	0,49	16,87	2,76
Diluted earnings per share (euro cents)	27	0,49	16,87	2,76

* Restated as a result of reclassifications, no impact on profit or loss, see note 29

The notes on pages 86 to 141 form part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Euro	Note	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2014
Profit for the year		1 498 032	48 474 908	5 060 236
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign operations – foreign currency translation difference, net of tax	19	(12 387 307)	6 575 768	156 323
Total comprehensive (loss)/income for the year		(10 889 275)	55 050 676	5 216 559

The notes on pages 86 to 141 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro	Note	As at 30 June 2016	As at 30 June 2015 Restated*	As at 30 June 2014
<i>Non-current assets</i>				
Goodwill	11	25 262 818	29 351 139	1 371 537
Investment property	12	306 996 079	248 538 806	64 751 842
Financial investments	13	-	12 346 864	35 743 617
Investment in equity accounted investees	14	19 991 716	-	-
Property, plant and equipment		241 083	15 136	-
Deferred taxation asset	10	721 292	737 015	52 886
Total non-current assets		353 212 988	290 988 960	101 919 882
<i>Current assets</i>				
Financial investments	13	51 614 068	69 826 873	-
Trade and other receivables	15	11 264 083	4 527 803	2 270 221
Cash and cash equivalents	16	47 997 978	45 111 775	205 800 188
Assets held for sale	17	3 515 237	-	-
Total current assets		114 391 366	119 466 451	208 070 409
Total assets		467 604 354	410 455 411	309 990 291
<i>Equity</i>				
Share capital	18	378 530 556	305 671 992	289 978 080
Retained earnings/(loss)		27 503 007	40 269 910	(1 276 580)
Foreign currency translation reserve	19	(5 188 611)	7 198 696	622 928
Shareholders' equity		400 844 952	353 140 598	289 324 428
<i>Non-current liabilities</i>				
Interest bearing borrowings	20	43 227 831	14 779 769	14 340 752
Financial instruments	21	5 396 943	6 545 482	2 104 606
Deferred taxation liability	10	1 242 741	1 143 646	926 285
Total non-current liabilities		49 867 515	22 468 897	17 371 643
<i>Current liabilities</i>				
Interest bearing borrowings	20	1 350 764	968 120	1 757 425
Financial instruments	21	7 146 090	29 082 436	-
Trade and other payables	22	8 296 197	4 795 360	1 536 795
Provisions		98 836	-	-
Total current liabilities		16 891 887	34 845 916	3 294 220
Total liabilities		66 759 402	57 314 813	20 665 863
Total shareholders' equity and liabilities		467 604 354	410 455 411	309 990 291
<i>Actual number of ordinary shares in issue</i>				
NAV per share (euro cents)	18	348 625 219	291 787 889	279 483 999
Adjusted NAV per share (euro cents)		115,0	121,0	103,5
		115,1	121,2	103,8

* Restated as a result of reclassifications, no impact on NAV, see note 29.

The notes on pages 86 to 141 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors and signed on 21 September 2016 on their behalf by:

Ron Spencer

Malcolm Levy



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

The company is domiciled in the British Virgin Islands. These consolidated financial statements as at and for the year ended 30 June 2016 comprise of the group.

MAS is a real estate investment group with a portfolio of commercial properties in Western Europe and an investment in an associate in Central and Eastern Europe. The group aims to deliver sustainable and growing distributions to shareholders over time.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB, the JSE Listings Requirements, the LuxSE rules and regulations and applicable legal and regulatory requirements of the BVI Business Companies Act 2004.

Basis of measurement

These financial statements are prepared on the historical cost basis except for the following items that are measured on the fair value basis:

- Derivative financial instruments (see note 21)
- Financial investments classified as FVTPL (see notes 13); and
- Investment property (see note 12).

The group uses observable market data as far as it is available to measure the fair values of assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based upon the inputs used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Where the inputs used in the valuation technique fall into more than one category in the fair value hierarchy, the asset or liability is categorised into the lowest level input that is significant in the valuation of that asset or liability.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

Use of judgement and estimation uncertainty

In the preparation of these consolidated financial statements the directors have made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts in the financial statements. The directors continually evaluate these judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses based upon historical experience and on other factors that they believe to be reasonable under the circumstances. Actual results may differ from the judgements, estimates and assumptions. The key areas of judgement are as follows:

- Investment property: The valuation of investment property is determined by external property valuation experts, except where fair value cannot be reliably determined, see note 12. The external property valuation experts use recognised valuation techniques and apply the principles of IFRS 13 'Fair value measurement'. The significant methods and assumptions used by the valuers in estimating fair value are set out in note 12.

Where there is not a reliably determinable fair value the group uses costs less impairment as a reasonable approximation of fair value. The directors have assessed the value of development property and no impairment has been recognised, see note 12.

- Financial investments and financial instruments: In determining the fair value of financial instruments and financial investments at fair value through profit or loss, the group is required to make estimations of unobservable inputs in determining the investment's fair value. The significant methods and assumptions used in estimating fair value are set out in notes 13 and 21.



- Investment in equity accounted investee: The group recognises an investment in associate when there is significant influence over the investee. Judgements are made to assess the extent of influence it has over its investments and whether there is significant influence, see note 14.
- Loan commitments: the group has loan commitments to an equity accounted investee, see note 14. Judgements are made to assess the market related rate of loan commitments. Loan commitments at a market related rate are not in the scope of IFRS 9, rather IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, until such time as the impairment guidance in IFRS 9 becomes effective. The group applied judgement in reviewing the loan commitment made to PKM and determined that the cost of funding the loan commitment is lower than the rate to be charged, accordingly the loan commitment is neither onerous nor impaired.
- Impairments: the group annually reviews the recoverable amount of CGU's to which goodwill has been allocated. The group uses assumptions in determining the recoverable amount, which is an estimate and may differ from actual results in the future, see note 11.
- Taxation: the group is subject to income tax across the jurisdictions where it operates. There are assumptions made in the computation of the provision for taxation across the operating subsidiaries, see note 10.
- Deferred taxation: the group recognises deferred taxation assets to the extent that there are forecast future taxable profits against which the carry forward tax losses can be used. Judgements and estimations are made to assess the future taxable profits of the group, see note 10.
- Determination of whether the acquisition of an investment property is a business combination: the group applies judgement to the acquisition of investment property to determine whether the acquisition is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 'Business Combinations'. The group has determined the acquisitions of investment property in the current and prior year are not business combinations, rather acquisitions of investment property assets, see note 12.

Presentation currency

These consolidated financial statements are presented in euro which is the company's functional currency.

Reclassification

In the current year the group has classified some items in the statement of financial position, the statement of profit or loss and the statement of cash flows differently to the prior year. To aid comparability the prior year comparatives have been restated, see note 29.

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
Disclosure initiative (Amendments to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 (2014) Financial Instruments*	1 January 2018
Classification and measurement of share-based payment transactions (Amendments to IFRS 2)	1 January 2018
IFRS 16 Leases	1 January 2019

*The group early adopted IFRS 9 (2013) in the prior year.

The directors have not yet assessed the impact of adopting these standards and interpretations.



3. General and significant accounting policies

For specific accounting policies please refer to the corresponding notes.

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. 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.

Financial instruments

Financial instruments are recognised when the group becomes party to the contractual provisions of the liability

i. Financial assets

The group classifies its financial assets into the following categories: financial assets at amortised cost and financial assets at fair value. Financial assets are recognised when the group becomes party to the contractual provisions of the asset.

Financial assets at amortised cost

Financial assets are classified as financial assets at amortised cost only if both the following criteria are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest is the consideration for the time value of money and credit risk associated with the principal amount outstanding.

The group may classify financial assets that meet the criteria to be classified as financial assets at amortised cost as financial assets at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise if the financial asset were measured at amortised cost.

Financial assets classified as financial assets at amortised cost are recognised initially at fair value plus any directly attributable transaction costs at the settlement date. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that an incurred loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows

discounted at the asset's original effective interest rate. Losses are recognised in profit or loss within investment expenses and reflected in an allowance account against trade and other receivables. Interest on the impaired asset continues to be recognised to the extent that it is probable that the interest will be collected.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets at fair value

A financial asset is classified as fair value if it does not meet either criteria for classification of a financial asset at amortised cost. The group initially recognises these financial assets at trade date, and attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are subsequently measured at fair value, and changes therein are recognised in profit or loss in the period in which they occur.

Derecognition of financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

ii. Financial liabilities

The group classifies its financial liabilities into the following categories: financial liabilities at amortised cost and financial liabilities at fair value. Financial assets are recognised when the group becomes party to the contractual provisions of the liability.

Financial liabilities at amortised cost

All financial liabilities are classified as financial liabilities at amortised cost unless they meet the criteria for classification as financial liabilities at fair value.

These financial liabilities are initially recognised at fair value plus any directly attributable transactions costs at the settlement date. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value

Financial liabilities are classified as financial liabilities at fair value if they are: financial liabilities that are held for trading; derivative financial instruments; financial liabilities designated as fair value; financial liabilities that arise when a transfer of a financial liability does not qualify for derecognition or when the continuing involvement applies; financial guarantees; and commitments to provide loans at a below-market interest rate.

The group may elect to designate financial liabilities as financial liabilities at fair value that would otherwise meet the criteria to be classified as a financial liability at amortised cost, if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise if the financial liability were measured at amortised cost.

The group initially recognises financial liabilities at fair value at trade date, and attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and changes therein are recognised in profit or loss in the period in which they occur.

Derecognition of financial liabilities

The group derecognises a financial liability when the contractual obligations of the liability expire, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Borrowing costs

Interest bearing borrowings are allocated to either specific or general borrowings. Specific or general borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset.

Service charge and other property operating expenses

Service charge and other property operating expenses are costs incurred in relation to operating investment property. These expenses do not include costs which are incurred in relation to the

company's listing or the group's structuring. Such expenses are included within corporate expenses. Service charge and other property operating expenses are recognised in profit or loss in the period in which they are incurred within service charge and other property operating expenses.

Employee expenses which relate to the operating of investment properties are also recognised in service charge and other property operating expenses. Employee benefits comprise salary and annual leave, these short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Corporate expenses

Corporate expenses are company specific costs which are incurred in relation to the company's listing and the group's structuring, these costs are not incurred in relation to operating investment property. These expenses are recognised in profit or loss in the period in which they are incurred within corporate expenses.

Employee expenses not recognised in service charge and other property operating expenses are recognised in corporate expenses on the same basis as explained above.

4. Rental income

Accounting policy

Rental income from investment properties leased out under operating leases is recognised as rental income in the profit or loss on a straight-line basis over the term of the leases. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental income on a straight line basis over the term of the lease. The term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, there is reasonable certainty that the tenant will exercise that option.

Disclosure

Rental income of €14 203 699 (2015: €8 733 519) was generated for the year ended 30 June 2016.

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

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Baumarkt GMBH	2 227 811	1 650 000
Bauhaus GmbH	1 644 562	1 374 824
	3 872 373	3 024 824

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

	As at	As at
Euro	30 June 2016	30 June 2015
No later than 1 year	18 796 482	13 327 092
Greater than 1 year and less than 5 years	71 729 913	62 612 949
Greater than 5 years	157 873 608	121 736 011
	248 400 003	197 676 052



5. Investment expenses

Accounting policy

Investment expenses are property related costs which are incurred which are not directly attributable to net rental income. These expenses are recognised in profit or loss in the period in which they are incurred within investment expenses.

Disclosure

The group's investment expense comprises:

	Year ended 30 June 2016	Year ended 30 June 2015 Restated*
Euro		
Costs incurred in relation to Sauchiehall	(1 652 258)	(172 931)
Abortive costs	(507 706)	(364 486)
	(2 159 964)	(537 417)

*Some expenses disclosed in the prior year as Administrative expenses have been reclassified to investment expenses to aid comparability with the classifications of expenses in the current year, see note 29.

6. Fair value adjustments

Accounting policy

Fair value adjustments comprise:

Fair value adjustment on investment property

Investment property is measured at fair value at the reporting date, and changes therein are recognised in profit or loss within fair value adjustments in profit or loss in the period in which they occur.

Fair value adjustments on financial investments

Financial investments held at fair value through profit or loss are measured at fair value at the reporting date, and changes therein are recognised within fair value adjustments in profit or loss in the period in which they occur.

Fair value adjustments on financial instruments

Financial instruments held at fair value through profit or loss are measured at fair value at the reporting date, and changes therein are recognised within fair value adjustments in profit or loss in the period in which they occur.

Disclosure

The group's fair value adjustments comprise

	Euro Note	Year ended 30 June 2016	Year ended 30 June 2015 Restated*
Fair value adjustments			
Investment property		(3 088 606)	5 718 442
Financial investments		12 938 105	51 087 922
Financial instruments		(3 417 780)	(28 929 000)
		6 431 719	27 877 364
<i>Detailed as follows:</i>			
Fair value of investment property			
Income-generating	12	(1 764 630)	(9 163 196)
Development	12	(2 103 869)	14 881 638
Land bank	12		-
		779 893	
		(3 088 606)	5 718 442
Fair value of financial investments			
Karoo Fund	13	6 130 579	45 651 311
Sirius	13	6 807 526	1 134 917
Treasury investments	13		4 301 694
		-	
		12 938 105	51 087 922
Fair value of financial instruments			
Zurich interest rate swap	21	(301 857)	(305 024)
Aldi interest rate swap	21	(191 737)	(7 464)
Attacq Limited financial liability	21	(4 032 584)	(24 896 101)
Development management fee	21	(1 092 047)	(1 488 165)
Priority participating profit dividend	21	2 200 445	(2 232 246)
		(3 417 780)	(28 929 000)

*Fair value adjustments disclosed in the prior year as Treasury investments have been reclassified to Fair value of financial investments and are included within Sirius to aid comparability with the classifications in the current year, see notes 13 and 29.

7. Other income

Accounting policy

The group's other income includes dividend income from financial investments held at fair value and other miscellaneous income not directly attributable to net rental income. Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

Disclosure

The group's other income comprises:

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Dividend income earned on financial investments (see note 13)	1 717 829	-
EMI receivable (see note 15)	637 552	-
	2 355 381	-

During the year group received total dividends of €1 717 829 (2015: € nil) from its financial investment in Sirius, see note 13. The group has a dividend receivable at 30 June 2016 of €1 256 586 (2015: €nil), see note 15.

The group entity Sauchiehall entered into an agreement with EMI to release it from certain guarantees in return for consideration of the sum of £487 000 (€637 552), €589 826 (see note 15) is outstanding at the year-end as result of a foreign exchange loss of €47 726.

8. Exchange differences

Accounting policy

Transactions in foreign currencies are translated into the functional currency of the group at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rate at the date the fair value was determined. Foreign currency differences are recognised in profit or loss. Non-monetary items that are measured based on the historical cost in a foreign currency are not translated.

The group has loans between group entities which are eliminated on consolidation, the foreign exchange differences arising on these intra-group loans are not eliminated and are recognised in profit or loss because they are not deemed to be a net investment in a foreign operation.

Where intra-group loans are denominated in the functional currency of the foreign operation and are from group entities with a euro functional currency there is no foreign exchange movement recognised in the profit and loss of the foreign operation, but there is a foreign exchange movement recognised in the profit and loss of the group entity with a euro functional currency. A foreign exchange movement on the foreign operation is recognised in other comprehensive income and accumulated in the foreign currency translation reserve when the intra-group loans of the foreign operation are translated into euros, the presentational currency of the group.

Disclosure

Exchange gains and losses arise from the revaluation of monetary assets and liabilities. It is not the policy of the group to hedge currencies held between euro, sterling and Swiss franc. As a result, exchange differences arise predominantly from the intra-group loans of foreign operations. In the current year, this totalled a loss of €12 913 210 (2015: €17 660 295 gain).

9. Finance income and finance costs

Accounting policy

The group's finance income and finance costs include the following:

- Interest income from financial assets held at amortised cost
- Interest expense from financial liabilities held at amortised cost

Interest income or expense is recognised using the effective interest rate method.

Disclosure

The group's finance income and finance costs comprise:

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Finance income		
Interest earned on bank deposits at amortised cost	9 538	4 676
Interest earned on loans at amortised cost	383 263	-
	392 801	4 676
Finance costs		
Interest paid on bank debt at amortised cost	(770 243)	(581 374)
Interest paid on bank deposits at amortised cost	(3 522)	-
	(773 765)	(581 374)

During the year, the group issued a short-term loan to Attacq, see note 26. Included within finance income is interest income of €383 263 (2015: €nil) received from the Attacq loan.

10. Taxation

Accounting policy

Taxation on the profit or loss for the period comprises current and deferred taxation. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current taxation

Current taxation comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. It is measured using enacted or substantively enacted tax rates at the reporting date.

Deferred taxation

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the fiscal values used for taxation purposes, except for the following temporary differences which are not provided for:

- Those arising from goodwill not deductible for tax purposes
- Those arising from the initial recognition of assets or liabilities that affect neither accounting or taxable profit, and are not part of a business combination
- Those arising on investments in subsidiaries and associates where the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. For purposes of computing deferred taxation on investment property it is assumed that the carrying amount is realised through sale.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Disclosure

The group's current taxation charge and deferred taxation is as follows:

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Current taxation	(684 749)	(371 447)
Deferred taxation (expense)/income	(143 776)	272 259
Taxation expense	(828 525)	(99 188)

Current taxation

The company is domiciled in the BVI and is not subject to taxation 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:

Euro	Year ended 30 June 2016		Year ended 30 June 2015	
	Applicable rate	Taxation	Applicable rate	Taxation
Income taxation				
UK	20,0%	324 054	20,0%	241 594
Switzerland	26,2%	-	26,2%	-
Germany	15,8%	311 461	15,8%	91 749
Luxembourg	0,0%	-	0,0%	-
Wealth taxation				
Switzerland	0,2%	3 544	0,2%	7 641
Luxembourg	0,5%	45 690	0,5%	30 463
		684 749		371 447

The group utilises SPV investment companies in Luxembourg for investment properties located in Germany and Switzerland. Double tax treaties with Switzerland and Germany allow corporate income taxation to be levied on the group's taxable profits only to the extent that these are not taxed in the jurisdiction where the investment property is located.

In Switzerland, the group is liable for cantonal and federal taxes, in addition to a wealth tax. For the years ended 30 June 2016 and 2015 the Swiss portfolio was in a taxable loss position as a result of capital allowances on the property, and hence no income tax is payable. However, a wealth tax payable of €3 544 (2015: €7 641) has been accrued.

The group paid €310 994 (2015: €371 447) in taxation during the year.

Reconciliation of deferred taxation:

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Net deferred taxation (liability) brought forward	(406 631)	(873 399)
Current year deferred taxation movement	(143 776)	272 259
Foreign currency translation difference in OCI	28 958	194 509
Net deferred taxation (liability) carried forward	(521 449)	(406 631)

The deferred taxation liability results from the following types of differences:

Euro	As at 30 June 2016	As at 30 June 2015
Deferred taxation on temporary differences between accounting and fiscal value of investment property	721 292	737 015
Deferred taxation asset	721 292	737 015
Deferred taxation on temporary differences between accounting and fiscal value of investment property	(1 242 741)	(1 143 646)
Deferred taxation (liability)	(1 242 741)	(1 143 646)
Net deferred taxation (liability)	(521 449)	(406 631)

Reconciliation of effective taxation rate

Euro	Year ended 30 June 2016		Year ended 30 June 2015	
Profit before taxation	2 326 557		48 574 096	
	0,00%	-	0,00%	-
Taxation using the company's domestic rate	(29,43)%	(684 749)	(0,76)%	(371 447)
Effect of taxation rates in foreign jurisdictions				
Change in recognised deductible temporary differences				
• Revaluation of investment property	(7,99)%	(185 826)	2,14%	1 040 682
• Change in taxation base	1,81%	42 050	(1,58)%	(768 423)
	(35,61)%	(828 525)	(0,20)%	(99 188)

11. Goodwill**Accounting policy**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Goodwill impairment reviews are undertaken at each reporting period end or more frequently if events or changes in circumstances indicate a potential impairment. For impairment testing, assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reducing the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed

Disclosure

The group's goodwill comprises:

Euro	As at 30 June 2016	As at 30 June 2015
New Waverley 10 Limited	1 361 802	1 582 184
MAS Prop	23 901 016	27 768 955
	25 262 818	29 351 139



Reconciliation of the group's carrying amount of goodwill:

Euro	MAS Prop	New Waverley 10 Limited	Total
Cost			
Balance at 30 June 2014	-	1 371 537	1 371 537
Acquisition of subsidiary	24 970 329	-	24 970 329
Foreign currency translation difference in OCI	2 798 626	210 647	3 009 273
Balance at 30 June 2015	27 768 955	1 582 184	29 351 139
Foreign currency translation difference in OCI	(3 867 939)	(220 382)	(4 088 321)
Balance at 30 June 2016	23 901 016	1 361 802	25 262 818

Accumulated impairment losses

Balance at 30 June 2014	-	-	-
Balance at 30 June 2015	-	-	-
Balance at 30 June 2016	-	-	-

Carrying amount

Balance at 30 June 2014	-	1 371 537	1 371 537
Balance at 30 June 2015	27 768 955	1 582 184	29 351 139
Balance at 30 June 2016	23 901 016	1 361 802	25 262 818

The goodwill arising on acquisitions in prior periods has been recognised as follows:

	MAS Prop		New Waverley 10 Limited	
	Sterling	Euro	Sterling	Euro
Consideration transferred	19 778 012	25 000 000	6 586 667	7 719 052
Fair value of identifiable net assets	(23 473)	(29 671)	(2 430)	(2 823)
Additional debt acquired	-	-	(3 941)	(4 580)
Movement in foreign currency translation reserve	-	-	686)	239)
Fair value of pre-existing interest in New Waverley 10 Limited	-	-	-	(1 695)
	-	-	910 799	1 058 349
	19 754 539	24 970 329	1 125 548	1 371 537

In the calculation of the group's goodwill in MAS Prop the pre-existing contractual investment advisory relationship with MAS Prop was determined to have been at market value and settled on acquisition. Accordingly, the carrying amounts of net assets acquired were determined to be the identifiable net assets at fair value. The goodwill arising on the acquisition of MAS Prop in the prior period has been allocated to MAS Prop as a single cash generating unit and represents the future discounted cost savings to the group.

The goodwill arising on New Waverley 10 Limited was allocated to the New Waverley development and represents a portion of the estimated future value above that of the current carrying amount of the New Waverley Development.



Impairment

The group's recoverable amounts of its CGU's are determined to be value in use as it is greater than fair value less costs to sell.

New Waverley 10 Limited

No impairment charge arose as a result of the group's annual impairment test of goodwill in relation to New Waverley 10 Limited (2015: €nil).

The recoverable amount of the New Waverley 10 Limited CGU has been determined based upon independent external third party valuation for the element of the site in an advanced stage of construction and development appraisals from the group's quantity surveyors for elements of the site which are still in the process of being finalised.

Management has determined that a reasonably possible change to the key assumptions would not result in an impairment.

MAS Prop

No impairment charge arose as a result of the group's annual impairment test of goodwill in relation to MAS Property Advisors Limited (2015: €nil).

The recoverable amount of the MAS Property Advisors Limited CGU was based on the value in use, as determined using a discounted cash flow. The cash flow was forecast for a period of 8 years (2015: 9 years), which is the remaining term of the investment advisory agreement. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience adjusted for anticipated net asset growth of the group and increases in operating expense.

The following key assumptions were used in the impairment assessment:

Inputs	As at 30 June 2016	As at 30 June 2015
Pre-tax discount rate	6,68%	7,51%
Annual increase in revenue	7,00% - 11,00%	5,00% - 6,00%
Annual increase in operating expenses	4,00% - 6,00%	5,00%
Budgeted period	8 years	9 years

No cash flows have been assumed beyond the budgeted period, and accordingly no growth is assumed beyond the forecast period. Management has determined that a reasonably possible change to the key assumptions would not result in an impairment.

12. Investment property

Accounting policy

Investment property comprises freehold land, leasehold land, buildings and installed equipment held for the purpose of earning rental income and for capital appreciation. Investment property also includes property under construction for future use as investment property.

Investment properties are treated as long-term investments and are initially recognised at cost (including related transaction costs unless acquired as part of a business combination) and are subsequently carried at fair value, with any changes therein recognised in profit or loss. Subsequent additions that produce future economic benefits to the group are capitalised.

Fair value is based on active market prices, adjusted, if necessary for differences in nature, location, and tenant, amongst other items. If this information is not available, the group uses alternative valuation methods such as discounted cash flows. Valuations are performed at the financial reporting date by independent professional valuers who hold recognised and relevant professional qualifications and have recent experience of valuing that type and location of investment property.

Development property and land bank is initially recognised at cost, and subsequently remeasured to fair value. Fair value of development property and land bank is not always determined reliably due the properties being in the early stages of construction or where construction has not yet begun. Where fair value cannot be determined reliably as a result of the development being in the early stages, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost less impairment until such point in time that the fair value becomes reliably determinable. Where fair value cannot be reliably determined and there are indicators of



impairment the recoverable amount is estimated. In this situation, the recoverable amount is determined using value in use, because the fair value less costs to sell is not reliably determinable. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Any gains or losses arising from changes in fair value are included in the profit or loss. Gains or losses arising from the disposal of investment property, being the difference between the net disposal proceeds and the carrying amount, are recognised in profit or loss.

General and specific borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of investment property that meets the definition of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs continues until the asset is substantially ready for its intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowing for development purposes or, at the average rate in respect of that part of the development cost financed out of general funds.

All costs directly associated with the purchase and construction of a property are capitalised.

Disclosure

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 plots held for schemes that have not yet commenced, and residential developments.

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

Euro	As at 30 June 2016			As at 30 June 2015		
	Fair value	Cost	Total	Fair value	Cost	Total
Income-generating property	242 625 172	-	242 625 172	164 390 518	-	164 390 518
Development property	17 927 863	4 502 390	22 430 253	35 288 845	7 618 598	42 907 443
Land bank	-	41 940 654	41 940 654	-	41 240 845	41 240 845
	260 553 035	46 443 044	306 996 079	199 679 363	48 859 443	248 538 806

Reconciliation of investment property

The group's investment property is measured at fair value, where fair value cannot be determined reliably as a result of a development being in the early stages, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost less impairment until such point in time that the fair value become reliably determinable. The group's investment property is situated in three jurisdictions (UK, Germany and Switzerland). The group has an investment in an associate in CEE through partners Prime Kapital. This has been included within Investments in equity accounted investees, see note 14.

**As at 30 June 2016**

Euro	Income-generating				Development	Land bank	Total
	UK	Germany	Switzerland	Total	UK	UK	
Opening balance	40 413 876	102 830 000	21 146 642	164 390 518	42 907 443	41 240 845	248 538 806
Property acquisitions	-	37 439 245	-	37 439 245	-	-	37 439 245
Capitalised retentions (see note 21)	-	1 370 755	-	1 370 755	-	-	1 370 755
Capitalised acquisition costs	-	4 578 229	-	4 578 229	-	-	4 578 229
Property disposal	(1 814 850)	-	-	(1 814 850)	-	-	(1 814 850)
Transfer from development property	43 937 100	-	-	43 937 100	(43 937 100)	-	-
Capitalised expenditure	377 171	372 522	-	749 693	31 356 543	5 910 392	38 016 628
Capitalised financial liability (see note 21)	-	-	-	-	-	3 327 225	3 327 225
Capitalised interest	-	-	-	-	28 452	354	28 806
Fair value adjustment	(3 144 069)	2 169 249	(789 810)	(1 764 630)	(2 103 869)	779 893	(3 088 606)
Transfer to assets held for sale (note 17)	-	-	-	-	-	(3 515 237)	(3 515 237)
Foreign currency translation difference in OCI	(5 393 892)	-	(866 996)	(6 260 888)	(5 821 216)	(5 802 818)	(17 884 922)
Closing balance	74 375 336	148 760 000	19 489 836	242 625 172	22 430 253	41 940 654	306 996 079

As at 30 June 2015

Euro	Income-generating				Development	Land bank	Total
	UK	Germany	Switzerland	Total	UK	UK	
Opening balance	13 225 620	7 900 000	18 524 952	39 650 572	7 822 049	17 279 221	64 751 842
Property acquisitions	24 821 334	90 488 931	-	115 310 265	487 867	15 774 383	131 572 515
Capitalised acquisition costs	1 441 896	7 239 508	-	8 681 404	-	-	8 681 404
Capitalised expenditure	-	-	183 723	183 723	17 789 911	4 404 908	22 378 542
Capitalised retentions	-	2 703 865	-	2 703 865	-	-	2 703 865
Fair value adjustment	(3 044 610)	(5 502 304)	(616 282)	(9 163 196)	14 881 638	-	5 718 442
Foreign currency translation difference in OCI	3 969 636	-	3 054 249	7 023 885	1 925 978	3 782 333	12 732 196
Closing balance	40 413 876	102 830 000	21 146 642	164 390 518	42 907 443	41 240 845	248 538 806



Operating leases

Investment properties are subject to operating leases. The group's investment property portfolio generated €14 203 699 (2015: €8 733 519) in rental income and €2 047 322 (2015: €589 637) in service charge income and other recoveries with service charge and other property expenses of €4 036 748 (2015: €3 405 450) being recognised in profit or loss.

Interest bearing borrowings

Bank borrowings of €44 578 595 (2015: €15 747 889) are secured against investment property (see note 20). The group has designated bank borrowings drawdown in the period of €29 978 966 as general borrowings, the interest cost of which has been capitalised against qualifying assets. During the year interest costs on general borrowings of €28 806 (2015: €nil) (see note 20) have been capitalised and included within development property. The group capitalised €nil (2015: €nil) interest costs on specific borrowings in the year.

Capital commitments

The group has capital commitments of €65 547 267 (2015: €44 045 990) in respect of capital expenditures contracted for at the reporting date, see note 30).

Related parties

The group has a development management arrangement with the developer New Waverley Advisers a related party, for the development and construction of the New Waverley site in Edinburgh. A development management fee of €2 367 448 (2015: €1 576 779) and priority participating dividend of nil (2015: 2 365 168) has been recognised in relation to the New Waverley development, see note 21 and 26.

The group has capitalised costs incurred from related parties amounting to €27 117 356 (2015: €19 958 467) during the year, see note 26.

Deferred consideration

On the acquisition of Heppenheim retail park, Bruchsal and Edeka portfolio 1 properties the group retained a portion of the purchase price per the respective SPA. These retentions will be released to the vendors at such time as they complete the retention activities. These amounts have been accounted for as deferred consideration, see note 21.

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. For details of the respective valuers used refer to page [x].

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 the 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 technique used.

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

As at 30 June 2016		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

As at 30 June 2015		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Income-generating property	164 390 518	-	-	164 390 518
Development property	35 288 845	-	-	35 288 845
	199 679 363	-	-	199 679 363

Valuation technique and significant unobservable inputs

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

As at 30 June 2016 and 30 June 2015

Investment property type	Valuation technique	Significant unobservable inputs	Inter-relation between key unobservable inputs and fair value measurement
Income-generating property	<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, 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.	<ul style="list-style-type: none"> • Risk adjusted discount rates • Estimated rental value • Net rental growth • Reversionary discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Expected market rental growth was higher/(lower) • The estimated rental value was higher/(lower) • The reversionary discount rate was lower/(higher) • The risk adjusted discount rate was lower/(higher)
Development property	<p><i>Discounted cash flows less cost to complete:</i> The discounted cash flow is determined on the same basis as income-generating properties based on the completed development property.</p> <p>Costs to complete as determined by external quantity surveyors are deducted from the discounted cash flow.</p>	<ul style="list-style-type: none"> • Risk adjusted discount rates • Estimated rental value • Net rental growth • Reversionary discount rate • Costs to complete 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Expected market rental growth was higher/(lower) • The estimated rental value 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)

**Fair value sensitivity analysis****As at 30 June 2016****Income-generating property****Significant unobservable inputs**

Euro				Discount rate		Net rental growth			Reversionary discount rate			Estimated Rental Value		
				Sensitivity		Sensitivity			Sensitivity			Sensitivity		
Country	Technique	Valuation	Input %	Change	Valuation	Input %	Change	Valuation	Input %	Change	Valuation	Input p.a	Change	Valuation
UK	DCF	74 375 336	7,50	0,50%	72 829 931	2,00%	2,50%	75 101 279	7,00%	0,50%	74 193 854	2 372 432	10,00%	33 156 068
				-0,50%	76 883 096		-2,50%	73 879 280		-0,50%	74 496 329		-10,00%	29 314 635
Germany	DCF	148 760 000	5,00- 6,00	0,50%	145 460 000	1,00% - 6,50%	2,50%	163 760 000	6,00% - 8,25%	0,50%	145 640 000	41 531 091	10,00%	155 260 000
				-0,50%	156 760 000		-2,50%	143 780 000		-0,50%	157 280 000		-10,00%	147 310 000
Switzerland	DCF	19 489 836	4,40	0,50%	17 907 092	1,00%	2,50%	19 167 766	0,00%	0,50%	-	900 314	10,00%	20 851 732
				-0,50%	21 394 650		-2,50%	19 830 310		-0,50%	-		-10,00%	18 127 940

242 625 172**Development property****Significant unobservable inputs**

Euro				Discount rate		Costs to complete		
				Sensitivity		Sensitivity		
Country	Technique	Valuation	Input %	Change	Valuation	Input	Change	Valuation
UK	DCF ³	17 927 863	5,75	0,50%	25 407 900	9 536 867	10,00%	29 763 540
				-0,50%			-10,00%	25 165 920
		17 927 863						

17 927 863³ DCF less cost to complete

**Fair value sensitivity analysis**

As at 30 June 2015

Income-generating property**Significant unobservable inputs**

Euro		Discount rate				Net rental growth			Reversionary discount rate			Estimated Rental Value		
		Sensitivity				Sensitivity			Sensitivity			Sensitivity		
Country	Technique	Valuation	Input %	Change	Valuation	Input %	Change	Valuation	Input %	Change	Valuation	Input.p.a	Change	Valuation
UK	DCF	40 413 876	7,00-8,00	0,50%	38 593 494	2,00	2,50%	41 440 036	7,00 -8,00	0,50%	40 301 419	2 370 832	10,00%	42 916 021
				-	42 452 140		-2,50%	39 732 111		-0,50%	40 575 531		-10,00%	37 743 045
Germany	DCF	102 830 000	5,00 -7,00	0,50%	103 370 000	1,00 -5,59	2,50%	105 680 000	6,00 – 8,25	0,50%	102 770 000	33 277 969	10,00%	109 100 000
				-0,50%	110 320 000		-2,50%	83 180 000		-0,50%	111 530 000		-10,00%	104 650 000
Switzerland	DCF	21 146 642	4,40	0,50%	19 446 075	1,00	2,50%	20 809 701	-	0,50%	-	951 246	10,00%	22 519 035
				-0,50%	23 200 848		-2,50%	21 501 117		-0,50%	-		-10,00%	19 772 577
		164 390 518												

Development property

Euro		Significant unobservable inputs						
		Discount rate			Costs to complete			
		Sensitivity				Sensitivity		
Country	Technique	Valuation	Input %	Change	Valuation	Input	Change	Valuation
UK	DCF ⁴	35 288 845	4,75-5,50	0,50%	28 710 169	39 213 255	10,00%	31 267 520
				-0,50%	43 751 159		-	39 210
							10,00%	171
		35 288 845						

⁴ DCF less cost to complete

13. Financial investments

Accounting policy

The group's financial investments are financial instruments and classified as financial assets at amortised cost and financial assets at fair value. Refer to note 3 for the group's general accounting policy for financial instruments.

Disclosure

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

Euro	As at 30 June 2016			As at 30 June 2015 Restated*		
	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Non-current						
Sirius	-	-	-	12 346 864	-	12 346 864
	-	-	-	12 346 864	-	12 346 864
Current						
Karoo Fund	-	-	-	67 221 894	-	67 221 894
Sirius	51 614 068	-	51 614 068	2 604 979	-	2 604 979
	51 614 068	-	51 614 068	69 826 873	-	69 826 873
	51 614 068	-	51 614 068	82 173 737	-	82 173 737

*Treasury investments as disclosed in the prior year have been reclassified to Financial investments and are included within Sirius (current) to aid comparability with the classifications in the current year, see note 29 and the reconciliation below.

Financial investments have been classified as FVTPL because the contractual terms of the financial assets do not give rise to cash flows that are solely payments of principal and interest on the amount outstanding.

On 28 August 2015 and 26 October 2015 the Karoo Fund compulsorily redeemed a portion of the investment amounting to €12 410 441 and €25 388 994 respectively. On 31 January 2016 the group's remaining shares in the Karoo Fund were compulsorily redeemed. The group received an in-specie redemption of 64 540 371 (€29 834 661) shares in Sirius and €2 577 304 cash in exchange for the group's share of the Karoo Fund's net asset value at 31 January 2016. The final redemption triggered the settlement of the Attacq financial liability, see note 21.

During the year the group recognised €1 717 829 (2015: €nil) in dividends from the investment in Sirius. The group owned 12,8% of Sirius shares at 30 June 2016. On 12 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%, see note 31.

Reconciliation of financial investments at fair value

As at 30 June 2016

Euro	Karoo Fund	Sirius	Total
Opening balance	67 221 894	14 951 843	82 173 737
Cash redemptions	(40 376 739)	-	(40 376 739)
Receipt of shares from in-specie redemption	(29 834 661)	29 834 661	-
Fair value movement	6 130 579	6 807 526	12 938 105
Foreign currency translation difference in OCI	(3 141 073)	20 038	(3 121 035)
	-	51 614 068	51 614 068

As at 30 June 2015

Euro	Treasury	Karoo Fund	Sirius	Total
Opening balance	-	35 743 617	-	35 743 617
Acquisition	30 000 000	-	10 178 432	40 178 432
Redemption	(31 696 715)	(20 214 050)	-	(51 910 765)
Fair value movement	4 301 694	45 651 311	1 134 917	51 087 922
Foreign currency translation difference in OCI	-	6 041 016	1 033 515	7 074 531
Reclassification	(2 604 979)	-	2 604 979	-
	-	67 221 894	14 951 843	82 173 737

The allocation of the carrying amount of the group's investments by foreign currency is presented in the foreign exchange risk table, see note 24.

Fair value hierarchy

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

As at 30 June 2016		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Sirius	51 614 068	51 614 068	-	-
	51 614 068	51 614 068	-	-

As at 30 June 2015		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Karoo Fund	67 221 894	-	67 221 894	-
Sirius	14 951 843	14 951 843	-	-
	82 173 737	14 951 843	67 221 894	-

Valuation techniques and unobservable inputs

At 30 June 2016 all inputs into the valuation are observable as the Sirius financial investment is listed.

The following table shows the valuation technique used to measure investments held at fair value as well as the unobservable inputs used for Level 2 investments.

As at 30 June 2016

Level 2 Investments	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
None	N/a	N/a	N/a

As at 30 June 2015

Level 2 Investments	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Karoo Fund	<p>Fair value is based on the fund's reported NAV.</p> <p>The NAV of the fund is valued by the fund's investment manager as follows:</p> <ul style="list-style-type: none"> 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. 	<p>NAV per share - €2 067</p> <p>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.</p>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> NAV per share was higher/ (lower).

14. Investment in equity accounted investees

Accounting policy

Equity accounted investees comprise investments in associates. Associates are entities in which the group has significant influence over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or have joint control of those policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost including transaction costs. On subsequent measurement the group recognises its share of profit or loss and other comprehensive income of the equity accounted associate from the date on which significant influence commences until the date on which significant influence ceases. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Disclosure

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

Euro	As at 30 June 2016	As at 30 June 2015
PKM	19 991 716	-

Reconciliation of investments in equity accounted investees

Euro	As at 30 June 2016	As at 30 June 2015
Opening balance	-	-
Acquisition	20 000 000	-
Capitalised acquisition costs	23 624	-
	20 023 624	-
Share of loss	(31 908)	-
Closing balance	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 central and eastern Europe. PKM is an associate in which the group has 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, see note 30.

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

Euro	As at 30 June 2016	As at 30 June 2015
Statement of financial position - PKM		
Non-current assets	2 697 078	-
Current assets	47 496 624	-
Total assets	50 193 702	-
Current liabilities	273 474	-
Total liabilities	273 474	-
Net assets	49 920 228	-
Percentage ownership interest	40%	-
Group share of net assets	19 968 092	-
Capitalised costs	23 624	-
Carrying amount	19 991 716	-
Euro	For the period ended 30 June 2016	For the period ended 30 June 2015
Statement of profit or loss and other comprehensive income - PKM		
Revenue	-	-
Corporate expenses	(36 756)	-
Net finance costs	(43 014)	-
Total loss and other comprehensive loss	(79 770)	-
Percentage ownership interest	40%	-
Group's share of total comprehensive loss	(31 908)	-

15. Trade and other receivables

Accounting policy

The group's trade and other receivables include financial instruments and non-financial instruments. The financial instruments are classified as financial assets at amortised cost. Refer to note 3 for the group's general accounting policy for financial instruments. The non-financial instruments include prepayments and VAT.

Disclosure

The group's trade and other receivables comprise:

	As at 30 June 2016	As at 30 June 2015
Euro		
Property retentions held in escrow (Bruchsal and Heppenheim)	2 115 000	1 615 000
VAT receivable	1 866 772	637 130
Dividends receivable	1 256 586	-
Lease incentive accruals	737 423	-
Prepayments	3 746 679	357 556
Other	607 688	-
EMI receivable	589 826	-
Trade receivables from lessees	344 109	1 918 117
	11 264 083	4 527 803

The EMI receivable of €589 826 (2015: €nil) is due to Sauchiehall, a group entity, from EMI. Sauchiehall leased the investment property to HMV, which entered administration on 15 January 2013, no payments due to Sauchiehall were received from this date.

Under the HMV lease certain obligations were guaranteed by EMI including covenants to pay rent, insurance and other sums to keep the premises in good repair, the Guarantee. However, after a long and difficult process this has been settled with the guarantor. An amount of €637 552 has been recognised in Other income (see note 7), and a foreign currency translation loss of €47 726 has been recognised in OCI in relation to the EMI receivable.

As a result of the Agreement an amount of £865 093 (€1 442 230) which was included in trade receivables from lessees in relation to the unpaid rents from HMV has been written off and recognised within investment expense, see note 5.

The property retentions that relate to the acquisition of the Bruchsal and Heppenheim properties have been held in escrow (see note 21).

Dividends receivable relate to dividends from Sirius financial investments in the year, see notes 7 and 13.

The allocation of the carrying amount of the group's trade and other receivables by foreign currency is presented in the foreign exchange risk table (see note 24).

The fair values of the group's trade and other receivables have been presented in the accounting classification and fair values table (see note 23).

16. Cash and cash equivalents

Accounting policy

The group's cash and cash equivalents are financial instruments and are classified as financial assets at amortised cost. Financial assets are recognised when the group becomes party to the contractual provisions of the asset. Refer to note 3 for the group's general accounting policy for financial instruments

Disclosure

	Year ended 30 June 2016	Year ended 30 June 2015
Euro		
Bank balances	47 997 978	45 111 775

17. Assets held for sale

Accounting policy

Non-current assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through their sale rather than through continuing use, and the following criteria are met:

- Management is committed to a plan to sell;
- The asset is available for immediate sale and an active programme to locate a buyer is initiated;
- The sale is highly probable, within 12 months of classification as held for sale;
- The asset is being actively marketed for a reasonable sale price in relation to its fair value; and
- Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. However, the measurement provisions of IFRS 5: Non current assets held for sale and discontinued operations do not apply to investment property, which continues to be measured at fair value in accordance with groups accounting policy for investment property.

Disclosure

The carrying amount of the group's asset held for sale was as follows:

Euro	As at 30 June 2016	As at 30 June 2015
Opening balance	-	-
Transfer from investment property (see note 12)	3 515 237	-
Closing balance	3 515 237	-

On 31 March 2016 the group entered into a contract to sell 1 741 sqm of vacant land at Langley Park for £1 950 000 (approx. €2 305 337) to a leading discount supermarket. The sale is subject to the group being granted planning permission to develop the retail unit and to complete groundworks in accordance with the sale and purchase agreement. The ground works are expected to cost £44 605 (approx. €53 968) which have been deducted from the purchase price.

On 18 March 2016 the group entered into a contract to sell Cannongate Ventures, vacant land at New Waverley for £1 000 000 (approx. €1 209 900) to a hotel operator. The sale is subject to the vendors being granted planning permission to develop the hotel.

Both assets held for sale are held within the reporting segment Land bank and other strategic assets.

Measurement of fair values

Fair value hierarchy

The fair value measurement of all the group's asset held for sale has been categorised as level 3 in the fair value hierarchy based upon the significant unobservable inputs into the valuation technique 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

Euro	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Langley park - retail unit	2 305 337	-	-	2 305 337
New Waverley - retail unit	1 209 900	-	-	1 209 900
	3 515 237	-	-	3 515 237

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of assets held for sale, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relation between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> 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.	<ul style="list-style-type: none"> • Risk adjusted discount rates • Estimated rental value • Net rental growth • Reversionary discount rate 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Expected market rental growth was higher/ (lower) • The estimated rental value was higher/ (lower) • The reversionary discount rate was lower/ (higher) • The risk adjusted discount rate was lower/ (higher)

18. Share capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity net of any taxation effects.

The group's policy is to maintain a strong capital base to maintain confidence from the group's stakeholders to sustain future development. Management monitors the return on capital as well as the distributions made to shareholders.

Disclosure

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

	Number of shares	Share capital Euro
Balance at 30 June 2014	279 483 999	289 978 080
Issued during the year		
- Acquisition of MAS Property Advisors Limited (note 11)	9 751 326	12 486 971
- Scrip distributions	2 552 564	3 206 941
	12 303 890	15 693 912
Balance at 30 June 2015	291 787 889	305 671 992
Issued during the year		
- Scrip distributions	5 671 745	7 026 140
- Settlement of Attacq liability (see note 21)	21 317 449	28 156 329
- Capital raise	29 848 136	37 676 095
	56 837 330	72 858 564
Balance at 30 June 2016	348 625 219	378 530 556

During the year the group incurred €225 212 (2015: €13 029) in expenses in relation to issuing shares. These were offset against share capital.

The group issued 21 317 449 on 11 March 2016 to Attacq, a related party of the group, in settlement of the financial liability due to Attacq in relation to the Karoo Fund, see notes 18 and 21. On 7 April 2016 the group issued a further 29 848 136 shares as part of an accelerated book build, raising cash of €37 676 095.

The holders of the company's shares are entitled to distributions as declared, and are entitled to one vote per share at general meetings of the company. Distributions of the company can be paid from retained earnings and share capital in accordance with the BVI Business Companies Act 2004.

The following distributions were paid by the group:

Year ended 30 June 2016

Euro	Scrip	Cash	Total	Distribution per share (euro cents)
11 November 2015	3 241 806	3 177 518	6 419 324	2,20
8 April 2016	3 784 334	4 061 277	7 845 611	2,27
	7 026 140	7 238 795	14 264 935	4,47

Year ended 30 June 2015

Euro	Scrip	Cash	Total	Distribution per share (euro cents)
21 November 2014				1,24
	1 693 902	1 892 595	3 586 497	
17 June 2015	1 513 039	1 828 882	3 341 921	1,15
	3 206 941	3 721 477	6 928 418	2,39

The directors are pleased to propose a final distribution to shareholders of 2,23 euro cents per share.

19. Foreign currency translation reserve

Accounting policy

The financial statements of entities that use a functional currency other than euros are translated into euros at the reporting date. The assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated using the exchange rates at the reporting date. Items in the consolidated statement of comprehensive income and consolidated statement of cash flows are translated into euro using the actual rates, or average rates if they approximate the actual rate of exchange.

The resulting translation adjustments are recorded in other comprehensive income and accumulated in the foreign currency translation reserve. Cumulative translation adjustments are recognised in profit or loss upon partial or complete disposal of a foreign operation.

Disclosure

The group recognised a foreign currency translation loss of €12 387 307 (2015: €6 575 768 gain) resulting in a foreign currency translation deficit at the reporting date of €5 188 611 (2015: €7 198 696 surplus).

20. Interest bearing borrowings

Accounting policy

The group's interest bearing borrowings are financial instruments and are classified as financial liabilities at amortised cost. Financial assets are recognised when the group becomes party to the contractual provisions of the asset. Refer to note 3 for the group's general accounting policy for financial instruments.

Disclosure

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

Euro	As at 30 June 2016	As at 30 June 2015
Non-current		
Credit Suisse - Zurich	8 394 525	8 933 544
Sparkasse - Aldi portfolio	5 552 288	5 846 225
Victoria - Toom portfolio	16 172 558	-
Victoria - Donaueschingen	5 536 554	-
Victoria - Gotha	7 571 906	-
	43 227 831	14 779 769
Current		
Credit Suisse - Zurich	358 878	576 203
Sparkasse - Aldi portfolio	293 938	391 917
Victoria - Toom portfolio		-
	386 090	
Victoria - Donaueschingen		-
	131 858	
Victoria - Gotha	180 000	-
	1 350 764	968 120
	44 578 595	15 747 889

Interest bearing borrowings are held at amortised cost, accordingly 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 30 June 2016	As at 30 June 2015
Opening	15 747 889	16 098 177
Issued	30 550 000	-
Capitalised transaction costs	(412 345)	-
Amortisation	(922 638)	(819 723)
Repayment	-	(969 927)
Finance costs	770 243	581 374
General borrowings capitalised (see note 14)	28 806	-
Interest paid	(827 855)	(581 374)
Foreign currency translation difference in OCI	(355 505)	1 439 362
	44 578 595	15 747 889

Interest from general borrowings of €28 806 was capitalised in investment property during the year (2015: €nil), see note 12 at a capitalisation rate of 2,65%.

On 28 July 2016 and 24 August 2016, the group drew down on two further loans, see note 31.

The allocation of the carrying amount of the group's interest bearing borrowings by foreign currency is presented in the currency risk exposure table, see note 24.

Summary of interest bearing borrowing terms and covenants

As at 30 June 2016

Borrowing terms

Lender	Security	Term	Ccy	Annual Amortisation (Euro)	Margin	Base rate
Credit Suisse	Zurich	30 June 2025	CHF	358 878	1,29%	3M Euribor
Sparkasse	Aldi portfolio	30 September 2029	EUR	391 916	0,95%	3M Swiss libor
Victoria	Toom portfolio	31 March 2029	EUR	2,25%	2,49% fixed	n/a
Victoria	Donaueschingen	31 March 2029	EUR	2,25%	2,49% fixed	n/a
Victoria	Gotha	31 March 2027	EUR	2,25%	2,32% fixed	n/a

Covenants

Lender	Security	Covenants	
		Debt service cover ratio	Loan to value
Victoria	Toom portfolio	140%	72,5%
Victoria	Donaueschingen	140%	72,5%
Victoria	Gotha	140%	72,5%

The group was in compliance with its loan covenants during the year.

As at 30 June 2015

Borrowing terms

Lender	Security	Term	Ccy	Annual Amortisation (Euro)	Margin	Base rate
Credit Suisse	Zurich	30 June 2025	CHF	374 516	0,90%	3M Euribor
Sparkasse	Aldi portfolio	30 September 2029	EUR	391 916	0,95%	3M Swiss libor

The fair values of the group's interest bearing borrowings have been presented in the accounting classification and fair values table, see note 23.

21. Financial instruments

Accounting policy

The group's financial instruments are classified as financial liabilities at amortised cost and financial liabilities at fair value. Refer to note 3 for the group's general accounting policy for financial instruments.

Disclosure

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

	As at 30 June 2016	As at 30 June 2015 Restated*
Euro		
Non-current		
Derivative financial instruments	3 029 495	2 603 535
Financial liabilities	2 367 448	3 941 947
	5 396 943	6 545 482
Current		
Financial liabilities	7 146 090	29 082 436
	7 146 090	29 082 436
	12 543 033	35 627 918

The carrying amount of the group's financial instruments are classified as follows:

Euro	As at 30 June 2016			As at 30 June 2015 Restated*		
	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Derivative financial instruments						
Non-current	3 029 495	-	3 029 495	2 603 535	-	2 603 535
	3 029 495	-	3 029 495	2 603 535	-	2 603 535
Financial liabilities						
Non-current	2 367 448	-	2 367 448	3 941 947	-	3 941 947
Current	3 327 225	3 818 865	7 146 090	26 378 571	2 703 865	29 082 436
	5 694 673	3 818 865	9 513 538	30 320 518	2 703 865	33 024 383
	8 724 168	3 818 865	12 543 033	32 924 053	2 703 865	35 627 918

*Deferred consideration as disclosed in the prior year has been reclassified to Financial instruments and is included within Financial liabilities (current) to aid comparability with the classifications in the current year, see note 29.

The allocation of the carrying amount of the group's financial instruments by foreign currency is presented in the currency risk exposure table, see note 24).

Financial liabilities held at amortised cost

Deferred consideration is held at amortised cost. The carrying amount of the group's deferred consideration was as follows:

The carrying amount of the group's deferred consideration was as follows:

Euro	As at 30 June 2016	As at 30 June 2015
Bruchsal	1 615 000	1 615 000
Heppenheim retail park	883 865	1 088 865
Edeka portfolio 1	1 320 000	-
	3 818 865	2 703 865

On the acquisition of the Heppenheim, Bruchsal and Edeka portfolio 1 the group retained a portion of the purchase price per the relevant SPA, 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 (see note 12). €2 115 000 (2015: €1 615 000) of the retentions are held in escrow (see note 15) at the year end.

Reconciliation of financial liabilities held at amortised cost:

Euro	As at 30 June 2016	As at 30 June 2015
Opening	2 703 865	-
Purchase price retained	1 370 755	2 703 865
Purchase price released	(255 755)	-
	3 818 865	2 703 865

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 30 June 2016	As at 30 June 2015
Derivative financial instruments		
Aldi interest rate swap	1 331 074	1 139 337
Zurich interest rate swap	1 698 421	1 464 198
	3 029 495	2 603 535

Financial liabilities

Development management fee (see note 26)	2 367 448	1 576 779
Priority participating profit dividend (see note 26)	-	2 365 168
Attacq financial liability (see note 26)	-	26 378 571
Santon financial liability	3 327 225	-
	5 694 673	30 320 518

Derivative financial instruments

The group has hedged the interest rate exposure on the interest bearing borrowings, see note 20, from Credit Suisse and Sparkasse. 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	Aldi portfolio interest rate swap	Zurich interest rate swap	Total
Balance at 30 June 2014	1 131 873	972 733	2 104 606
Fair value adjustment	7 464	305 024	312 488
Foreign currency translation difference in OCI	-	186 441	186 441
Balance at 30 June 2015	1 139 337	1 464 198	2 603 535
Fair value adjustment	191 737	301 857	493 594
Foreign currency translation difference in OCI	-	(67 634)	(67 634)
Balance at 30 June 2016	1 331 074	1 698 421	3 029 495

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 2014	-	-	-	-	-
Fair value adjustment	24 896 101	-	1 488 165	2 232 246	28 616 512
Foreign currency translation difference in OCI	1 482 470	-	88 614	132 922	1 704 006
Balance at 30 June 2015	26 378 571	-	1 576 779	2 365 168	30 320 518
Recognised on grant of planning permission	-	3 327 225	-	-	3 327 225
Fair value adjustment	4 032 584	-	1 092 047	(2 200 445)	2 924 186
Settlement	(28 156 329)	-	-	-	(28 156 329)
Foreign currency translation difference in OCI	(2 254 826)	-	(301 378)	(164 723)	(2 720 972)
Balance at 30 June 2016	-	3 327 225	2 367 448	-	5 694 673

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 entered into 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, 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 1/3rd 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 developed site less both costs of development and the annualised return to shareholders 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 ever decide to realise its investment in the site.

Attacq financial liability

This financial liability was classified as FVTPL by electing to use the fair value option. This reduces the accounting mismatch by matching the movement in the fair value of the liability with the fair value movement in investment property.

During the year, the group's remaining shares in the Karoo Fund were redeemed, see note 13. The final redemption triggered the settlement of the financial liability to Attacq, from whom the group acquired the investment through the issuance of MAS shares. Under the purchase agreement, 21 317 449 shares were issued on 11 March 2016 at €1,3208 per share in settlement of the Attacq financial liability, see note 18.

Santon Financial liability

The terms of the revenue sharing agreement with Santon require the group to pay Santon £2 750 000 (approx €3 327 225) on receipt of implementable planning permission. On 10 December 2015 the South Downs National Park Authority's planning committee approved in principle the plans to develop the North Street Quarter development in Lewes. Final uncontested written planning permission was granted on 8 July 2016 and the liability was settled, see note 31.

Fair value hierarchy

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

As at 30 June 2016		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Derivative financial liabilities				
Aldi portfolio interest rate swap	1 331 074	-	1 331 074	-
Zurich interest rate swap	1 698 421	-	1 698 421	-
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
 As at 30 June 2015				
Euro	Carrying amount	Level 1	Level 2	Level 3
Derivative financial liabilities				
Aldi portfolio interest rate swap	1 139 337	-	1 139 337	-
Zurich interest rate swap	1 464 198	-	1 464 198	-
Financial liabilities				
Development management fee	1 576 779	-	-	1 576 779
Priority participating profit dividend	2 365 168	-	-	2 365 168
Attacq financial liability	26 378 571	-	26 378 571	-
	32 924 053	-	28 982 106	3 941 947

Level 2 financial instruments

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 unobservable inputs used for Level 2 financial instruments.

As at 30 June 2016 and 30 June 2015

Level 2 financial instrument held at fair value	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.	<ul style="list-style-type: none"> • 3 month Swiss libor/Euribor • Swap rate • Notional loan value • Fixed rate of interest 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 3 month Swiss libor/Euribor was higher/ (lower) • Swap rate was lower/ (higher) • Notional loan value was lower/ (higher) • Fixed rate of interest was lower/ (higher)

As at 30 June 2015

Level 2 financial instrument held at fair value	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Attacq financial liability	<p>Fair value is based on the fund's reported NAV.</p> <p>The NAV of the fund is valued by the fund's investment manager as follows:</p> <ul style="list-style-type: none"> 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 	<p>NAV per share - €2 067</p> <p>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.</p>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> NAV per share was higher/ (lower).

Level 3 financial instruments**Valuation process of Level 3 financial liabilities**

The fair value of the Level 3 financial liabilities in respect of New Waverley Advisers Limited and New Waverley Holdings Limited is calculated annually. The investment property valuation process, see note 12) is part of this valuation process as a consequence of the financial liability to New Waverley Advisers 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 used for Level 3 financial instruments:

As at 30 June 2016 and 30 June 2015

Level 3 financial instrument held at fair value	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Development management fee and Priority participating profit dividend	<i>Discounted cash flows:</i> Fair value is based on the profitability of the New Waverley development. See note 12, for the valuation technique in respect of New Waverley.	<ul style="list-style-type: none"> • Expected market rental growth • Occupancy rate • Reversionary discount rate • Risk adjusted discount rates • Costs to complete • Completion date 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • 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)

Fair value sensitivity analysis

As at 30 June 2016

Financial liability	Technique	Valuation	Input %	Discount rate Sensitivity		Input (Euro)	Cost to complete Sensitivity	
				Change	Valuation		Change %	Valuation
Development management fee	DCF – less cost to complete	2 367 448	8,16	+0,50	-	9 536 867	+10,00	1 415 726
				-0,50	3 767 362		-10,00	2 973 569
Priority participating profit dividend	DCF – less cost to complete	-	8,16	+0,50	-	9 536 867	+10,00	-
				-0,50	1 099 529		-10,00	-

As at 30 June 2015

Financial liability	Technique	Valuation	Discount rate Sensitivity			Cost to complete Sensitivity		
			Input %	Change	Valuation	Input (Euro)	Change %	Valuation
Development management fee	DCF – less cost to complete	1 576 779	4,75	+1,00	-	39 213 255	+10,00	1 245 294
			5,50	-1,00	3 463 931		-10,00	1 968 911
Priority participating profit dividend	DCF – less cost to complete	2 365 168	4,75	+1,00	-	39 213 255	+10,00	1 716 321
			5,50	-1,00	5 195 896		-10,00	2 953 366

22. Trade and other payables**Accounting policy**

The group's trade and other payables include financial instrument and non-financial instruments. The financial instruments are classified as financial liabilities at amortised cost. Refer to note 3 for the group's general accounting policy for financial instruments. The non-financial instruments include: deferred income; income taxation; and VAT.

Disclosure

The group's trade and other payables comprise:

Euro	As at 30 June 2016	As at 30 June 2015
Construction payables	3 881 404	2 385 605
Trade payables	3 382 531	1 819 095
Deferred income	425 202	-
Current taxation payable	373 755	-
VAT payable	233 305	-
Other	-	590 660
	8 296 197	4 795 360

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

The allocation of the carrying amount of the group's financial instruments by foreign currency is presented in the currency risk exposure table, see note 24.

The fair values of the group's trade and other payables have been presented in the accounting classification and fair value table, see note 23.



23. Accounting classification and fair values

Euro	Note	Carrying amount	Financial instruments		Fair value			Non- financial instrumen ts	Total
			FVTPL	Amortised cost	Total	Level 1	Level 2		
As at 30 June 2016									
Financial assets									
Current financial investments	13	51 614 068	-	51 614 068	51 614 068	-	-	-	51 614 068
Trade and other receivables	15	-	5 650 632	5 650 632	-	-	-	5 613 451	11 264 083
Cash and cash equivalents	16	-	47 997 978	47 997 978	-	-	-	-	47 997 978
		51 614 068	53 648 610	105 262 678	51 614 068	-	-	5 613 451	110 876 129
Financial liabilities									
Non-current financial instruments	21	5 396 943	-	5 396 943	-	3 029 495	2 367 448	-	5 396 943
Current financial instruments	21	3 327 225	3 818 865	7 146 090	-	-	3 327 225	-	7 146 090
Non-current Interest bearing borrowings	20	-	43 227 831	43 227 831	-	-	-	-	43 227 831
Current Interest bearing borrowings	20	-	1 350 764	1 350 764	-	-	-	-	1 350 764
Trade and other payables	22	-	7 263 935	7 263 935	-	-	-	1 032 263	8 296 197
		8 724 168	55 661 395	64 385 563	-	3 029 495	5 694 673	1 032 262	65 417 825
As at 30 June 2015									
Financial assets									
Non-current financial investments	13	12 346 864	-	12 346 864	12 346 864	-	-	-	12 346 864
Current financial investments	13	69 826 873	-	69 826 873	2 604 979	67 221 894	-	-	69 826 873
Trade and other receivables	15	-	3 532 935	3 532 935	-	-	-	994 868	4 527 803
Cash and cash equivalents	16	-	45 111 775	45 111 775	-	-	-	-	45 111 775
		82 173 737	48 644 710	130 818 447	14 951 843	67 221 894	-	994 868	131 813 315
Financial liabilities measured at fair value									
Non-current financial instruments	21	6 545 482	-	6 545 482	-	2 603 535	3 941 947	-	6 545 482
Current financial instruments	21	26 378 571	2 703 865	29 082 436	-	26 378 571	-	-	29 082 436
Non-current Interest bearing borrowings	20	-	14 779 769	14 779 769	-	-	-	-	14 779 769

24. Financial risk management

Overview

The group has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Market price risk
- Interest rate risk
- Fair value interest rate risk
- Cash flow interest rate risk
- Foreign exchange risk
- Credit risk

These risks are managed as follows:

Liquidity risk - the risk that the group will encounter difficulty meeting its obligations associated with its financial liabilities that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The group has internal procedures focused on ensuring the efficient but prudent use of cash and availability of working capital. The liquidity risk inherent in the business is mainly as a result of the tenant risk in the property portfolio. Should a tenant default, liquidity risk may result in the inability of the group to cover the interest and amortisation payments. As a result, adequate cash buffers are maintained, and tenant strength is reviewed on a continual basis. The group has committed to invest a further €100 000 000 in PKM, see note 30. Post year end the group has raised additional capital, see note 31 which has provided some of capital the group needs to fund the €100 000 000 commitment, the remaining capital will be raised through debt, equity or liquidation of assets.

The group has no significant concentration of liquidity risk on the basis that the group holds all cash and cash equivalents on demand.

As at 30 June 2016

Euro	1-6 months	6-12 months	1-3 years	>3 years	Total
Interest bearing borrowings	675 382	675 382	4 052 292	39 175 539	44 578 595
Trade and other payables	7 263 935	-	-	-	7 263 935
Financial instruments	5 531 090	1 615 000	2 367 448	-	9 513 538
Derivative financial instruments	-	-	-	3 029 495	3 029 495
	13 470 407	2 290 382	6 419 740	41 205 034	64 385 563

As at 30 June 2015

Restated*

Euro	1-6 months	6-12 months	1-3 years	>3 years	Total
Interest bearing borrowings	484 060	484 060	1 935 832	12 843 937	15 747 889
Trade and other payables	4 795 360	-	-	-	4 795 360
Financial instruments*	2 703 865	26 378 571	3 941 947	-	33 024 383
Derivative financial instruments	-	-	-	2 603 535	2 603 535
	7 983 285	26 862 631	5 877 779	15 447 472	56 171 167

*Deferred consideration as disclosed in the prior year has been reclassified to Financial instruments and is included within Financial liabilities (current) to aid comparability with the classifications in the current year, see note 29.

Market price risk - the risk that the market price of an investment or financial instrument will fluctuate due to changes in foreign exchange rates, market interest rates, market factors specific to the security or its issuer or factors generally affecting all investments.

The risk to the group relates to an imbalance between demand and supply for the relevant investments and financial instruments in the portfolio, which could potentially result in a disorderly market. The concentration of market risk is mitigated through the regular monitoring of the share price of the financial investment, Sirius.

The fair values of assets and liabilities affected by market price risk are as follows:

Euro	As at 30 June 2016	As at 30 June 2015 Restated*
Assets		
Financial Investments	51 614 068	82 173 737
	51 614 068	82 173 737
Liabilities		
Derivative financial instruments	3 029 495	2 603 535
Financial liabilities	2 367 448	26 378 571
	5 396 943	28 982 106

*Treasury investments as disclosed in the prior year have been reclassified to Financial investments and Deferred consideration as disclosed in the prior year has been reclassified to Financial instruments and is included within Financial liabilities (current) to aid comparability with the classifications in the current year, see note 29.

At 30 June 2016, if market prices at that date had been 5% higher/lower with all other variables held constant, post-tax profit for the year would have been €2 310 856 (2015: €2 462 484) higher/lower. This sensitivity analysis assumes that all other variables remain constant.



Interest rate risk - a significant part of the funding of the group's portfolio derives from debt. Debt is managed on an active basis, hedging against adverse movements in interest rates. Details of the hedging arrangements of the group are disclosed in note 20.

The carrying value of assets and liabilities affected by interest risk are as follows:

Euro	As at 30 June 2016				As at 30 June 2015			
					Restated*			
	Fixed rate	Variable	No exposure	Total	Fixed rate	Variable	No exposure	Total
Assets								
Trade and other receivables	-	5 650 632	5 613 451	11 264 083	-	3 532 935	994 868	4 527 803
Cash and cash equivalents	-	47 997 978	-	47 997 978	-	45 111 775	-	45 111 775
	-	53 648 610	5 613 453	59 262 063	-	48 644 710	994 868	49 639 578
Liabilities								
Interest bearing borrowings	41 316 322	3 262 273	-	44 578 595	11 389 804	4 358 085	-	15 747 889
Derivative financial instruments*	3 029 495	-	-	3 029 495	2 603 535	-	-	2 603 535
					-			33 024 383
Financial liabilities	-	3 818 865	5 694 673	9 513 538	-	2 703 865	30 320 518	
Trade and other payables	-	7 263 935	1 032 262	8 296 197	-	4 795 360	-	4 795 360
			6 726 935	65 417 825	13 993 339	11 857 310	30 320 518	56 171 167
	44 345 817	14 345 073						

*Deferred consideration as disclosed in the prior year has been reclassified to Financial instruments and is included within Financial liabilities (current) to aid comparability with the classifications in the current year, see note 29.

Fair value sensitivity for fixed-rate instruments

The group does not account for any fixed rate interest bearing borrowings at fair value through profit or loss and the group does not designate derivative financial instruments as hedging instruments. Therefore, a change in interest rates on fixed rate interest bearing borrowings would not affect profit or loss.


Cash flow sensitivity for variable rate instruments

The group's exposure to variable interest rates on interest bearing borrowings are as follows:

	Fixed Euro	Floating Euro	Capped Euro
As at 30 June 2016			
Credit-Suisse - Zurich	6 658 750	2 114 653	-
Interest rate	2,76% + 129 bps + -ve Swiss Libor	+ve Swiss Libor + 90bps	N/a
Sparkasse - Aldi portfolio	4 678 606	-	1 167 620
Interest rate	4,2% + 95bps + -ve Euribor	N/a	4,0% + 95bps + -ve Euribor
As at 30 June 2015			
Credit-Suisse - Zurich	6 931 750	2 577 997	-
Interest rate	2,76% + 90bps + -ve Swiss Libor	+ve Swiss Libor + 90bps	N/a
Sparkasse - Aldi portfolio	4 458 054	-	1 559 536
Interest rate	4,2% + 95bps + -ve Euribor	N/a	4,0% + 95bps + -ve Euribor

At 30 June 2016, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been €64 649 (2015: €28 529) lower/higher, arising mainly as a result of the higher/lower interest expense on variable borrowings. This sensitivity analysis assumes that all other variables remain constant.

Foreign exchange risk - the group holds both assets and liabilities denominated in currencies other than euro, the presentation currency. It is therefore exposed to currency risk, as the value of assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

At 30 June 2016 the group had the following currency exposures:

Currency risk exposures				
	GBP	CHF	ZAR	USD
Closing exchange rate	0.8265	1.0867	16.4461	1.1102
Assets				
Trade and other receivables				
Foreign currency	3 070 731	364 378	-	-
Euro equivalent	3 715 343	335 307	-	-
Cash and cash equivalents				
Foreign currency	2 548 362	1 037 100	57 479	8 114
Euro equivalent	3 083 318	954 357	3 495	7 309
Liabilities				
Financial instruments				
Foreign currency	4 706 730	1 845 709	-	-
Euro equivalent	5 694 773	1 698 453	-	-
Interest bearing borrowings				
Foreign currency	-	9 512 501	-	-
Euro equivalent	-	8 753 567	-	-
Trade and other payables				
Foreign currency	7 110 988	474 670	2 847 702	-
Euro equivalent	8 603 736	436 799	173 154	-
Total net asset/(liability) exposure				
Foreign currency	(6 198 625)	(10 431 402)	(2 790 223)	8 114
Euro equivalent	(7 499 848)	(9 599 155)	(169 659)	7 309

At 30 June 2015 the group had the following currency exposures:

Currency risk exposures

	GBP	CHF	ZAR	USD
Closing exchange rate	0.7114	1.0413	13.6416	1.1189
Assets				
Financial investments				
Foreign currency	1 818 711	-	-	-
Euro equivalent	2 556 524	-	-	-
Trade and other receivables				
Foreign currency	2 014 809	37 764	171 986	3 033
Euro equivalent	2 832 175	36 266	12 607	2 711
Cash and cash equivalents				
Foreign currency	8 532 495	695 759	262 164	557
Euro equivalent	11 993 948	668 164	19 218	498
Liabilities				
Financial instruments				
Foreign currency	-	1 524 669	-	-
Euro equivalent	-	1 464 198	-	-
Interest bearing borrowings				
Foreign currency	-	9 302 500	-	-
Euro equivalent	-	8 933 545	-	-
Trade and other payables				
Foreign currency	3 321 868	684 602	-	-
Euro equivalent	4 669 480	657 449	-	-
Total net asset/(liability) exposure				
Foreign currency	9 044 147	(10 778 248)	434 150	3 590
Euro equivalent	12 713 167	(10 350 762)	31 825	3 209

As at 30 June 2016, if the euro had weakened/strengthened against other currencies used by the group with all other variables held constant, post-tax profit for the period would have been:

		30 June 2016		30 June 2015	
		Profit or loss		Profit or loss	
Euro	Movement	Strengthening	Weakening	Strengthening	Weakening
GBP	5%	357 136	(357 136)	(605 389)	(605 389)
CHF	5%	457 103	(457 103)	492 893	492 893
ZAR	10%	15 424	(15 424)	(2 893)	(2 893)
USD	5%	(347)	347	(153)	(153)
		829 316	(829 316)	(115 542)	(115 542)

This sensitivity analysis assumes that all other variables particularly interest rates remain constant.

Credit risk – the group is exposed to credit risk primarily as a result of its banking relationships and trade receivables owed by tenants. In addition, the credit exposure relates to potential default on derivative instruments if the counterparty defaults as a result of a deteriorating credit rating. Credit risk is initially monitored by management with reference to external credit ratings. Any significant changes in credit rating are referred to the Risk Committee in accordance with the group's risk policy.

The carrying amount of financial assets represents the maximum credit risk exposure, as follows:

Euro	As at 30 June 2016			As at 30 June 2015		
	Credit risk Exposure	No exposure	Total	Credit risk Exposure	No exposure	Total
Non-current financial assets						
Financial Investments	-	-	-	12 346 864	-	12 346 864
	-	-	-	12 346 864	-	12 346 864
Current financial assets						
Financial Investments	51 614 068	-	51 614 068	69 826 873	-	69 826 873
Trade and other receivables	5 650 632	5 613 451	11 264 083	3 532 935	994 868	4 527 803
Cash and cash equivalents	47 997 978	-	47 997 978	45 111 775	-	45 111 775
	105 262 678	5 613 451	110 876 129	118 471 583	994 868	119 466 451
	105 262 678	5 613 451	110 876 129	130 818 447	994 868	131 813 315

*Treasury investments as disclosed in the prior year have been reclassified to Financial to aid comparability with the classifications in the current year, see note 29.

The group holds a significant amount of cash and cash equivalents. These are held with bank and financial institution counterparties which are rated B+ or better by Moody's rating agency. The share price of the investments held in Sirius are monitored by management on a regular basis. There is no significant concentration credit risk with respect to trade and other receivables as the group does not place reliance on one single counterparty. No financial assets are past due dates.

25. Operating segments

Accounting policy

Segment results that are reported to the executive board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly central costs that relate to group structuring and operations not related to specific investments. In addition, unallocated items in the consolidated statement of financial position relate predominantly to cash that has not been allocated to specific investments.

The risks and rewards faced by the group relate primarily to the business segment of the assets and therefore this forms the primary reporting segment. The geographical segment split is a secondary segment.



Disclosure

The group's chief operating decision maker is determined to be the executive management team. During the year 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 and other strategic assets	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 comparative period has been restated to aid comparability with segmental reporting in the current year.

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.



As at and for the year ended 30 June 2016

Euro	Reportable segments				Total
	Income-generating property	Development property	Land bank and other strategic assets	Corporate	
Statement of profit or loss					
External revenue	15 370 255	11 090	709 469	160 207	16 251 021
Inter-segment revenue	-	-	-	-	-
Segment profit/(loss) before tax	6 221 242	(1 007 358)	4 375 190	(7 262 517)	2 326 557
Finance income	-	57	383 370	9 374	392 801
Finance 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



As at and for the year ended 30 June

2015 (Restated)

Euro	Reportable segments				Total
	Income-generating property	Development property	Land bank and other strategic assets	Corporate	
Statement of profit or loss					
External revenue	8 885 744	168 666	268 746	-	9 323 156
Inter-segment revenue	-	-	-	-	-
Segment profit/(loss) before tax	22 383 939	10 876 413	15 818 326	(504 582)	48 574 096
Finance income	3 915	16	745	-	4 676
Finance cost	(576 350)	-	(5 024)	-	(581 374)
Depreciation	-	-	-	(18 884)	(18 884)
Taxation	(99 188)	-	-	-	(99 188)
Other material non-cash items					
• Fair value adjustments	12 485 558	11 161 228	4 230 578	-	27 877 364
• Exchange differences	5 046 353	-	12 613 942	-	17 660 295
Statement of financial position					
Segment non-current assets	165 135 057	44 491 591	53 593 360	27 768 952	290 988 960
- Investment in equity accounted investee	-	-	-	-	-
Segment current assets	79 752 688	12 894 925	9 036 018	17 782 820	119 466 451
Segment non-current liabilities	18 526 950	3 941 947	-	-	22 468 897
Segment current liabilities	31 789 561	2 456 983	174 929	424 443	34 845 916

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 asset/liabilities, income/expense.

Geographical information

The group invests in investment property in Europe.

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; and also now Romania as a result of the investment in associate during the year, see note 14.

Revenue

Euro	Year ended 30 June 2016	Year ended 30 June 2015
BVI	-	-
UK	5 674 973	3 336 893
Germany	9 332 689	4 806 043
Switzerland	1 243 359	1 180 220
Romania	-	-
	16 251 021	9 323 156

Non-current assets

Euro	As at 30 June 2016	As at 30 June 2015
BVI	-	-
UK	164 250 144	166 275 302
Germany	149 481 292	103 567 015
Switzerland	19 489 836	21 146 643
Romania	19 991 716	-
	353 212 988	290 988 960

26. Related parties

Parent and ultimate controlling party

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

Key management - transactions

Year ended 30 June 2016

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
Morné Wilken	NED	20 000	-	-	-	20 000
Pierre Goosen	NED	20 000	-	-	-	20 000
		608 886	-	399 659	399 659	1 408 204

Year ended 30 June 2015

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Total
Lukas Nakos	CEO	152 149	-	-	-	152 149
Malcolm Levy ^a	CFO	142 641	-	-	-	142 641
Jonathan Knight	CIO	57 056	-	-	-	57 056
Ron Spencer	Chairman	24 500	-	-	-	24 500
Gideon Oosthuizen	NED	23 250	-	-	-	23 250
Jaco Jansen	NED	23 250	-	-	-	23 250
Morné Wilken	NED	10 000	-	-	-	10 000
Pierre Goosen	NED	10 000	-	-	-	10 000
		442 846	-	-	-	442 846

- a. In addition, the directors fees of €24 940 were paid directly to MAS Property Advisors Limited. These fees ceased from a group perspective on 15 October 2014, when Malcolm Levy became an employee of the group.

*Key management - shareholdings***As at 30 June 2016**

Euro	Direct	Indirect	Associate	Total
Lukas Nakos	85 143	-	100 659 [^]	185 802
Malcolm Levy	11 633	1 568 928*	-	1 580 561
Jonathan Knight	523 371	74 000	-	597 371
Ron Spencer	11 370	-	-	11 370
Gideon Oosthuizen	254 505	-	-	254 505
Jaco Jansen	-	-	-	-
Morné Wilken	55 784	234 818*	-	290 602
Pierre Goosen	-	-	3 113 529 [^]	3 113 529
	941 806	1 877 746	3 214 188	6 033 740

* Associate family trust

[^] Non-beneficial to director

As at 30 June 2015

Euro	Direct	Indirect	Associate	Total
Lukas Nakos	106	-	100 659 [^]	100 765
Malcolm Levy	11 632	1 462 699*	-	1 474 331
Jonathan Knight	504 964	-	-	504 964
Ron Spencer	10 970	-	-	10 970
Gideon Oosthuizen	250 000	-	-	250 000
Jaco Jansen	-	-	-	-
Morné Wilken	53 823	226 560*	-	280 383
Pierre Goosen	-	-	783 677 [^]	783 677
	831 495	1 689 259	884 336	3 405 090

* Associate family trust

[^] Non-beneficial to director



Other related party transactions:

Euro	Income/(expenses) for the year ended		Capitalised for the year ended		Balances receivable/(payable) as at	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
MAS Prop						
- Investment advisor fee	-	(1 249 295)	-	-	-	-
- Transaction fee (see note 12)	-	-	-	352 500	-	-
- Oncharged staff costs	-	(123 269)	-	-	-	-
	-	(1 372 564)	-	352 500	-	-
NW Advisers						
- Oncharged development costs (see note 12)	-	-	27 117 356	19 605 967	(1 069 607)	33 432
- Development management fee (see note 21) ¹	1 466 964	(1 488 165)	-	-	(2 367 448)	(1 576 779)
	1 466 964	(1 488 165)	27 117 356	19 605 967	(3 437 055)	(1 543 347)
NW Holdings						
- Development profit participation fee (see note 21) ¹	(358 566)	(2 232 246)	-	-	-	(2 365 168)
	(358 566)	(2 232 246)	-	-	-	(2 365 168)
Corona						
- Legal and professional expenses	(850 180)	(331 218)	-	-	(41 984)	37 251
	(850 180)	(331 218)	-	-	(41 984)	37 251
Attacq						
- Karoo Fund financial liability (see note 21)	(4 032 584)	(24 896 101)	-	-	-	(26 378 571)
- Interest income from loan receivable	383 263	-	-	-	-	-
	(3 649 321)	(24 896 101)	-	-	-	(26 378 571)
Artisan						
- Oncharged administrative expenses	51 962	6 435	-	-	41 255	12 737
	51 962	6 435	-	-	41 255	12 737
			-			
	(3 339 141)	(30 313 859)	27 117 356	19 958 467	(3 437 784)	(30 237 098)

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



MAS Prop

MAS Prop is a real estate advisory company. During the prior period MAS Prop was acquired by the group and is a 100% owned subsidiary (see note 11). Prior to the acquisition MAS Prop was owned by a group of investors of which Lukas Nakos and Malcolm Levy, the chief executive officer and chief financial officer of the group respectively, had significant influence.

Artisan

Artisan is a real estate management company and is owned by a group of investors of which Lukas Nakos and Malcolm Levy, the chief executive officer and chief financial officer of the group respectively have significant influence. In this context significant influence refers to the fact that Lukas Nakos and Malcolm Levy are directors of Salt Properties Limited, which owns 33.33% of Artisan, and that 2Fireflies Capital Inc, which is associated with Malcolm Levy, is a shareholder of Salt Properties.

The board of Artisan comprises five directors, three of which are common to MAS, being Jaco Jansen, Malcolm Levy and Pierre Goosen.

NW Advisers

NW Advisers is a real estate developer and is a 100% owned subsidiary of NW Holdings which is a 60% owned subsidiary of Artisan, as such is controlled by Artisan which is a related party of the group.

During the year NW Advisers on-charged expenses in relation to the development of New Waverley which amounted to €27 117 356 (2015: €19 605 967). These have been capitalised as part of the New Waverley development within investment property, see note 12. These on-charges were charged to the group in accordance with the development management agreement and are on an arm's length basis.

In addition, the group has provided for a development management fee of €2 367 448 (2015: €1 576 779) as a result of the revaluation of the three pre-let hotels at the New Waverley development, see note 21. This fee is in accordance with the development management agreement and is on an arm's length basis.

NW Holdings

NW Holdings is a real estate developer and is a 60% owned subsidiary of Artisan. As such it is controlled by Artisan which is a related party of the group.

At the reporting date the group has provided for a development management priority participation fee of €nil (2015: €2 365 168) as a result of the revaluation of the three pre-let hotels at the New Waverley development (see note 21). This fee is in accordance with the development management agreement and is on an arm's length basis.

Corona

Corona is a real estate management company with seven staff, and is owned by Jonathan Knight as the sole shareholder. Jonathan is also chief investment officer of the group.

During the year, the group used the professional services of Corona and incurred expenses of €850 180 (2015: €331 218), which were charged to the group on an arm's length basis. Professional services fees are expensed in profit or loss within investment expenses (see note 5) and service charge and other property operating expenses.

Attacq

Attacq is a significant shareholder in the company and has significant influence over the group.

On 30 November 2015 the group entered into a short-term loan agreement with Attacq. The group provided for €18 920 000 over a maximum term of 3 months and a minimum term of 1 month with early repayment permitted thereafter without penalty, subject to interest of 8% per annum. The group took two forms of security, firstly the amount payable to Attacq under the Karoo transaction of €29 112 780; and Attacq's shares in the company owning Nova Aventis (Stenham European Shopping Centre Fund (Guernsey) to the value of €22 931 521). The loan was repaid in full on 29 February 2016. Interest of €383 263 (2015: €nil) was received on the loan.

The short-term loan receivable was classified as a financial asset at amortised cost. Accordingly on initial recognition it was recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The group purchased the Karoo Fund from Attacq in 2013 for an all share consideration of €34 199 731 (see note 13). Under the purchase agreement of the Karoo Fund, Attacq was entitled to a contingent adjustment (the "Adjustment") in the consideration paid to it by the group. This contingent adjustment was dependent upon the value at which the Karoo Fund redeemed. On 31 January 2016 the group's remaining

shares in the Karoo Fund were redeemed. The group received an in-specie redemption of 64 540 371 shares in Sirius and €2 577 304 cash in exchange for €32 411 907 being the group's share of the Karoo Fund's net asset value at 31 January 2016. The final redemption triggered the settlement of the Attacq financial liability, see note 21, from whom the group acquired the investment, through the issuance of MAS shares. Under the purchase agreement the MAS adjustment shares were issued at a price per share equal to the 30-day volume weighted average price of MAS shares at each point the Karoo Fund was realised. Accordingly, 21 317 449 shares were issued to Attacq in settlement of the Attacq financial liability.

27. Earnings per share and diluted earnings per share

Basic and diluted earnings per share

Accounting policy

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Disclosure

The calculation of basic 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	Year ended 30 June 2016	Year ended 30 June 2015
Profit for the year attributable to the owners of the group	1 498 032	48 474 908

Weighted-average number of ordinary shares

Euro	Note	Year ended 30 June 2016	Year ended 30 June 2015
Opening issued ordinary shares		291 787 889	279 483 999
Effect of shares issued for capital raise	18	5 871 764	-
Effect of shares issued related to business combinations	11	-	6 911 654
Effect of shares issued related to the settlement of the Attacq liability	18	6 465 128	-
Effect of shares issued for scrip distributions	18	2 281 979	872 468
Weighted-average number of ordinary shares		306 406 760	287 268 121

Basic earnings per share

Euro	Year ended 30 June 2016	Year ended 30 June 2015
Profit attributable to ordinary shareholders	1 498 032	48 474 908
Weighted-average number of ordinary shares	306 406 760	287 268 121
Basic earnings per shares (euro cents)	0,49	16,87

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

Headline earnings and headline earnings per share

Accounting policy

Headline earnings are derived from basic earnings adjusted for re-measurements that relate to the capital platform of the group per Circular 2/2015 issued by the South African Institute of Chartered Accountants.

Disclosure

Headline earnings and headline earnings per share was as follows:

Euro	Year ended 30 June 2016		Year ended 30 June 2015	
	Gross	Net	Gross	Net
Profit for the year	1 498 032	1 498 032	48 474 908	48 474 908
Adjusted for:				
Revaluation of investment property (see notes 10 and 12)	3 088 606	3 274 432	(5 718 442)	(6 759 124)
Headline earnings	4 586 638	4 772 464	42 756 466	41 715 784
Weighted-average number of ordinary shares (see note 27)	306 406 760	306 406 760	287 268 121	287 268 121
Headline earnings per share (euro cents)	1,50	1,56	14,88	14,52

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 measure.

28. Significant shareholdings

	Year ended 30 June 2016	Year ended 30 June 2015
Attacq	41,38%	45,26%
Argosy Capital Limited	11,03%	11,48%
Sanlam Life Insurance Limited	5,03%	4,50%
	57,44%	61,24%

29. Reclassification

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

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

Consolidated statement of profit or loss**Year ended 30 June 2015**

Euro	Impact of change in reclassification		
	As previously reported	Adjustment	As reclassified
Portfolio related expenses	(2 036 856)	2 036 856	-
Administrative expenses	(1 249 295)	1 249 295	-
Investment adviser fees	(2 423 870)	2 423 870	-
Service charges and other property operating expenses	-	(3 405 450)	(3 405 450)
Corporate expenses	-	(1 767 154)	(1 767 154)
Investment expenses	-	(537 417)	(537 417)
	(5 710 021)	-	(5 710 021)

Consolidated statement of financial position**As at 30 June 2015**

Euro	Impact of change in reclassification		
	As previously reported	Adjustment	As reclassified
Current assets			
Financial investments	67 221 894	2 604 979	69 826 873
Treasury investments	2 604 979	(2 604 979)	-
Current liabilities			
Financial instruments	26 378 571	2 703 865	29 082 436
Deferred consideration	2 703 865	(2 703 865)	-
	98 909 309	-	98 909 309

Consolidated statement of cash flows**As at 30 June 2015**

Euro	Impact of change in reclassification		
	As previously reported	Adjustment	As reclassified
Investing activities			
Acquisition of investment property and capitalised development costs	(162 632 461)	162 632 461	-
Acquisition of investment property	-	(131 572 515)	(131 572 515)
Capitalised acquisition costs on investment property	-	(8 681 404)	(8 681 404)
Capitalised expenditure on investment property	-	(22 378 542)	(22 378 542)
Acquisition of investments	(10 178 432)	10 178 432	-
Acquisition of treasury investments	(30 000 000)	30 000 000	-
Acquisition of financial investments	-	(40 178 432)	(40 178 432)
Proceeds from the sale of investments	20 214 050	(20 214 050)	-
Proceeds from the sale of treasury investments	31 696 715	(31 696 715)	-
Proceeds from sale of financial investments	-	51 910 765	51 910 765
	(150 900 128)	-	(150 900 128)
Financing activities			
Repayment of borrowings	(1 789 650)	1 789 650	-
Repayment of interest bearing borrowings	-	(969 927)	(969 927)
Payment of amortisation on interest bearing borrowings	-	(819 723)	(819 723)
	(1 789 650)	-	(1 789 650)

30. Capital commitments

Investment property

The group entered into contracts for the construction and development of New Waverley, see note 12. These contracts will give rise to expenses of £7 882 360 (approx. €9 536 867) (2015: £31 203 848 (approx. €43 863 249)), which will be capitalised as part of the New Waverley development.

On 5 April 2016 the group entered into an SPA to acquire a portfolio of properties throughout northern and central Germany for €56 010 400. The acquisition is under a sale and leaseback arrangement from various subsidiaries of Edeka MIHA AG, see note 31.

Investment in equity accounted investee

On the 23 March 2016, the group entered into a contract with PKM to develop investment property in central and Eastern Europe. The terms of the contract commit the group to invest an initial €100 000 000 in 7,5% preference shares in PKM over 4 years, with an election to invest a further €100 000 000 by 23 March 2017, see note 9. The group intends to invest €200 000 000 into the investee.

31. Subsequent events

Acquisition of investment properties

On 17 August 2016 the group completed on the acquisition of a logistics centre in Munich, Germany for €10 500 000. This property has an annual rent roll of €885 692 and is currently leased to Volkswagen AG until December 2018, after which MAS may lease or redevelop the site.

On 31 August 2016 the group completed on the acquisition of a portfolio of properties in northern and central Germany under a sale and lease back arrangement from various subsidiaries of Edeka MIHA AG. The purchase price was €56 010 400 and the annual rent roll is €3 849 000.

Sale of financial investments

On 12 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%.

Capital raise

On 29 July 2016 the group issued 25 641 026 ordinary shares through an accelerated book build raising capital net of fees of €31 781 846.

Drawdown on interest bearing borrowings

On 28 July 2016 the group entered into a loan agreement with Royal Bank of Scotland International for a facility of £21 000 000 (approx. €25 407 900). The facility is for a term of 5 years at an interest rate of LIBOR plus 2% per annum. This facility has been secured against the income-generating Whitbread hotels at New Waverley.

On 24 August 2016 the group entered into a loan agreement with Deutsche Pfandbriefbank AG for a facility of €29 179 000, for a 9-year term. This facility has been secured against the Heppenheim retail park and the Bruchsal property and has not yet been drawn down.

Both loan have been classified as general borrowings.

Santon financial liability

On 8 July 2016 the group settled the £2 750 000 (€3 327 225) Santon financial liability in full. There are no other amounts owed to Santon.

Other than the above, there were no material events after the statement of financial position that have a bearing on the understanding of these consolidated financial statements.



32. Other JSE disclosures

Property profile

Property	Property address	Type	Rentable area (sqm)	Vacancy area (sqm)	Rent per sqm (Euro)	WALT
Switzerland						
Zurich	Mulbachstrasse 41, Zurich, Switzerland	Logistics	5 699	-	210,6	8,6
Germany						
Aldi portfolio - Parsberg	Steinmuhler Strasse 1, Parsberg, Germany	Retail	1 306	-	104,7	13,4
Aldi portfolio - Kuppenheim	Teichacker Strasse 1, Kuppenheim, Germany	Retail	1 295	-	86,6	13,4
Aldi portfolio - Herbolzheim	Seeweg 5, Herbolzheim, Germany	Retail	1 308	-	72,2	13,4
Aldi portfolio - Staufeu	Innere Neumatten 5, Staufeu, Germany	Retail	1 308	-	82,8	13,4
Aldi portfolio - Rottenburg-Ergenzingen	Mercedesstrasse 36, Rottenburg-Ergenzingen, Germany	Retail	1 542	-	73,9	13,4
Bruchsal	Kaiserstrasse 66, Bruchsal, Germany	Retail	7 103	-	208,1	5,9
Donaueschingen	Bregstrasse, Donaueschingen, Germany	Retail	8 235	-	87,4	12,4
Edeka portfolio	Alte Schmelze 23, 65201 Wiesbaden	Retail	11 502	-	105,2	14,5
Edeka portfolio	In der Teichmatt 6, 79689 Maulburg	Retail	4 983	-	88,3	14,5
Edeka portfolio	Rudolf-Diesel-Strasse 6, 72250 Freudenstadt	Retail	4 435	-	79,0	14,5
Gotha	Schubert-strasse 20, Gotha, Germany	Retail	9 442	-	105,0	10,0
Heppenheim retail park	Tiergartenstrasse 7, Heppenheim, Germany	Retail	24 644	3 526	93,1	8,5
Lehrte	Germaniastrasse 18, Lehrte, Germany	Retail	9 203	-	82,5	10,6
Toom Portfolio - Frankenthal	Eisenbahnstrasse 77, Frankenthal, Germany	Retail	7 452	-	73,8	12,8
Toom Portfolio - Gummersbach	Vollmerhauser Strasse 36, Gummersbach, Germany	Retail	10 937	-	100,6	12,8
Toom Portfolio - Nordhausen	Hallesche Strasse 141, Nordhausen, Germany	Retail	6 902	-	79,7	12,8
United Kingdom						
Breahead	Old Govan Road, Glasgow (BL), United Kingdom	Industrial	18 476	-	45,6	8,6
Chippenham	Langley Park, Chippenham (LPL), United Kingdom	Industrial	62 879	463	33,1	7,4
Langley park	Langley Park, Chippenham (CL), United Kingdom	Residential/Hotel	9 184	706	24,9	0,6
New Waverley	New Waverley, Edinburgh (NW), United Kingdom	Hotel/retail & residential	20 015	2 992	108,9	27,6
North Street Quarter	Phoenix Works, Lewes, United Kingdom	Residential	15 485	7 112	22,6	0,8

Geographical profile

Jurisdiction	Rentable area (sqm)	Revenue (Euro)	Vacancy area (sqm)	Rental per sqm (Euro)
Germany	111 597	8 467 146	3 526	98,7
Switzerland	5 699	1 236 394	-	210,6
UK	126 057	4 500 159	11 274	45,1

Sector profile

Sector	Rentable area (sqm)	Revenue (Euro)	Vacancy area (sqm)	Rental per sqm (Euro)
Hotel	7 848	758 030	-	249,5
Industrial	81 373	3 107 879	463	36,0
Retail	123 763	8 529 326	6 518	90,7
Logistics	5 699	1 236 394	-	210,6
Residential	24 669	572 070	7 818	23,5

Tenant profile

Category	Number
A	29
B	8
C	81
	118

"A": large national tenants, large listed tenants, government and major franchisees;

"B": national tenants, listed tenants, franchisees, medium to large professional firms; and

"C": other

Portfolio yield

Yield	%
Average annualised property yield	3,4



The group does not have fixed rental escalations. Rental escalations are predominantly index linked or as a percentage of inflation and are not reliably determinable, accordingly, the group has not provided a weighted average rental escalation profile.

ANNEXURE 7 – RISK FACTORS

Making an investment carries inherent risk. Prospective investors should carefully consider the risks associated with investing in the Company and seek professional advice before making any decision to invest in the Company. The directors believe the below listed risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all of those associated with an investment in the Company and are not intended to be presented in any assumed order of priority.

Suitability of investment

Potential investors should consider carefully whether an investment in the Company is suitable in view of their personal circumstances and financial resources. Potential investors are not to construe the contents of the detailed listing particulars as tax, business or legal advice. A prospective investor should consult with its own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company.

Key individuals

The Company's success will depend to a significant extent upon the experience of the executive director's whose continued service is not guaranteed.

Availability of investment opportunities

The availability of potential investments that meet the Company's investment criteria will depend on the state of the economy and financial markets in Europe. The Company will be competing for investments with other real estate investment vehicles, as well as individuals, financial institutions and other institutional investors. The Company can offer no assurance that it will be able to identify and make investments that are consistent with its investment criteria or rate of return targets, or that it will be able to fully invest its available capital.

Development risk

In certain circumstances the Company may be exposed to development risks and the returns on the shares may therefore be subject to some extent to the risks associated with the development of real estate projects.

Economic risk

Any future property market recession could materially adversely affect the value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates. Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's property portfolio.

Property risk

Investments made by the Company are subject to the general risks associated with property including but not limited to, fluctuations in the property markets, interest rates, fluctuations in

property yields, changes in local legislation relating to ownership, landlord and tenant, environmental factors and the unforeseen actions of third parties. Both property values and rental income may also be affected by competition from other property owners, or the perceptions of prospective buyers or tenants of the attractiveness, convenience and safety of the properties.

Property markets are cyclical and prices are subject to demand and supply factors over which the Company has no direct control.

Property and property related assets are inherently difficult to value due to the individual nature of each property and the fact there is not necessarily a liquid market or price mechanism. As a result, valuations may be subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date.

Investments in properties are relatively illiquid and more difficult to realise than equities or bonds. The price of the Company's shares may not accurately reflect the value of its underlying assets at or between valuations.

In addition, the Company will also be subject to the risks specific to being a non-controlling shareholder in listed and unlisted property securities, which include illiquidity and regulatory requirements relating to the operation of such listed entities.

Currency exchange rates risk

The base currency of the Company is Euros and as such, the returns to investors will be impacted by currency movements between the Euro and other currencies in which the Company holds property investments. These currency movements may be advantageous or disadvantageous to Euro returns. In addition, an investor must consider its personal effective 'base' currency as any currency movements between the Euro and the individual's base currency could result in a loss of capital invested.

Interest rate risk

Adverse movements in interest rates could result in materially adverse performance of the property portfolio performance and as such, investors could incur loss of capital invested.

Concentration risk

The Company's investments in property assets and their tenants may be concentrated. However, the Company will seek to manage down concentration risk in relation to specific properties and tenants as the Company's investments increase.

Land and property ownership rights

Whilst the Company will use all reasonable endeavours to operate property owning structures that comply with relevant laws and regulations (as well as tax provisions) relating to land and property ownership by foreign companies as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that in the future the countries in which the Company operates and/ or invests will not adopt laws and regulations which may adversely impact on the Company's ability to own and operate land and property and the returns thereon. Accordingly, in such circumstances, the returns to the Company may be materially and adversely affected.

Law, regulatory regime and permits

The failure to obtain or to continue to comply with all necessary approvals, licences or permits, including renewals thereof or modifications thereto, may adversely affect the Company's



performance, as could delays caused in obtaining such consents due to objections from third parties. Changes in laws relating to ownership of land could have an adverse effect on the value of shares. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations. The Company could be adversely affected by delays in, or a refusal to grant, any required governmental approval for any particular investment, as well as by the application to the Company of any legal or administrative restriction on making investments.

Potential environmental liability

Under various laws and regulations, an owner of property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for the presence or removal of, these substances. The owner's liability as to any property is generally not limited under such laws and could exceed the value of the property and / or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on any return from such investment.

Litigation risk

Investment in the Company involves certain risks normally associated with investment in property, which includes for example the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. The directors are not aware of any pending litigation against the Company.

Tax and regulatory changes

The tax regimes applying to the Company and/or its SPVs, the ability of the Company to repatriate its assets and other operations of the Company are based on regulations which are subject to change through legislative, judicial or administrative action in the jurisdictions in which the Company and/or its SPVs operate and/or invest, thereby affecting the tax treatment of the Company and/or its SPVs in these jurisdictions.

Illiquidity of the property market

The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the Company's control. The Company cannot predict whether any member of the Company which owns property will be able to sell that property for the price or on the terms set by it, or whether the price or other terms offered by a prospective purchaser would be acceptable to it. Nor can the Company predict the length of time needed to find a willing purchaser and to complete the sale of a property. The Company may be required to expend funds to refurbish or to make improvements before a property can be sold. The Company cannot be certain that it will have funds available to correct such defects or to make such improvements.

Dividend distributions

Shareholders should note that payment of any future dividend distributions is not guaranteed and will be at the discretion of the directors after taking into account various factors including the Company's operating results, financial condition and current and anticipated cash needs.



Gearing

The Company, either directly or indirectly through its SPV's, may use borrowings which will typically be secured on assets in its property portfolio. If the cost of the Company's borrowings exceeds the return on the assets in its property portfolio, the borrowings will have a negative effect on the Company's performance. A relatively small movement in the value of the properties or the amount of income derived in respect thereof may result in a disproportionately large movement, unfavourable or favourable, in the value of the shares in the Company or the amount of income received in respect thereof.

In the event that the Company enters into a bank facility agreement or funding agreement, such agreement(s) may contain financial covenants. In particular, such an agreement may require that the Company and/or its SPVs have assets exceeding a fixed percentage of the value of any loan draw down. If the value of such assets falls such that any financial covenant is breached, or if any other covenant is breached, the Company may be required to repay or procure the repayment of the borrowings in whole or in part. In such circumstances, it may be necessary to sell, in a limited time, all or part of the Company's property portfolio, potentially in circumstances where there has been a downturn in property values generally such that the realisation proceeds do not reflect the valuation of such properties.

The factors mentioned above are not comprehensive and there may be other risks that relate to or may be associated with an investment in the Company.

External investment advisers

The Company utilises external investment advisers when they do not have sufficient expertise in-house, in particular for CEE investment. The Company is therefore reliant on the ability of these external parties to perform as expected. There is a risk that these parties may perform different than expected which will result in performance for the Company that is different than expected.