MAS REAL ESTATE INC
Registered in British Virgin Islands
Registration number 1750199
ISIN: VGG5884M1041
SEDOL (EMTF): B96VLJ5
SEDOL (JSE): B96TSD2
JSE share code: MSP
("MAS" or "the company")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

HIGHLIGHTS

38%
YEAR-ON-YEAR
INCREASE IN
RENTAL INCOME

103%
YEAR-ON-YEAR
INCREASE IN NET
OPERATING INCOME

40%
YEAR-ON-YEAR
INCREASE IN HI
DISTRIBUTABLE
EARNINGS PER
SHARE

73%
YEAR-ON-YEAR
INCREASE IN HI
INVESTMENT
PROPERTY(1)
48%INCREASE SINCE
JUNE 2018

DISTRIBUTION
PER SHARE OF
3.78
EURO CENTS

2-YEAR EXTENSION
TO EXCLUSIVITY
WITH PRIME KAPITAL
UNTIL 2023

(1)Includes acquisitions post 31 December 2018 and assets held for sale

KEY METRICS

Distribution per share

Year	H1 Euro Cents	H2 Euro Cents	Total Euro Cents
FY 2014	0.60	1.24	1.84
FY 2015	1.15	2.20	3.35
FY 2016	2.27	2.23	4.50
FY 2017	2.66	3.19	5.85
FY 2018	3.58	4.03	7.61
FY 2019	3.78	4.97(1)	8.75(2)

(1) Guidance

(2) This target is based on the acquisition and development pipeline in place and further opportunities being pursued. It also assumes that a stable macro-economic environment will prevail, no major corporate failures will occur, the investments and developments reported on above will progress as expected and budgeted rental income based on contractual escalations as well as market-related renewals will be collected. This target has not been reviewed or audited by the group's auditors.

Investment Property (3)

Year	Euro Millions	Euro Millions
FY 2014	64.8	n/a

FY 2015	248.5	n/a
FY 2016	310.5	n/a
FY 2017	570.6	n/a
FY 2018	632.8	n/a
H1 2019	769.8	941.0(5)

(3) Includes investment property held for sale
(5) Includes Acquired post 31 December 2018

Passing rent (4)

Year	Euro Millions	Euro Millions
FY 2014	2.7	n/a
FY 2015	12.6	n/a
FY 2016	17.3	n/a
FY 2017	32.2	n/a
FY 2018	37.5	n/a
H1 2019	47.0	57.2(6)

(4) MAS' share of the income-generating portfolio's passing rent.
(6) Includes Acquired post 31 December 2018

EPRA NAV PER SHARE

Year	EURO CENTS
FY 2014	104.6
FY 2015	122.1
FY 2016	116.0
FY 2017	125.9
FY 2018	134.9
H1 2019	132.7

MEDIAN DAILY SHARE VOLUME

Year	Thousands of shares
FY 2014	1.1
FY 2015	40.8
FY 2016	76.2
FY 2017	137.5
FY 2018	454.9
H1 2019	427.4

Loan to value

Year	Percentage	Percentage
FY 2014	-188.8	n/a
FY 2015	-30.0	n/a
FY 2016	-12.7	n/a
FY 2017	16.5	n/a
FY 2018	10.0	n/a
H1 2019	24.9	38.2(7)

(7) Impact of acquisitions post 31 December 2018

DIRECTORS' REPORT

In early 2016, MAS embarked on an ambitious three-year programme to restructure and grow its balance sheet. The programme had two principal components. The first component was the targeted disposal of assets in western Europe whose valuations were approaching historic highs relative to their recurring cash flows and which had muted further organic growth potential. At the same time, we intended to retain the benefits of a geographically diversified asset portfolio. The second component wasto invest in a mixture of income-generating assets with high organic growth potential and/or significant potential to add value. This component would be funded through raising both moderate debt and additional equity. The emphasis was on developing and owning retail assets in CEE, given strong historical CEE consumption growth trends that we expect will continue. Direct retail assets in the UK were actively avoided.

In line with this strategy, two joint ventures were established in 2016 with Prime Kapital, whose team has an exceptional property development and investment track record in CEE markets. The primary focus of the joint ventures is on developing and acquiring dominant retail assets in strong locations within CEE.
Management also set ambitious distribution growth targets for the financial reporting periods to the end of the 2019 financial year.

The results for the six month period ended 31 December 2018, and the distribution guidance for the financial year ending on 30 June 2019, reflect the successful implementation of the group's strategy, which continues at pace balanced by appropriate execution discipline. The group is on track to meet its distribution target of 8.75 euro cents per share for the financial year ending 30 June 2019, funded entirely from distributable earnings. This target represents a 15% increase in the full year distribution and a 37.7% year-on-year increase in distributable earnings. It equates to a compound annual rate of growth in distributable income per share of 25% since 2016. The group is also well positioned for continued growth in distributable income per share beyond the end of the 2019 financial year, as a result of exposure to assets with high organic growth potential and the substantial development pipeline.

DISTRIBUTABLE EARNINGS

The group achieved distributable earnings per share of 3.78 euro cents for the six month reporting period. The strong improvement of 40.0% in distributable earnings per share over the 2.70 euro cents in the comparative period was driven by acquisitions of investment property, as well as continued investment into PKM Developments and distributions received from the REIT portfolio.

INTERIM DISTRIBUTION AND GUIDANCE FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019

Based on the increase in distributable earnings, the board has proposed an interim distribution per share of 3.78 euro cents for the first half of the 2019 financial year.

Considering the progress made to date, the board is confident that MAS will achieve a distribution of 8.75 euro cents per share for the full 2019 financial year, covered by distributable earnings. This distribution guidance is based on the acquisition and development pipeline in place and further opportunities being pursued. It also assumes that a stable macro-economic environment will prevail, no major corporate failures will occur, the investments and developments reported on below will progress as expected and budgeted rental income, based on contractual escalations as well as market-related renewals, will be collected. This target has not been reviewed or audited by the group's auditors.

INCOME-GENERATING PORTFOLIO AND NAV

Investment property, including investment property held for sale and acquisitions after period-end, grew by 48.7%, from EUR632.8 million at 30 June 2018 to EUR941.0 million. The portfolio performed strongly, with first half net rental income growing by 55.6% from EUR15.3 million to EUR23.8 million year on year and net operating income increasing by 103.2%, from EUR12.6 million to EUR25.6 million. This growth was driven by acquisitions, income-enhancing asset management initiatives and strong tenant performance.

The EPRA net asset value per share fell by 1.6% to 132.7 euro cents per share, from 134.9 euro cents per share at the 30 June 2018 year end. The decline was largely the result of fair value adjustments made to the REIT portfolio, following significant market pressure in late 2018, partially offset by the completion of developments and valuation gains on assets.

ACQUISITION, DISPOSAL AND DEVELOPMENT UPDATE

Deploying available capital has been a key focus for the group. While opportunities remain, current market pricing requires us to exercise significant caution when assessing assets, given the competitive environment and liquidity available in the market. The group is not prepared to overpay for assets in a heated market and assesses capital deployment carefully to ensure that its longer-term strategic objectives are not compromised by actions taken in pursuit of short-term goals. MAS remains prudent in its investment process and continues to focus on acquiring assets with value-adding potential and/or strong long-term organic growth opportunities.

PREMIER INN AND HUB BY PREMIER INN HOTELS, EDINBURGH, SCOTLAND (DISPOSED OCTOBER 2018)

In October the group disposed of the Premier Inn and Hub by Premier Inn Hotels, with its associated retail units, at New Waverley, Edinburgh, for GBP38.0 million (about EUR43.4 million). The sale price represented a NOI yield of 4.07%. This capital was recycled to higher-yielding opportunities, allowing the group to leverage its ability to manage assets and grow income generated by investments.

UBERIOR HOUSE, EDINBURGH, SCOTLAND (ACQUISITION COMPLETED MAY 2018)

Substantial progress has been made at Uberior House in Edinburgh, Scotland. The asset was acquired with the intention of re-gearing the leases. This was completed well ahead of schedule, with leases extending to 2030 signed with Bank of Scotland, significantly increasing the certainty of income from, and value of, the asset. The contracted rent also increased by 1.3% as a result of settling the outstanding rent reviews as part of the lease negotiations. There is further potential for rental income growth at the next rent reviews in 2020.

FLENSBURG GALERIE SHOPPING CENTRE, FLENSBURG, GERMANY (ACQUIRED JANUARY 2019)

The Flensburg Galerie shopping centre was built in 2006 with a GLA of 25,540 square metres. The asset was acquired from a limited life investment fund that was being wound up. Situated on Flensburg's prime shopping street, the Flensburg Galerie is the only shopping centre in the inner city and is well established with more than 4.2 million visitors in 2018. The city of Flensburg is located in Schleswig-Holstein in the north of Germany, bordering Denmark. Flensburg is an important economic and regional centre, both within Schleswig-Holstein and across the border in Denmark. The total catchment area for the Flensburg

Galerie is more than 500,000 people. Tourists from Denmark are attracted by lower prices in Germany.

The investment offers great value-adding potential, with scope to reduce vacancies and undertake some reconfiguration and tenant relocations. A food discounter has already been secured and will open shortly. The acquisition price of EUR62.6 million was agreed outside of a competitive bidding process and is attractive compared to prevailing market prices. We expect that reducing vacancy levels will contribute positively, not only to the direct investment return, but also by bringing in additional retail brands not currently located in the city centre. In addition, the opportunity exists to reduce non-recoverable costs through better asset management.

MILITARI SHOPPING CENTRE, BUCHAREST, ROMANIA (ACQUIRED JULY 2018)

This acquisition, made in association with our CEE partners Prime Kapital, was completed in the current reporting period and discussed in detail in the directors' commentary accompanying the 2018 year end results. Trading at the 56,200 square metre GLA centre has been strong since acquisition, with the optimisation of leases at expiry providing a platform to grow income. Given ongoing residential densification around the centre, we are considering redeveloping the centre and substantially increasing the GLA to about 80,000 square metres.

ATRIUM MALL SHOPPING CENTRE, ARAD, ROMANIA (ACQUIRED DECEMBER 2018)

The Atrium Mall ("Atrium"), acquired with Prime Kapital, was part of the secured pipeline disclosed at the 2018 year end. Atrium is the only modern retail destination in Arad and the broader Arad county. The mall is well established and centrally located, adjacent to main transport hubs, and with good accessibility and visibility. The city of Arad is situated in western Romania, close to the Hungarian border. It is the administrative capital of Arad county and forms the principal economic hub of the area. The city has healthy demographics, which are supported by growing purchasing power, and it benefits from a significant catchment area, with 334,000 people within a 45-minute drive.

The mall has a fashion and entertainment focus, with an approximate GLA of 28,600 square metres over three floors. It is anchored by strong tenants including large European retailers Carrefour, Inditex, H&M, C&A, New Yorker, LC Waikiki, Hervis, Deichmann, Media Galaxy, Pepco, CCC and Cinema City with a 10-screen cinema.

MAS aims to improve the quality of the retail offering and customer experience through improved asset management and the introduction of new entertainment and leisure operators to drive growth in footfall. Reconfiguration of some parts of the mall will be considered in the medium term to enhance the tenant mix and increase dwell time.

PKM DEVELOPMENTS

ACQUISITION OF ASSETS DEVELOPED TO DATE AND EXTENSION OF THE DEVELOPMENT JOINT VENTURE WITH PRIME KAPITAL

The first of the larger retail centres developed by PKM Developments, the development joint venture with Prime Kapital, were completed. Roman opened for trade in November 2018 and Baia Mare opened in December 2018. This brings the total completed GLA by PKM Developments to 67,950 square meters at a net initial yield of 10.6% (after taking into account the cost of preference share finance). This result is ahead of the original expectations for the developments and bodes well for the current development pipeline.

On 28 February 2019, MAS and Prime Kapital reached agreement that MAS, through the investment joint venture with Prime Kapital, would acquire the nine completed developments in Romania from PKM Developments for a price of EUR108.7 million. The purchase price of the entities owning the retail centres, after adjustments for working capital and development land for extensions, amounts to EUR113.0 million. In addition, it was agreed that the development joint venture between Prime Kapital and MAS and the accompanying exclusivity on new developments within the joint venture would be extended by a further two years, taking the exclusivity period to March 2023. Second-phase developments planned for the centres in Slobozia, Roman and Baia Mare are expected to add 11,000 square metres of GLA. On completion they will be acquired by MAS at a yield of 7.5%.

The portfolio was independently valued at a net initial yield of 7.5%. Given MAS' interest in PKM Developments, the cash-on-cash yield (including earnings on preference shares in PKM Developments that it has subscribed for) on the acquisition is 9.14%, positioning MAS ahead of its peers in relation to developments in CEE. The consideration for the transaction will be deferred until required by PKM Developments for further projects. Prime Kapital will continue to manage the properties.

The portfolio of retail assets in Romania currently includes two larger centres, both anchored by Carrefour, in Roman (18,808 square meters of GLA) and Baia Mare (21,318 square meters of GLA), in addition to seven smaller, well-located developments adjacent to pre-existing Kaufland mini-hypers in Slobozia, Focsani, Targu Secuiesc, Ramnicu Sarat, Fagaras, Sebes and Gheorgheni. Of the total GLA, 87% is rented to large international and national anchors such as Carrefour, New Yorker, C&A, DM, Altex, Takko, CCC, Pepco, Deichmann, Jysk, KFC and McDonald's. In line with expectations, these newly developed centres already have an occupancy level of 93.5%, with full occupation expected to be achieved by the end of the 2019 calendar year. PKM Developments has provided a rental guarantee for the first year to cover the current vacancy level.

DEVELOPMENT PIPELINE

PKM Developments is expected to start the construction of seven developments and complete two of them by the end of December 2019. The cost of completion for the secured pipeline in CEE is estimated at EUR738.0

million and consists of the projects discussed below.

SILK DISTRICT, IASI

Zoning is ongoing on the 10-hectare site in Iasi where a large-scale, mixed-use project is planned that will include up to 100,000 square metres of A-class offices, about 2,500 residential units and a hotel. Iasi, with a population of 369,000 people, is the second-largest city in Romania, the most important industrial centre in the north-eastern part of the country and the second-largest university city outside Bucharest, with over 53,000 students. The project is near the city centre and within walking distance of the two largest university campuses. It is highly visible, with 450 metres of frontage on the main boulevard connecting the site to the city centre, and is easily accessible both by car and public transport. Three public transport hubs (bus and tram) are located on, or in the immediate vicinity of, the site. Major office tenants and hotel operators have expressed a strong interest in the planned development. The zoning process is expected to be completed in the fourth quarter of 2019 and construction is planned to start in the second quarter of 2020. The delivery of the first residential and office buildings is expected to take place in the third quarter of 2021.

MALL MOLDOVA , MOLDOVA

Zoning approval has been secured and work is currently under way to obtain a building permit for the planned redevelopment of Era Shopping Park, Iasi, into the 100,000 square metre GLA super-regional Mall Moldova, which will be the largest retail and leisure development in Romania outside Bucharest. Tenant demand remains strong with leasing progressing in line with expectations.

AVALON ESTATE, BUCHAREST

Permitting is ongoing on the upmarket, modern housing estate near the new developing central business district and commercial centre in the affluent northern part of Bucharest. The pre-construction sales process has commenced and was well received, with pre-construction sales targets achieved within three weeks. The first units of the planned 767 (previously 550) high-quality houses, townhouses and apartments should be available for occupation in the second quarter of the 2020 calendar year.

ARGES MALL, PITESTI

Permitting and leasing are ongoing for the planned 50,000 square metres GLA, regionally-dominant mall in a central, high density location in Pitesti, Romania. The project includes the construction of a bridge and connecting roads over the railway tracks between the site and town centre that will be funded and constructed by PKM Developments and donated to the public authorities on completion. Given its substantial contribution to the local economy, the project has the full support of the local authorities. Permitting is progressing well, despite attempts by the owners of Jupiter City mall, which is expected to be affected by the development, to undermine the permitting process.

MARMURA RESIDENCE, BUCHAREST

Zoning approval has been obtained and pre-construction sales have begun for the development, which will consist of five towers and 468 individual apartments. It will also host 1,700 square metres of supporting retail and service functions.

DAMBOVITA MALL, TARGOVISTE

A building permit was secured for the 31,000 square metre GLA, regionally-dominant mall in Targoviste, Romania. Several major anchor tenants, including Carrefour, Cinema City, Altex, Pepco and CCC were secured for the development. It will be the first mall in the Dambovita county that will form part of, and be complemented by, a wider urban regeneration project undertaken by the local authorities within two kilometers of the city centre, in a densely populated residential area. Construction is expected to begin in the second quarter of the 2019 calendar year, with opening planned for April 2020.

DN1 VALUE CENTRE, BALOTESTI

Zoning approval has been obtained in relation to the 28,000 square metre GLA, convenience value extension of the existing Hornbach and Lidl units in Balotesti, a rapidly developing affluent residential area, about 25kms north of Bucharest. Lease agreements were concluded with anchor tenants such as Carrefour (hypermarket), Jysk, Noriel, Pepco, Animax, DM Drogerie, CCC, Hervis, Sportissimo, Deichmann, New Yorker and Altex. Construction will start as soon as a building permit is issued and the opening of the first phase of the development is expected in December 2019.

PLOIESTI VALUE CENTRE, PLOIESTI

Zoning efforts are ongoing for a retail development in Ploiesti on a plot of land in a densely populated residential area in close proximity to the city's main train, tram and bus stations with high visibility and excellent road access. Even though leasing has not yet commenced, several major anchor tenants have expressed strong interest in the development.

ZALAU VALUE CENTRE, ZALAU

The building permit for the development of an 18,000 square metre GLA retail value centre with a high concentration of anchor tenants in Zalau is expected to be issued in March 2019. The project location is highly visible, in the immediate vicinity of a dense residential area and the city's regional bus terminal, on the main road connecting Zalau with the other major cities in the county and wider Transylvania area. Lease agreements have been entered with tenants including Carrefour, Noriel, Altex, CCC, Pepco, Jysk, Benvenuti and Takko and the demolition works have commenced. The centre is expected to open for trade by November 2019.

SEPSI VALUE CENTRE, SFANTU GHEORGHE

About six hectares of land have been secured in Sfantu Gheorghe (54,000 inhabitants and the capital of Covasna county) with plans to develop and operate a retail value centre of 15,000 square metres GLA with a high concentration of anchor tenants. The project is in the immediate vicinity of the city centre and easily accessible by car and public transport, both from the city as well as from the wider region. The catchment area includes about 172,000 inhabitants within a 45-minute drive. Anchor tenants have expressed strong interest in the planned development and permitting is ongoing. The centre is planned to open for trade by June 2020.

OTHER DEVELOPMENTS, EXTENSIONS AND LAND BANK

Plans are under way to refurbish and extend the retail assets owned in the investment joint venture with Prime Kapital in CEE. They are expected to add approximately 57,000 square metres to the aggregate GLA of these retail assets at a cost of about EUR134.5 million. This will increase the fashion and leisure offering of the centres to consolidate their regionally dominant position and enhance asset performance. Plans include an extension of 3,000 square metres GLA at Nova Park in Poland, for which the building permit has been received; an extension of 15,000 square metres of GLA at Burgas Mall (formerly Galleria Burgas), for which land has been secured; a refurbishment of Stara Zagora Mall (formerly Galleria Stara Zagora), which is expected to be completed by July 2019; a major extension and redevelopment of Militari Shopping Centre; and extensions to the newly developed assets which form part of the transaction with Prime Kapital discussed above.

NEW WAVERLEY, EDINBURGH, SCOTLAND

The New Waverley development is nearing completion. The 19,000 square metre office development for the UK government is on track to be completed before the end of the current financial year. In addition, the southern section of the residential element of the scheme was sold to housebuilder Queensberry on 30 October 2018 for EUR7.5 million (GBP6.7 million).

LANGLEY PARK, CHIPPENHAM, ENGLAND

Planning permission was obtained in 2016 to develop the site for 400 residential units, a Travelodge hotel with ground floor retail and a discount food store. The sale of the food store to Aldi was completed in June 2018. A forward sale of the Travelodge was concluded with Torbay Council in 2018 and it is expected to be finalised before the end of the financial year at the agreed price of EUR6.4 million (GBP5.8 million). Negotiations are at an advanced stage with two housebuilders for the sale of the rest of the development site. It is anticipated that legal contracts will be exchanged between the parties in the current financial year with sales receipts to follow on a phased basis at key points over the development period. The combined gross sale price for the residential land is EUR13.9 million (GBP12.4 million). To facilitate the sale of the development land, the existing car park serving the Siemens main facility is being relocated from Langley Park land to the adjacent industrial and business park, which we have retained. Work is ongoing and is expected to be completed in April 2019.

CAPITAL MANAGEMENT

At period end, the group held EUR52.9 million in cash (30 June 2018: EUR147.8 million); a portfolio of listed securities valued at EUR149.2 million (30 June 2018: EUR183.1 million); and had access to EUR90.0 million in undrawn secured and unsecured debt facilities. As a result of the deferred consideration for the post-interim period acquisition of the Romanian retail asset portfolio, the undrawn facilities remain in place and the group does not expect it will need to sell down its portfolio of listed securities in the near term.

At 31 December 2018 the group had EUR330.5 million of third-party debt finance in place (30 June 2018: EUR242.7 million). The group loan to value was 24.9% at 31 December 2018 (30 June 2018: 10.0%).

Efficient capital management is an important area of value creation for shareholders. To achieve this, the board of directors will consider buying back shares as and when it can create value for shareholders, if the trading price of the Company's shares falls below the intrinsic NAV per share. Such buybacks will be done with care, since capital is a scarce and valuable resource.

PROSPECTS

MAS' strategy continues to be one of retaining investment discipline in pursuing only good-quality acquisitions and developments with value-adding potential and attractive long-term growth prospects. MAS benefits from a strong and increasingly efficient balance sheet with sufficient capital and undrawn secured and unsecured bank finance facilities to meet its funding obligations. The group has substantially rebalanced its exposure in favour of assets with potential for value accretive redevelopment and long-term organic growth. The development pipeline is substantial, has the potential to increase further and has delivered results well ahead of expectations to date. The group is therefore well positioned for continued growth beyond the June 2019 financial year.

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

By order of the board of directors

DIRECTORS AND CHANGES:

Ron Spencer
(Non-Executive Chairman)
Malcolm Levy
(Interim CEO)
Paul Osbourn
(CFO)
Jonathan Knight
(CIO)
Werner Alberts
(Non-Executive Director)
Jaco Jansen
(Non-Executive Director)
Pierre Goosen
(Non-Executive Director)
Glynnis Carthy
(Non-Executive Director)
Melt Hamman
(Non-Executive Director)

Morne Wilken, the former CEO, and Gideon Oosthuizen, former non-executive director, ceased to be directors with effect from 14 December 2018. Paul Osbourn and Werner Alberts were appointed to the board with effect from 7 September 2018. Melt Hamman was appointed to the board with effect from 14 December 2018.

REPORTING CURRENCY

The group's results are reported in euros.

LISTINGS

MAS is listed on the Main Board of the Johannesburg Stock Exchange and is also listed and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

EXTERNAL AUDITOR

During the period the board of directors with the approval of the shareholders considered the rotation of auditor and has appointed PricewaterhouseCoopers LLC ("PwC") as group auditor on 27 November 2018.

DATE OF RELEASE

4 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT
ON INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF MAS REAL ESTATE INC.
We have reviewed the condensed consolidated interim financial statements of MAS Real Estate Inc., contained in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2018 and the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS
The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY
Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.
A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.
The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of MAS Real Estate Inc. for the six months ended 31 December 2018 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

PricewaterhouseCoopers LLC
Chartered Accountants
Sixty Circular Road
Douglas
Isle of Man
IM1 ISA
1 March 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Six-month period ended 31 December 2018

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Rental income	4	26,144,714	18,974,145	37,452,513
Service charges and other recoveries		4,504,330	2,147,390	5,954,048
Revenue		30,649,044	21,121,535	43,406,561
Service charges and other property operating expenses		(6,891,085)	(5,859,557)	(11,073,518)
Net rental income		23,757,959	15,261,978	32,333,043
Sales of inventory property		27,985,713	6,398,637	26,020,940
Cost of sales of inventory property		(23,697,456)	(5,339,258)	(21,704,016)
Profit on sales of inventory property	5	4,288,257	1,059,379	4,316,924
Other income	6	1,957,207	89,831	8,585,032
Corporate expenses		(3,103,013)	(2,500,957)	(4,946,973)
Investment expenses	7	(1,346,995)	(1,335,379)	(1,976,096)
Net operating income		25,553,415	12,574,852	38,311,930
Fair value adjustments	8	(24,735,019)	(613,755)	(15,800,127)
Foreign currency exchange differences		33,700	(586,186)	(1,020,787)
Share of profit from equity accounted investee, net of tax	16	6,398,768	1,543,057	3,568,925
Gain on bargain purchase/(goodwill impairment)	11,25	12,263,193	(1,274,346)	(1,274,346)
Profit before finance income/costs		19,514,057	11,643,622	23,785,595
Finance income	9	5,148,562	3,950,621	7,975,558
Finance costs	9	(3,854,447)	(2,477,372)	(5,560,344)
Profit before tax		20,808,172	13,116,871	26,200,809
Current tax	10	(1,994,464)	(2,078,633)	(5,556,002)
Deferred tax	10	(2,758,191)	1,047,747	(1,311,385)
Profit for the period/year		16,055,517	12,085,985	19,333,422
Attributable to:				
Owners of the group		11,086,908	11,703,478	16,856,306
Non-controlling interest	19	4,968,609	382,507	2,477,116
Basic earnings per share (euro cents)	27	1.74	2.25	2.92
Diluted earnings per share (euro cents)	27	1.74	2.25	2.92

CONDENSED CONSOLIDATED STATEMENT OF OTHER
COMPREHENSIVE INCOME
Six-month period ended 31 December 2018

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Profit for the period/year		16,055,517	12,085,985	19,333,422
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations - foreign currency translation differences		(1,557,070)	(1,187,667)	(1,207,816)

Total comprehensive profit for the period/year		14,498,447	10,898,318	18,125,606
Attributable to:				
Owners of the group		9,529,838	10,515,811	15,648,490
Non-controlling interest	19	4,968,609	382,507	2,477,116

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Six-month period ended 31 December 2018

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Non-current assets				
Investment property	12	752,925,945	489,518,759	579,212,345
Intangible assets	11	22,411,962	22,515,572	22,592,493
Investment in equity accounted investee	16	30,172,990	21,751,615	23,774,222
Financial assets	21	162,558,275	129,103,276	105,394,992
Property, plant and equipment		280,404	548,181	485,620
Deferred tax asset	10	780,574	756,280	607,179
Financial investments	15	-	200,120,816	183,052,263
Total non-current assets		969,130,150	864,314,499	915,119,114
Current assets				
Financial assets	21	24,577,732	-	24,507,316
Inventory property	14	2,757,781	-	1,293,501
Investment property held for sale	13	16,841,620	53,647,686	53,588,444
Trade and other receivables	23	22,855,693	7,688,545	16,148,333
Financial investments	15	149,171,912	-	-
Cash and cash equivalents	17	52,858,418	187,341,606	147,825,624
Total current assets		269,063,156	248,677,837	243,363,218
Total assets		1,238,193,306	1,112,992,336	1,158,482,332
Equity				
Share capital		829,250,399	837,465,772	829,250,399
Geared share purchase plan shares		(12,863,010)	(21,056,010)	(12,863,010)
Retained earnings		34,012,620	60,633,693	48,616,712
Share-based payment reserve	18	1,271,565	702,521	1,031,739
Foreign currency translation reserve		(13,325,189)	(11,747,970)	(11,768,119)
Equity attributable to owners of the group		838,346,385	865,998,006	854,267,721
Non-controlling interest	19	6,293,349	1,030,314	2,527,202
Total equity		844,639,734	867,028,320	856,794,923
Non-current liabilities				
Interest bearing borrowings	20	242,267,141	166,657,495	214,407,455
Financial liabilities	22	1,805,669	25,304,748	1,696,005
Deferred tax liability	10	8,515,711	3,761,990	6,139,373
Total non-current liabilities		252,588,521	195,724,233	222,242,833
Current liabilities				
Interest bearing borrowings	20	88,255,210	27,929,088	28,305,652
Financial liabilities	22	29,403,839	9,991,544	36,121,577
Trade and other payables	24	23,052,254	12,279,787	14,733,264
Provisions		253,748	39,364	284,083
Total current liabilities		140,965,051	50,239,783	79,444,576
Total liabilities		393,553,572	245,964,016	301,687,409
Total shareholder equity and liabilities		1,238,193,306	1,112,992,336	1,158,482,332
Actual number of ordinary shares in issue		637,493,798	633,915,786	637,493,798
IFRS Net Asset Value per share (euro cents)		131.5	136.6	134.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six-month period ended 31 December 2018

Euro	Note	Share capital	Geared share purchase plan shares (treasury shares)	Retained earnings	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the group	Non-controlling interest	Total equity
Balance at 30 June 2017 (audited)		557,556,273	(21,056,010)	55,888,038	225,973	(10,560,303)	582,053,971	988,063	583,042,034
Comprehensive income for the period									
Profit for the period		-	-	11,703,478	-	-	11,703,478	382,507	12,085,985
Other comprehensive loss		-	-	-	-	(1,187,667)	(1,187,667)	-	(1,187,667)

Total comprehensive profit/(loss) for the period		-	-	11,703,478	-	(1,187,667)	10,515,811	382,507	10,898,318
Equity transactions									
Share-based payment reserve	18	-	-	-	476,548	-	476,548	-	476,548
Total equity transactions		-	-	-	476,548	-	476,548	-	476,548
Transactions with the owners of the group and non-controlling interests									
Issue of shares		290,334,223	-	-	-	-	290,334,223	-	290,334,223
Distributions		(10,424,724)	-	(6,957,823)	-	-	(17,382,547)	(340,256)	(17,722,803)
Total transactions with the owners of the group and non-controlling interests		279,909,499	-	(6,957,823)	-	-	272,951,676	(340,256)	272,611,420
Balance at 31 December 2017 (reviewed)		837,465,772	(21,056,010)	60,633,693	702,521	(11,747,970)	865,998,006	1,030,314	867,028,320
Comprehensive income for the period									
Profit for the period		-	-	5,152,828	-	-	5,152,828	2,094,609	7,247,437
Other comprehensive loss		-	-	-	-	(20,149)	(20,149)	-	(20,149)
Total comprehensive profit/(loss) for the period		-	-	5,152,828	-	(20,149)	5,132,679	2,094,609	7,227,288
Equity transactions									
Share-based payment reserve	18	-	-	-	329,218	-	329,218	-	329,218
Total equity transactions		-	-	-	329,218	-	329,218	-	329,218
Transactions with the owners of the group									
Issue of shares		5,501,987	-	-	-	-	5,501,987	-	5,501,987
Shares forfeited and cancelled		(8,193,000)	8,193,000	-	-	-	-	-	-
Distributions		(5,524,360)	-	(17,169,809)	-	-	(22,694,169)	(597,721)	(23,291,890)
Total transactions with the owners of the group		(8,215,373)	8,193,000	(17,169,809)	-	-	(17,192,182)	(597,721)	(17,789,903)
Balance at 30 June 2018 (audited)		829,250,399	(12,863,010)	48,616,712	1,031,739	(11,768,119)	854,267,721	2,527,202	856,794,923
Comprehensive income for the period									
Profit for the period		-	-	11,086,908	-	-	11,086,908	4,968,609	16,055,517
Other comprehensive loss		-	-	-	-	(1,557,070)	(1,557,070)	-	(1,557,070)
Total comprehensive profit/(loss) for the period		-	-	11,086,908	-	(1,557,070)	9,529,838	4,968,609	14,498,447
Equity transactions									
Share-based payment reserve	18	-	-	-	239,826	-	239,826	-	239,826
Total equity transactions		-	-	-	239,826	-	239,826	-	239,826
Transactions with the owners of the group and non-controlling interests									
Distributions		-	-	(25,691,000)	-	-	(25,691,000)	(1,202,462)	(26,893,462)
Total transactions with the owners of the group and non-controlling interests		-	-	(25,691,000)	-	-	(25,691,000)	(1,202,462)	(26,893,462)
Balance at 31 December 2018 (reviewed)		829,250,399	(12,863,010)	34,012,620	1,271,565	(13,325,189)	838,346,385	6,293,349	844,639,734

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Six-month period ended 31 December 2018

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Cash generated from operating activities	17	21,649,309	11,847,042	34,900,798
Adjustments:				
Decrease in receivables		516,733	2,235,006	1,029,613
Decrease in payables		(539,188)	(536,479)	(904,406)
(Decrease)/increase in provisions		(27,915)	(52,441)	192,278
Finance income received - interest on preference shares		4,630,321	-	3,602,861
Tax paid on operating activities	10	(1,010,808)	(215,056)	(3,434,495)
Net cash from operating activities		25,218,452	13,278,072	35,386,649
Investing activities				
Acquisition of investment property	12	(25,000,000)	-	(79,650,439)
Capitalised expenditure on investment property	12	(8,053,711)	(6,606,326)	(13,167,161)
Settlement of investment property acquisition retentions		-	-	(225,000)
Proceeds from the sale of investment property	12	-	23,826,034	24,057,746
Capitalised expenditure on investment property held for sale		(1,438,992)	(95,786)	(1,149,597)
Proceeds from the sale of investment property held for sale	13	49,263,427	5,140,745	7,353,427
Expenditure on inventory property		(25,771,039)	(5,153,579)	(17,676,966)
Proceeds from sales of inventory property		23,551,191	5,153,579	17,571,371
Acquisition of subsidiaries net of cash acquired	25	(119,216,499)	-	-
Investment in PKM preference shares	21	(57,000,000)	-	-
Capitalised transaction costs of equity-accounted investee		-	(3,261)	-
Acquisition of property, plant and equipment		(15,512)	(30,251)	(25,627)
Disposal of property, plant and equipment		73,145	-	-
Capitalised expenditure on intangible assets		(31,669)	(35,428)	(78,679)
Acquisition of financial investments		-	(198,082,689)	(199,557,215)
Finance costs paid - interest incurred on bank deposits	9	(16,439)	(146,796)	(332,222)

Finance income received - interest earned on bank deposits	9	11,200	3,191	4,223
Settlement of financial liability		-	(1,318,000)	(1,093,000)
Settlement of financial asset		-	66,097	66,097
Tax paid on investing activities	10	(1,347,840)	-	(1,541,766)
Cash used in investing activities		(164,992,738)	(177,282,470)	(265,444,808)
Financing activities				
Proceeds from the issue of share capital		-	279,909,499	279,917,834
Proceeds from interest-bearing borrowings	20	101,207,794	53,000,000	104,067,925
Transaction costs related to interest-bearing borrowings	20	(897,711)	(699,386)	(1,431,560)
Repayment of capital on interest-bearing borrowings	20	(25,327,553)	(4,409,446)	(7,350,266)
Finance costs paid - interest on interest-bearing borrowings	20	(3,448,874)	(2,161,092)	(4,435,102)
Distributions paid		(26,893,462)	(6,957,823)	(25,096,317)
Cash generated from financing activities		44,640,194	318,681,752	345,672,514
Net (decrease)/increase in cash and cash equivalents		(95,134,092)	154,677,354	115,614,355
Cash and cash equivalents at the beginning of the period/year		147,825,624	33,017,502	33,017,502
Effect of movements in foreign exchange rate fluctuations on cash held		166,886	(353,250)	(806,233)
Cash and cash equivalents at the end of the period/year	17	52,858,418	187,341,606	147,825,624

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Six-month period ended 31 December 2018

1. CORPORATE INFORMATION

MAS Real Estate Inc. (the "company" or "MAS") is domiciled in the British Virgin Islands ("BVI") and head quartererd in the Isle of Man ("IoM"). These condensed consolidated interim financial statements are as at, and for the six-month period ended 31 December 2018 and comprise the company and its subsidiaries (together referred to as the "group"). Comparative figures are included for both the six-month period ended 31 December 2017 and the year ended 30 June 2018, however the latter are not directly comparable due to the different length of period.

MAS is a real estate investment group with a portfolio of real estate investments across Europe. The group aims to deliver sustainable and growing distributions to shareholders over time.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34: Interim Financial Reporting, the Johannesburg Stock Exchange ("JSE") Listings Requirements, the Rules and Regulations of the Luxembourg Stock Exchange ("LuxSE") and applicable legal and regulatory requirements of the BVI Business Companies Act 2004.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The board has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts in the condensed consolidated interim 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 disclosed in the integrated annual report for the year ended 30 June 2018 with the addition of the following key judgement made in the period:

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'. During the year there were two acquisitions which are considered business combinations because the strategic management was acquired, refer to note 25.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below 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 2018. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2018 as well as any public announcements made by the group during the six-month period ended 31 December 2018.

During the six-month period ended 31 December 2018, the group adopted the following standards:

- IFRS 9 (2014) - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers

The adoption of these standards does not affect previously reported numbers, however, there are additional disclosure requirements. A number of other new standards are effective and have been adopted from 1 July 2018 but they have not had a material effect on these condensed consolidated interim financial statements.

The changes in the accounting policies will be reflected in the group's consolidated financial statements for the year ended 30 June 2019.

IFRS 9 (2014) - FINANCIAL INSTRUMENTS

The group early adopted IFRS 9 (2013) Financial Instruments for the year ended 30 June 2015, the group has now adopted IFRS 9 (2014) Financial Instruments. The amendments to this standard introduce an expected credit loss model which requires expected credit losses to be recognised on financial assets held at amortised cost. The adoption of IFRS 9 (2014) Financial Instruments has no material impact on these condensed consolidated interim financial statements. The group has adopted the following policy with effect from 1 July 2018:

IMPAIRMENT OF FINANCIAL ASSETS

The group recognises loss allowances for expected credit losses on: financial assets measured at amortised cost; and contract assets.

For lease receivables, trade receivables and contract assets the group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. For all other financial assets 12 month expected credit losses are recognised where the financial asset is determined to have a low credit risk and for which the credit risk has not increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the group considers quantitative and qualitative information that is reasonably available.

Lifetime expected credit losses are expected defaults over the expected life of the financial asset. 12 month expected credit losses are expected defaults within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

IFRS 15 - REVENUE FROM CONTRACTS WITH CUSTOMERS

This standard replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. It applies to contracts with customers except for: lease contracts, finance insurance contracts, financial instruments and non-monetary exchanges between entities in the same business. The standard establishes a five-step model which determines whether, how much and when revenue is recognised.

The majority of the group's income is rental income from leases, which are in the scope of IAS 17 Leases and is therefore not affected by the new standard. The recognition and measurement requirements in IFRS 15 Revenue from Contracts with Customers are applicable for determining the timing of derecognition and the measurement of consideration (including applying the requirements for variable consideration) of any gains or losses on disposal of non-financial assets when that disposal is not in the ordinary course of business. The group has determined that no changes are required on transition to IFRS 15 Revenue from Contracts with Customers for past disposals of investment properties previously held for rental income.

The group has identified the following revenue streams that are in the scope of IFRS 15 Revenue from Contracts with Customers:

- Sales of inventory property; and
- Service charges and other recoveries

SALES OF INVENTORY PROPERTY

The group enters into contracts with customers to sell inventory property which is either complete or under development. Where contracts include development management services and consequently include the provision of a number of goods and services, the group determines whether the goods and services are not distinct and accounts for them as a single performance obligation if they are not separately identifiable from other promises in the contract.

The group determines whether control is transferred at a point in time or over time based upon the following:

- Sales of inventory property under development are recognised over time when the group's performance creates an asset that the customer controls as the asset is created. In these situations, the group recognises sales of inventory property to the extent that the performance obligations have been satisfied.
- Sales of inventory property under development are recognised on completion when control is transferred at a point in time.

For contracts where sales of inventory property are recognised over-time the group's performance is measured using the input method, by reference to the costs incurred as a percentage of the total expected costs required to satisfy the performance obligation. The group excludes the effect of costs incurred that do not contribute to the group's performance obligations, such as wastage, and adjusts for costs incurred that are not proportionate to the group's progress in satisfying the performance obligations, such as uninstalled materials.

Where contracts for the sale of inventory property include a variable consideration, the transaction price is estimated and includes the impact of constraints. The group uses either the most likely or expected value method depending on which best predicts the transaction price.

The group does not adjust the transaction price for the effects of a financing component in the contract, where the group expects, at contract inception, that the period between the time the customer pays for the good or service and when the group transfers that promised good or service to the customer will be one year or less.

SERVICE CHARGES AND OTHER RECOVERIES

The group has lease agreements that fall within the scope of IAS 17 which also include the provision of common area maintenance. These services which are specified in the lease agreement are distinct non-lease components and are separately invoiced. The group allocates the consideration in the lease contract to the lease component and revenue from contracts with customers component. The group recognises revenue in relation to these services as the performance obligations are satisfied over time.

The group adopted the standard on 1 July 2018 with effect from 1 July 2017 using the full retrospective method with the practical expedient of disclosing the amount of the transaction price allocated to the remaining performance obligations or an explanation of when the group expects to recognise the transaction price for comparative periods. Where the standard does apply to the group's contracts with its customers there is no effect of adopting the new standard. Accordingly, the information presented as at and for the six-month period ended 31 December 2017 has not been restated. However, there are additional disclosure requirements and a reclassification of previously reported numbers, refer to note 23.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Below is a summary of new standards and amendments/improvements to existing standards and interpretations that are not yet effective, and which are expected to be applicable to the group:

Amendments/improvements to standards and interpretations not yet effective	Effective for annual periods beginning on or after
IFRS 16 - Leases	1 January 2019
IFRS 3 - Amendment to IFRS 3 'Business combinations'	1 January 2021

IFRIC 23 - Uncertainty over income tax treatments	1 January 2020
IAS 28 - Amendments to IAS 28 'Investments in associates' on long term interests in an associate or joint venture	1 January 2020

IFRS 16 - LEASES

The standard applies to all lease contracts. The changes require lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, substantially unchanged from IAS 17 Leases.

The group will provide additional disclosure on operating leases it enters into as lessor. Other than that, the group is also a lessee under a lease contract for the group's head office. The group has assessed the impact of this lease and has concluded that it is unlikely that there will be a significant impact.

The group will adopt the new standard for the year ending 30 June 2020.

IFRS 3 - AMENDMENT TO IFRS 3 'BUSINESS COMBINATIONS'

The amendment clarifies the definition of a business combination to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The group has not yet assessed the impact of adopting this amendment. The group will adopt the amendment for the year ending 30 June 2022.

IFRIC 23 - UNCERTAINTY OVER INCOME TAX TREATMENTS

The amendment clarifies the accounting for uncertainties in income taxes.

The group has not yet assessed the impact of adopting this amendment. The group will adopt the amendment for the year ending 30 June 2021.

IAS 28 - AMENDMENTS TO IAS 28 'INVESTMENTS IN ASSOCIATES' ON LONG TERM INTERESTS IN AN ASSOCIATE OR JOINT VENTURE

IAS 28 clarifies that an entity applies IFRS 9 'Financial Instruments' to long term interests in an associate or joint venture that form part of the new investment in the associate or joint venture but to which the equity method is not applied.

The group has not yet assessed the impact of adopting this amendment. The group will adopt the amendment for the year ending 30 June 2021.

4. RENTAL INCOME

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

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Edeka MIHA AG	2,926,132	2,918,539	5,837,967

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

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
No later than 1 year	49,933,764	33,942,945	39,501,963
Greater than 1 year and less than 5 years	159,099,210	113,581,661	135,874,939
Greater than 5 years	216,835,901	178,163,445	182,238,453
	425,868,875	325,688,051	357,615,355

Turnover rent of EUR1,332,003 (December 2017: EUR1,767,573; June 2018: EUR1,991,196) is included in rental income.

5. PROFIT ON SALES OF INVENTORY PROPERTY

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Sales of inventory property	27,985,713	6,398,637	26,020,940
Cost of sales of inventory property	(23,697,456)	(5,339,258)	(21,704,016)
	4,288,257	1,059,379	4,316,924

During the period a total profit of EUR4,288,257 (December 2017: EUR1,059,379; June 2018: EUR4,316,924) in relation to inventory property was recognised, which derives from the pre-let agreement and disposal of land agreement for the office component of the New Waverley development.

6. OTHER INCOME

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Dividend income earned on financial investments	1,879,863	83,217	8,423,423
Other	77,344	6,614	161,609
	1,957,207	89,831	8,585,032

7. INVESTMENT EXPENSES

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Transaction fees on acquisition of subsidiaries	25	839,282	-	-
Transaction fees on aborted transactions		451,784	618,423	1,216,370
Transaction fees on listed real estate equity securities		55,929	716,956	759,726
		1,346,995	1,335,379	1,976,096

8. FAIR VALUE ADJUSTMENTS

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Gain/(loss) on fair value of investment property	12	10,625,741	(4,140,178)	(721,387)
(Loss)/gain on fair value of investment property held for sale	13	(467,919)	1,568,735	2,766,206
(Loss)/gain on fair value of financial assets	21	(38,621)	-	350,585
(Loss)/gain on fair value of financial liabilities		(973,869)	2,778	(1,690,579)
(Loss)/gain on fair value of financial investments	15	(33,880,351)	1,954,910	(16,504,952)
		(24,735,019)	(613,755)	(15,800,127)

Detailed as follows:

Change in fair value of investment property				
Income-generating	12	14,854,518	521,643	13,439,408
Development	12	-	(5,725,938)	(4,559,691)
Land bank	12	(4,228,777)	1,064,117	(9,601,104)
		10,625,741	(4,140,178)	(721,387)
Fair value movement in investment property held for sale				
Investment property held for sale	13	(467,919)	1,568,735	2,766,206
		(467,919)	1,568,735	2,766,206
Change in fair value of financial assets				
Interest rate swaps	21	(38,621)	-	350,585
		(38,621)	-	350,585
Change in fair value of financial liabilities				
Interest rate swaps	22	(90,194)	(46,353)	(123,226)
Development management fee	22	(299,089)	(152,455)	(682,956)
Priority participating profit dividend	22	(584,586)	201,586	(884,397)
		(973,869)	2,778	(1,690,579)
Change in fair value of financial investments				
Listed real estate equity securities	15	(33,880,351)	1,954,910	(16,504,952)
		(33,880,351)	1,954,910	(16,504,952)

9. FINANCE INCOME AND FINANCE COSTS

The group's finance income and finance costs comprise:

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Finance income				
Interest on PKM Developments preference shares	21	4,835,323	3,795,207	7,514,384
Capital contribution - unwind of discount	21	302,039	152,223	456,951
Interest on bank deposits		11,200	3,191	4,223
		5,148,562	3,950,621	7,975,558
Finance costs				
Interest on interest bearing borrowings	20	(3,535,969)	(2,156,911)	(4,771,171)

Capital contribution - unwind of discount	22	(302,039)	(152,223)	(456,951)
Negative interest on bank deposits		(16,439)	(146,796)	(332,222)
Other finance costs		-	(21,442)	-
		(3,854,447)	(2,477,372)	(5,560,344)

10. TAX

The company, which is domiciled in the BVI is not subject to tax in that jurisdiction. Operating subsidiaries of the group, however, are subject to tax in the jurisdictions in which they operate and, potentially, in the jurisdictions through which the subsidiary investment companies are held.

The group's tax includes the following:

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Current tax	1,994,464	2,078,633	5,556,002
Deferred tax expense/(income)	2,758,191	(1,047,747)	1,311,385
Tax expense	4,752,655	1,030,886	6,867,387

The current tax, including under/over-provisions in respect of earlier periods, for each jurisdiction is as follows:

	Reviewed Six-month period ended 31 December 2018		Reviewed Six-month period ended 31 December 2017		Audited Year ended 30 June 2018	
Euro	Applicable rate (%)	Tax	Applicable rate (%)	Tax	Applicable rate (%)	Tax
Income/corporation tax						
UK - income tax	20.0	284,986	20.0	526,616	20.0	779,132
UK - corporation tax	19.0	813,594	19.0	1,860,399	19.0	2,394,030
Germany	15.8	219,903	15.8	(30,351)	15.8	210,255
Poland	19.0	177,986	19.0	(280,221)	19.0	66,792
Switzerland	26.8	16,379	26.8	32,288	26.8	23,683
Netherlands	20.0	14,170	20.0	-	20.0	25,689
Withholding tax						
Poland	5.0	98,853	5.0	-	5.0	(281,974)
UK	20.0	84,826	20.0	-	20.0	144,982
France	30.0	115,940	30.0	-	30.0	2,174,252
Sweden	15.0	-	15.0	-	15.0	55,170
Netherlands	15.0	160,390	15.0	-	15.0	-
Wealth tax						
Switzerland	0.2	(5,410)	0.2	887	0.2	19,490
Luxembourg	0.5	12,847	0.5	(30,985)	0.5	(55,499)
		1,994,464		2,078,633		5,556,002

The amount of tax paid on operating activities in the period was EUR1,010,808 (December 2017: EUR215,056; June 2018: EUR3,434,495) and the amount of tax paid on investing activities in the period was EUR1,347,840 (December 2017: EURnil; June 2018: EUR1,541,766).

The UK corporation tax relates to the following sales at New Waverley, refer to note 14:
- Tax on disposal of office land of EURnil (December 2017: EUR1,659,117, June 2018: EUR1,581,195).
- Tax on sale of inventory property of EUR813,594 (December 2017: EUR201,282 June 2018: EUR812,835).

RECONCILIATION OF DEFERRED TAX:

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Net deferred tax liability brought forward		5,532,194	4,240,319	4,240,319
Current period/year deferred tax movement		2,758,191	(1,047,747)	1,311,385
Acquisition of subsidiaries - deferred tax asset	25	(562,660)	-	
Disposal of investment property		-	(156,224)	-
Foreign currency translation difference in other comprehensive income ("OCI")		7,412	(30,638)	(19,510)
Net deferred tax liability carried forward		7,735,137	3,005,710	5,532,194

The net deferred tax liability is split as follows:

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Deferred tax asset	780,574	756,280	607,179
Deferred tax liability	(8,515,711)	(3,761,990)	(6,139,373)
Net deferred tax liability	(7,735,137)	(3,005,710)	(5,532,194)

RECONCILIATION OF EFFECTIVE TAX RATE

Euro	%	Reviewed Six-month period ended 31 December 2018	%	Reviewed Six-month period ended 31 December 2017	%	Audited Year ended 30 June 2018
Profit before tax		20,808,172		13,116,871		26,200,809
Tax using the company's domestic rate	0.0	-	0.0	-	0.0	-
Effect of tax rates in foreign jurisdictions	(9.6)	(2,007,422)	(15.8)	(2,078,633)	(22.5)	(5,894,358)
Over provision in respect of year	0.1	12,958	0.0	-	1.3	338,356
Current tax	(9.5)	(1,994,464)	(15.8)	(2,078,633)	(21.2)	(5,556,002)
Change in recognised deductible temporary differences						
Revaluation of investment property	(10.3)	(2,142,244)	14.0	1,833,632	1.9	488,574
Other temporary differences	(3.0)	(615,947)	(6.0)	(785,885)	(6.9)	(1,799,959)
Deferred tax expense	(13.3)	(2,758,191)	8.0	1,047,747	(5.0)	(1,311,385)
Net tax expense	(22.8)	(4,752,655)	(7.8)	(1,030,886)	(26.2)	(6,867,387)

The Isle of Man domestic tax rate of 0% was considered the most meaningful rate on the basis that the profits are earned across several jurisdictions and none of those jurisdictions dominates the group's portfolio.

The other temporary differences relate to timing differences between the tax base and carrying amount of the assets due to depreciation allowable for tax purposes and unused tax losses.

There has been no change in the applicable tax rates. The primary reason for the decrease in the effective tax rate from 26.2% at the 30 June 2018 to 22.8% is a result of changes in geographical mix of profits.

11. INTANGIBLE ASSETS

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Goodwill	22,083,599	22,265,340	22,292,997
Other intangible assets	328,363	250,232	299,496
	22,411,962	22,515,572	22,592,493

IMPAIRMENT

The recoverable amounts of the group's CGUs are the higher of their value-in-use and fair value less costs to sell.

The group's goodwill relates to the internalisation of MAS Property Advisors Limited. As there were no indicators of impairment at 31 December 2018, no impairment test was performed. Goodwill will be tested for impairment at 30 June 2019. No impairment charge arose as a result of the group's previous annual impairment test of goodwill at 30 June 2018 (December 2017: nil).

At 31 December 2017 an impairment test was performed in relation to goodwill arising on the New Waverley development CGU. As a result, an impairment of EUR1,274,346 (June 2018: EUR1,274,346) was recognised resulting in the related goodwill being written down to nil.

12.INVESTMENT PROPERTY

The group's investment property comprises:

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	Residential developments and land plots held for schemes that have not yet commenced.

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

As at 31 December 2018 (reviewed)

Euro	Fair value	Cost	Total
Income-generating property	731,585,733	-	731,585,733
Development property	-	-	-
Land bank	21,340,212	-	21,340,212
	752,925,945	-	752,925,945

	As at 31 December 2017 (reviewed)		
Euro	Fair value	Cost	Total
Income-generating property	450,304,737	-	450,304,737
Development property	-	457,184	457,184
Land bank	-	38,756,838	38,756,838
	450,304,737	39,214,022	489,518,759

	As at 30 June 2018 (audited)		
Euro	Fair value	Cost	Total
Income-generating property	546,238,139	-	546,238,139
Development property	-	-	-
Land bank	32,974,206	-	32,974,206
	579,212,345	-	579,212,345

As at 31 December 2018 (reviewed)

Euro	Note	Income-generating	Development	Land bank	Total
Opening balance		546,238,139	-	32,974,206	579,212,345
Property acquisitions		25,000,000	-	-	25,000,000
Property acquisitions as part of acquisition of subsidiaries	25	142,784,946	-	-	142,784,946
Transfer to asset held for sale	13	-	-	(11,627,589)	(11,627,589)
Capitalised expenditure		3,758,784	-	4,294,927	8,053,711
Capitalised interest on general borrowings		-	-	216,191	216,191
Fair value adjustment	8	14,854,518	-	(4,228,777)	10,625,741
Foreign currency translation difference		(1,050,654)	-	(288,746)	(1,339,400)
Closing balance		731,585,733	-	21,340,212	752,925,945

As at 31 December 2017 (reviewed)

Euro	Note	Income-generating	Development	Land bank	Total
Opening balance		494,519,173	30,081,795	39,690,960	564,291,928
Property disposals		-	(23,826,034)	-	(23,826,034)
Transfer		(9,941)	(2,738,011)	2,747,952	-
Transfer to investment property held for sale	13	(42,960,539)	(531,094)	(7,618,037)	(51,109,670)
Capitalised expenditure		225,006	3,202,877	3,178,443	6,606,326
Capitalised interest on general borrowings		-	220,659	88,245	308,904
Fair value adjustment	8	521,643	(5,725,938)	1,064,117	(4,140,178)
Foreign currency translation difference		(1,990,605)	(227,070)	(394,842)	(2,612,517)
Closing balance		450,304,737	457,184	38,756,838	489,518,759

As at 30 June 2018 (audited)

Euro	Note	Income-generating	Development	Land bank	Total
Opening balance		494,519,173	30,081,795	39,690,960	564,291,928
Property acquisitions		80,123,500	-	-	80,123,500
Property disposals		-	(24,057,746)	-	(24,057,746)
Transfers		-	(3,434,151)	3,434,151	-
Transfer to investment property held for sale	13	(43,082,065)	-	(8,246,692)	(51,328,757)
Transfer to inventory property	14	-	(1,078,030)	-	(1,078,030)
Capitalised expenditure		2,890,738	2,954,116	7,322,307	13,167,161
Capitalised interest on general borrowings		-	-	569,031	569,031
Fair value adjustment	8	13,439,408	(4,559,691)	(9,601,104)	(721,387)
Foreign currency translation difference		(1,652,615)	93,707	(194,447)	(1,753,355)
Closing balance		546,238,139	-	32,974,206	579,212,345

INTEREST BEARING BORROWINGS

Bank borrowings of EUR256,639,557 (December 2017: EUR194,586,583, June 2018: EUR242,713,107) are secured against investment property. The group has designated bank borrowings drawn down in the period of EUR114,050,163 as general borrowings (December 2017: EUR53,000,000, June 2018: EUR104,067,925). During the reporting period interest costs on general borrowings of EUR217,397 (December 2017: EUR308,904, June 2018: EUR570,385, refer to note 20), have been capitalised and are included within land bank as above EUR216,191 (December 2017: EUR308,904, June 2018: EUR569,031) and inventory property EUR1,206 (December 2017: EURnil, June 2018 EUR1,354), refer to note 14.

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 and priority participating profit dividend have been recognised in relation to the New Waverley development, refer to note 22 and note 31. In addition, the group has capitalised costs of EUR1,532,293 (December 2017: EUR327,635, June 2018: of EUR2,419,958) incurred from related parties, refer to note 28.

MEASUREMENT OF FAIR VALUES

VALUATION PROCESS FOR LEVEL 3 INVESTMENT PROPERTY

On an annual basis the fair value of investment property is determined where applicable, by external independent property valuation experts or, where relevant, by firm offers from market participants. External valuers 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 reviewing the carrying value and assessing if there have been any material changes to the significant inputs or to other relevant information generated by market transactions ("the Assessment"). If there has been a material change to the value of the investment property, an external independent valuation is obtained. Where the directors conclude that there has not been a material change to the value of the investment property, the carrying value issued, being the most recent external valuation or acquisition price where relevant is used.

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 agrees with the valuation, the valuation reports are reviewed by the finance team to confirm their numerical and methodological accuracy. The valuations and the Assessment are approved by the Portfolio Management Committee and Investment Committee. Lastly, the investment property valuations and the Assessment are reviewed by the Audit and Risk Committee prior to the finalisation of the financial statements.

FAIR VALUE HIERARCHY

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

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.

At 31 December 2018 the method of valuation for investment property of EUR85,093,504 changed from purchase price to discounted cash flows and the method of valuation for investment property of EUR2,482,856 changed from discounted cash flows to a firm offer.

As at 31 December 2018, 31 December 2017 and 30 June 2018

Investment property type	Valuation technique	Investment property value	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income-generating property	Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.	December 2018 EUR704,102,877 December 2017 EUR450,304,737 June 2018 EUR466,114,639	- Risk adjusted discount rates (4.5% - 11.75%) - Estimated rental value (December 2018: EUR51,912,296 p.a., December 2017: EUR31,461,564 p.a., June 2018: EUR34,178,897 p.a.) - Net rental growth (1% - 2%) - Reversionary discount rate (5.25% - 9.5%)	The estimated fair value would increase/(decrease) if: - 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)
	Purchase price: The valuation model takes into account the recent acquisition price, which equals the amount a third party would be willing to pay.	December 2018 EUR25,000,000 December 2017 EURnil June 2018 EUR80,123,500	- Purchase price (December 2018: EUR25,000,000, December 2017: EURnil, June 2018: EUR80,123,500)	The estimated fair value would increase/(decrease) if: - The number of the interested parties was higher/(lower) - The availability of comparable properties was lower/(higher), thus altering the acquisition price
	Firm offers: The valuation model takes into account the amount a third party is willing to pay.	December 2018 EUR2,482,856	- Firm offer (December 2018: EUR2,482,856, December 2017:	The estimated fair value would increase/(decrease) if: - The number of the interested parties was higher/(lower)

		December 2017 EURnil June 2018 EURnil	EURnil, June 2018: EURnil)	and or, - The availability of comparable properties lower/ (higher), thus altering the offer price
Land bank	Residual value method: The valuation model considers the gross development value of the property based on an independent view of market values for the completed development less any costs to complete.	December 2018 EUR21,340,212 December 2017 EURnil June 2018 EUR32,974,206	- Residual value (December 2018: EUR23,531,795, December 2017: EURnil, June 2018: EUR38,094,775) - Costs to complete (December 2018: EUR2,191,583, December 2017: EURnil, June 2018: EUR5,120,569)	The estimated fair value would increase/(decrease) if: - The budgeted costs to complete were lower/ (higher) - The residential unit prices were higher/(lower)

13. INVESTMENT PROPERTY HELD FOR SALE

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
United Kingdom			
- Hotel	-	43,224,089	42,528,044
- Retail	-	2,807,872	-
- Land bank	16,841,620	7,615,725	11,060,400
	16,841,620	53,647,686	53,588,444

Reconciliation of the group's investment property held for sale were as follows:

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance		53,588,444	6,336,915	6,336,915
Transfer from investment property	12	11,627,589	51,109,670	51,328,757
Disposals		(49,263,427)	(5,140,745)	(7,353,427)
Capitalised expenditure		1,858,268	95,786	1,149,597
Retention release		-	(275,000)	(275,000)
Fair value adjustment	8	(467,919)	1,568,735	2,766,206
Foreign currency translation reserve		(501,335)	(47,675)	(364,604)
Closing balance		16,841,620	53,647,686	53,588,444

MEASUREMENT OF FAIR VALUES

FAIR VALUE HIERARCHY

The fair value measurement of all the group's investment property 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.

VALUATION TECHNIQUE AND SIGNIFICANT UNOBSERVABLE INPUTS

Investment property type	Valuation technique	Investment property value	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land bank	Firm offers less costs to complete: Fair value is based on the amount a third party is willing to pay less any costs to complete.	December 2018 EUR16,841,620 December 2017 EUR7,615,725 June 2018 EUR11,060,400	- Firm offer (December 2018: EUR19,730,935, December 2017: EUR9,016,800, June 2018: EUR13,688,705) - Cost to complete (December 2018: EUR2,889,315, December 2017: EUR1,401,075, June 2018: EUR2,628,305)	The estimated fair value would increase/(decrease) if: - The number of the interested parties was higher/(lower) - The availability of comparable properties was lower/(higher), thus altering the offer price - The budgeted costs to complete were lower/ (higher)
Hotel and Retail	Firm offers: The valuation model takes into account the amount a third party is	December 2018 EURnil	- Firm offer (December 2018: EURnil, December	The estimated fair value would increase/(decrease) if: - The number of the

willing to pay.	December 2017 EUR46,031,961 June 2018 EUR42,528,044	2017: EUR46,031,961, June 2018: EUR42,528,044)	interested parties was higher/(lower) and or, - The availability of comparable properties lower/(higher), thus altering the offer price

14. INVENTORY PROPERTY

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance		1,293,501	-	-
Development expenditure		25,172,672	5,339,258	21,918,133
Disposals (recognised in costs of sales of inventory property)	5	(23,697,456)	(5,339,258)	(21,704,016)
Transfer from investment property	12	-	-	1,078,030
Capitalised interest on general borrowings		1,206	-	1,354
Foreign currency translation reserve		(12,142)	-	-
Closing balance		2,757,781	-	1,293,501

15. FINANCIAL INVESTMENTS

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

As at 31 December 2018 (reviewed)	Share price (Euro)	Number of shares	Fair value (Euro)
Klepierre SA	26.96	1,626,364	43,846,773
Unibail - Rodamco Westfield SE	135.40	264,618	35,829,277
Hufvudstaden AB	13.35	1,083,000	14,457,884
Eurocommercial Properties NV	26.98	497,333	13,418,044
Covivio SA	84.20	150,300	12,655,260
Land Securities Group PLC	8.99	1,115,000	10,026,562
British Land Company PLC	5.96	1,625,000	9,686,092
Mercialys SA	11.97	772,934	9,252,020
			149,171,912

As at 31 December 2017 (reviewed)	Share price (Euro)	Number of shares	Fair value (Euro)
Klepierre SA	36.66	1,626,364	59,630,636
Unibail - Rodamco Westfield SE	210.00	264,618	55,569,780
Eurocommercial Properties NV	36.31	497,333	18,058,161
Hufvudstaden AB	13.35	1,083,000	14,463,917
Covivio SA	94.48	150,300	14,200,344
Mercialys SA	18.45	697,934	12,873,393
Land Securities Group PLC	11.36	1,115,000	12,663,602
British Land Company PLC	7.79	1,625,000	12,660,983
			200,120,816

As at 30 June 2018 (audited)	Share price (Euro)	Number of shares	Fair value (Euro)
Klepierre SA	32.25	1,626,364	52,450,239
Unibail - Rodamco Westfield SE	188.55	264,618	49,893,724
Eurocommercial Properties NV	36.36	497,333	18,083,028
Covivio SA	89.10	150,300	13,391,730
Hufvudstaden AB	12.28	1,083,000	13,295,975
British Land Company PLC	7.60	1,625,000	12,350,045
Land Securities Group PLC	10.82	1,115,000	12,063,076
Mercialys SA	14.91	772,934	11,524,446
			183,052,263

RECONCILIATION OF FINANCIAL INVESTMENTS:

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance		183,052,263	-	-
Purchases		-	198,165,906	199,557,215
Fair value adjustment	8	(33,880,351)	1,954,910	(16,504,952)
Closing balance		149,171,912	200,120,816	183,052,263

During the period dividend income of EUR1,879,863 was recognised as other income (31 December 2017: EUR83,217; 30 June 2018: EUR8,423,423), refer to note 6.

FAIR VALUE HIERARCHY

The fair value measurement of all the group's financial investments have been categorised as level 1 in the fair value hierarchy as they are traded in active markets and are measured on quoted market prices at the end of the reporting period.

INTEREST BEARING BORROWINGS

Bank borrowings of EUR73,882,794 (December 2017: EURnil, June 2018: EURnil) are secured against the listed real estate equity securities, refer to note 20.

16. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
PKM Developments	30,172,990	21,751,615	23,774,222

RECONCILIATION OF INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance	23,774,222	20,205,297	20,205,297
Capitalised acquisition costs	-	3,261	-
	23,774,222	20,208,558	20,205,297
Share of profit	6,398,768	1,543,057	3,568,925
Closing balance	30,172,990	21,751,615	23,774,222

The group has an investment in PKM Developments, a development property group which develops investment property predominately in Romania and other central and eastern European countries. PKM Developments is an associate of the group, MAS owns 40% of the ordinary shares and therefore has significant influence over the entity. The remaining 60% of the ordinary shares of PKM Developments are owned by Prime Kapital, who acts as the developer.

In addition to the investment in the ordinary shares, and the investment in PKM Developments 7.5% preference shares, refer to note 21, the group is committed to fund up to EUR300,000,000 by 23 March 2021 through the investment in additional 7.5% preference shares to be issued by PKM Developments, refer to notes 30 and 31.

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

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Statement of financial position - PKM Developments			
Non-current assets	207,358,645	94,396,995	138,511,061
Cash and cash equivalents	41,782,165	43,123,732	26,990,875
Other current assets	21,321,539	28,096,289	14,873,441
Total assets	270,462,349	165,617,016	180,375,377
Interest-bearing borrowings	162,950,993	105,630,824	105,745,768
Deferred tax liabilities	10,268,644	-	4,084,647
Trade and other payables	16,548,675	5,762,253	8,611,602
Other liabilities	2,173,746	-	337,601
Total liabilities	191,942,058	111,393,077	118,779,618
Net assets	78,520,291	54,223,939	61,595,759
Percentage of the groups ownership interest	40%	40%	40%
Un-adjusted group share of net assets	31,408,118	21,689,576	24,638,304
Elimination of preference share interest capitalised on qualifying assets carried at cost	(1,293,936)	-	(922,890)
Net assets attributable to the group	30,114,182	21,689,576	23,715,414
Capitalised costs	58,808	62,039	58,808
Carrying amount	30,172,990	21,751,615	23,774,222

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018

Statement of profit or loss and other comprehensive income - PKM Developments

Revenue	2,837,816	441,871	2,258,220
Fair value adjustments of investment property	21,180,934	4,507,377	16,372,691
Other income	145,140	99,282	2,128
Corporate expenses	(208,620)	(286,361)	(719,216)
Investment expenses	(323,779)	(935,331)	(2,601,061)
Finance income	29,825	89,806	144,260
Finance expense	(833,039)	(419)	(36,808)
Foreign currency translation differences	(19,180)	(58,583)	(31,399)
Deferred tax	(5,832,296)	-	(4,084,647)
Current tax expense	(52,269)	-	(74,627)
Total profit	16,924,532	3,857,642	11,229,541
Percentage of the groups ownership interest	40%	40%	40%
Total profit and other comprehensive income attributable to the group	6,769,812	1,543,057	4,491,816
Elimination of preference share interest capitalised on qualifying assets carried at cost	(371,044)	-	(922,891)
Group's share of profit	6,398,768	1,543,057	3,568,925

PKM Developments has no other comprehensive income.
PKM Developments is subject to litigation brought by an unpaid lender which was assumed as part of a business combination. The payable was recognised at fair value at acquisition and has a carrying amount of EUR700,000 at 31 December 2018. The lender is currently under liquidation and is seeking full repayment of EUR3,500,000 principal as well as the related accrued interest (amounting to EUR1,595,737 at 31 December 2018). As at the date of this report legal proceedings are underway, however, it is considered unlikely that the cash outflow will exceed the EUR700,000 already provided because this amount has been formally agreed with all the lender's creditors as part of its liquidation process.

17. CASH AND CASH EQUIVALENTS

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Bank balances	52,858,418	187,341,606	147,825,624

Reconciliation of cash generated from operating activities:

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Profit for the period/year		16,055,517	12,085,985	19,333,422
Adjustments for:				
Depreciation		53,654	18,098	100,026
Loss on disposal of property, plant and equipment		90,671	-	-
Share-based payment expense		239,826	403,302	805,766
Fair value adjustments	8	24,735,019	613,755	15,800,127
Foregin exchange differences		(33,700)	586,186	1,020,787
Finance income	9	(5,148,562)	(3,950,621)	(7,975,558)
Finance costs	9	3,854,447	2,477,372	5,560,344
Share of profit from equity accounted investees	16	(6,398,768)	(1,543,057)	(3,568,925)
(Gain on bargain purchase)/goodwill impairment	11,25	(12,263,193)	1,274,346	1,274,346
Tax expense	10	4,752,655	1,030,886	6,867,387
Profit on sales of inventory property	5	(4,288,257)	(1,059,379)	(4,316,924)
Other income		-	(89,831)	-
Cash generated from operating activities		21,649,309	11,847,042	34,900,798

18. SHARE-BASED PAYMENT RESERVE
The share-based payment reserve relates to the option expense of the group's geared share purchase plan.

RECONCILIATION OF GEARED SHARE PURCHASE PLAN:

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance	1,031,739	225,973	225,973
Recognised during the period/year	305,364	517,701	902,386
Non-forfeitable distribution	(65,538)	(41,153)	(96,620)
Closing balance	1,271,565	702,521	1,031,739

The remaining term of the loans at 31 December 2018 was 8.19 years (December 2017: 9.19 years; June 2018: 8.69 years).
Refer to note 28 for further disclosures of the share-based payment expense included in key management compensation

and directors' remuneration.

19. NON-CONTROLLING INTEREST (NCI)

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance	2,527,202	988,063	988,063
Share of profit	4,968,609	382,507	2,477,116
Distribution to NCI	(1,202,462)	(340,256)	(937,977)
Closing balance	6,293,349	1,030,314	2,527,202

The non-controlling interest relates to the participation by Prime Kapital in the co-investment venture entered into with the group. This co-investment arrangement is focused on investing in income-generating properties in CEE.

Under the terms of the co-investment agreement, Prime Kapital's effective economic interest is equivalent to a 20% direct participation in the co-investment venture, less the interest cost on the participation funding that is provided by MAS. The effective interest on this participation funding is equivalent to the weighted average cost of external funding achieved by the co-investment venture. The effective economic interest is earned by and paid to entities that are not owned by the group, but the group has control, as defined by IFRS 3, of these entities and consolidates them accordingly.

During the period Prime Kapital received a dividend of EUR1,202,462 (December 2017: EUR340,256; June 2018: EUR937,977) in relation to its participation in the co-investment venture.

20. INTEREST BEARING BORROWINGS

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Non-current			
UK investment property	42,893,300	7,604,642	50,650,037
German investment property	132,986,228	102,402,299	108,187,711
Swiss investment property	7,228,780	7,296,148	7,211,257
CEE investment property	59,158,833	49,354,406	48,358,450
	242,267,141	166,657,495	214,407,455
Current			
UK investment property	8,009,419	23,228,329	23,272,484
German investment property	3,224,788	2,381,698	2,707,840
Swiss investment property	346,086	333,294	337,116
CEE investment property	2,792,123	1,985,767	1,988,212
BVI group facility	73,882,794	-	-
	88,255,210	27,929,088	28,305,652
	330,522,351	194,586,583	242,713,107

The BVI group facility of EUR73,882,794 (December 2017: EURnil, June 2018: EURnil) is secured against the groups listed real estate equity securities with a value of EUR149,171,912, refer to note 15. The remaining bank borrowings of EUR256,639,557 (December 2017: EUR194,586,583, June 2018: EUR242,713,107) are secured against investment property with a value of EUR514,600,802 (December 2017: EUR361,152,972, June 2018: EUR454,498,545), refer to note 12.

The carrying value of interest-bearing borrowings approximates their fair value.

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

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance		242,713,107	147,213,397	147,213,397
Changes from financing cash flows		84,376,025	45,730,076	90,850,997
Proceeds from interest-bearing borrowings		101,207,794	53,000,000	104,067,925
Acquisition of subsidiaries	25	12,842,369	-	-
Transaction costs related to interest-bearing borrowings		(897,711)	(699,386)	(1,431,560)
Repayment of interest-bearing borrowings		(25,327,553)	(4,409,446)	(7,350,266)
Interest paid		(3,448,874)	(2,161,092)	(4,435,102)
Finance costs		3,753,366	2,465,815	5,341,556
Finance costs - expenses	9	3,535,969	2,156,911	4,771,171
Finance costs - general borrowings capitalised		217,397	308,904	570,385
Foreign currency translation difference		(320,147)	(822,705)	(692,843)
Closing balance		330,522,351	194,586,583	242,713,107

Interest on general borrowings of EUR217,397 (December 2017: EUR308,904; June 2018: EUR570,385) was capitalised during the period at a rate of 2.57% (December 2017: 2.64%; June 2018: 2.69%), refer to notes 12 and 14.

SUMMARY OF INTEREST-BEARING BORROWING TERMS AND COVENANTS

The group is subject to both fixed and variable interest rates on its interest-bearing borrowings:

Euro	Reviewed As at 3 1 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Fixed/hedged debt	297,212,924	145,605,748	199,289,452
Variable debt	33,309,427	48,980,835	43,423,655
	330,522,351	194,586,583	242,713,107

The borrowing terms and covenants are consistent with those disclosed in the 2018 integrated annual report except for the loans which were drawn down during the period, the terms of which are:

BORROWING TERMS	Term of debt	Currency	Annual capital repayment (Euro)	Margin	Base rate
German investment property					
- Fixed debt	5 years	Euro	316,950	1.67%	Euribor 3M
CEE investment property					
- Variable debt	13 years	Euro	783,000	3.50%	Euribor 3M
BVI group facility	On demand	Euro	n/a	1%	Central Bank base rate

COVENANTS	Debt service cover ratio	Loan to value
German investment property		
- German fixed debt	135%	78%
CEE investment property		
- CEE variable debt	115%	65%

21. FINANCIAL ASSETS

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Non-current assets			
Preference shares - PKM Developments	162,250,770	104,929,452	105,045,768
Capital contribution	-	24,173,824	-
Interest rate swap	307,505	-	349,224
	162,558,275	129,103,276	105,394,992
Current assets			
Capital contribution	24,577,732	-	24,507,316
	24,577,732	-	24,507,316
Total assets	187,136,007	129,103,276	129,902,308

PKM DEVELOPMENTS - PREFERENCE SHARES
The group invested EUR157,000,000 to acquire 157,000,000 preference shares with a coupon rate of 7.5% in PKM Developments. The preference share asset is held at amortised cost. The expected credit loss allowance is EURnil and the carrying amount approximates the fair value.

CAPITAL CONTRIBUTION
A financial asset and corresponding financial liability have been recognised in respect of the capital contribution due from Legal & General, and due to the UK Government, under the terms of the Pre-Let Agreement. Both the financial asset and financial liability are held at amortised cost. The expected credit loss allowance is EURnil and the carrying amount approximates the fair value.

INTEREST RATE SWAP
The group entered into an interest rate swap on 9 May 2018. The interest rate swap is held at fair value, with any changes in fair value recognised in profit or loss in the period in which it occurs.

FINANCIAL ASSETS AT AMORTISED COST
Reconciliation of the group's financial assets held at amortised cost:

Euro	Note	PKM Developments preference shares	Capital contribution	Total
Balance at 30 June 2017 (audited)		101,134,245	-	101,134,245

Finance income	9	3,795,207	-	3,795,207
Capital contribution		-	24,022,280	24,022,280
Finance income - unwind of discount	9	-	152,223	152,223
Foreign currency translation reserve		-	(679)	(679)
Balance at 31 December 2017 (reviewed)		104,929,452	24,173,824	129,103,276
Finance income		3,719,177	-	3,719,177
Distribution received		(3,602,861)	-	(3,602,861)
Capital contribution		-	29,839	29,839
Finance income - unwind of discount		-	304,728	304,728
Foreign currency translation reserve		-	(1,075)	(1,075)
Balance at 30 June 2018 (audited)		105,045,768	24,507,316	129,553,084
Drawdown on preference shares		57,000,000	-	57,000,000
Finance income	9	4,835,323	-	4,835,323
Distribution received		(4,630,321)	-	(4,630,321)
Finance income - unwind of discount	9	-	302,039	302,039
Foreign currency translation reserve		-	(231,623)	(231,623)
Balance at 31 December 2018 (reviewed)		162,250,770	24,577,732	186,828,502

FINANCIAL ASSETS AT FVTPL

Reconciliation of the group's financial assets held at fair value:

Euro	Note	Interest rate swap
Balance at 30 June 2017 (audited)		-
Balance at 31 December 2017 (reviewed)		-
Fair value adjustment	8	350,585
Foreign currency translation reserve		(1,361)
Balance at 30 June 2018 (audited)		349,224
Fair value adjustment	8	(38,621)
Foreign currency translation reserve		(3,098)
Balance at 31 December 2018 (reviewed)		307,505

The carrying and fair value of the interest rate swap is the same and is level 2 in the fair value hierarchy.
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 31 December 2018 and 30 June 2018

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

22. FINANCIAL LIABILITIES

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Non-current liabilities			
Capital contribution	-	24,173,824	-
Interest rate swaps	1,337,051	1,130,924	1,222,944
Deferred consideration	468,618	-	473,061
	1,805,669	25,304,748	1,696,005
Current liabilities			
Capital contribution	24,577,732	-	24,507,316
Priority participating profit dividend	2,895,216	5,823,594	6,912,756
Development management fee	1,930,891	4,167,950	4,701,505
	29,403,839	9,991,544	36,121,577

FINANCIAL LIABILITIES AT AMORTISED COST

CAPITAL CONTRIBUTION

A financial liability and corresponding financial asset have been recognised in respect of the capital contribution due from Legal & General (buyer), and due to the UK Government (tenant), under the terms of the Pre-let Agreement. Both the financial asset and financial liability are held at amortised cost.

DEFERRED CONSIDERATION

Where settlement of any part of cash consideration is deferred, deferred consideration is classified as a financial liability and is held at amortised cost. The amounts payable in the future are discounted to their present value if the impact of discounting is material.

On the acquisition of Uberior House, the group retained a portion of the purchase price per the sale and purchase agreement, which will be released to the vendor but is conditional upon future rent reviews.

Reconciliation of the group's financial liabilities held at amortised cost:

Euro	Note	Deferred consideration	Capital contribution
Balance at 30 June 2017 (audited)		500,000	-
Purchase price released		(500,000)	-
Capital contribution		-	24,022,280
Finance costs - unwind of discount	9	-	152,223
Foreign currency translation reserve		-	(679)
Balance at 31 December 2017 (reviewed)		-	24,173,824
Purchase price retained		473,061	-
Capital contribution		-	29,839
Finance costs - unwind of discount		-	304,728
Foreign currency translation reserve		-	(1,075)
Balance at 30 June 2018 (audited)		473,061	24,507,316
Finance costs - unwind of discount	9	-	302,039
Foreign currency translation reserve		(4,443)	(231,623)
Balance at 31 December 2018 (reviewed)		468,618	24,577,732

FINANCIAL LIABILITIES AT FVTPL

Reconciliation of the group's financial liabilities held at FVTPL:

Euro	Note	Interest rate swaps	Development management fee	Priority participating profit dividend
Balance at 30 June 2017 (audited)		2,251,649	4,052,171	6,078,256
Fair value adjustment	8	46,353	152,455	(201,586)
Foreign currency translation difference in OCI		(74,078)	(36,676)	(53,076)
Settlement		(1,093,000)	-	-
Balance at 31 December 2017 (reviewed)		1,130,924	4,167,950	5,823,594
Fair value adjustment		76,873	530,501	1,085,983
Foreign currency translation difference in OCI		15,147	3,054	3,179
Balance at 30 June 2018 (audited)		1,222,944	4,701,505	6,912,756
Fair value adjustment	8	90,194	299,089	584,586
Foreign currency translation difference in OCI		23,913	(45,573)	(67,689)
Transfer to other payables	24	-	(3,024,130)	(4,534,437)
Balance at 31 December 2018 (reviewed)		1,337,051	1,930,891	2,895,216

The amount transferred to other payables is a portion of the development management fee payable to New Waverley Advisers Limited and the priority participating dividend payable to New Waverley Holdings Limited that is certain as at 31 December 2018, refer to note 31.

FAIR VALUE HIERARCHY

The following table shows the financial liabilities held at fair value in the fair value hierarchy:

As at 31 December 2018 (reviewed)		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Non-current liabilities				
Interest rate swaps	1,337,051	-	1,337,051	-
	1,337,051	-	1,337,051	-
Current liabilities				
Development management fee	1,930,891	-	-	1,930,891
Priority participating profit dividend	2,895,216	-	-	2,895,216
	4,826,107	-	-	4,826,107

As at 31 December 2017 (reviewed)		Fair value		
Euro	Carrying amount	Level 1	Level 2	Level 3
Non-current liabilities				
Interest rate swaps	1,130,924	-	1,130,924	-
	1,130,924	-	1,130,924	-
Current liabilities				
Development management fee	4,167,950	-	-	4,167,950

Priority participating profit dividend	5,823,594	-	-	5,823,594
	9,991,544	-	-	9,991,544

As at 30 June 2018 (audited)

Euro	Carrying amount	Fair value Level 1	Level 2	Level 3
Non-current liabilities				
Interest rate swaps	1,222,944	-	1,222,944	-
	1,222,944	-	1,222,944	-
Current liabilities				
Development management fee	4,701,505	-	-	4,701,505
Priority participating profit dividend	6,912,756	-	-	6,912,756
	11,614,261	-	-	11,614,261

INTEREST RATE SWAPS

The group has hedged some of the interest rate exposure on the interest-bearing borrowings using interest rate swaps, refer to note 20. These interest rate swaps 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.

DEVELOPMENT MANAGEMENT FEE AND PRIORITY PARTICIPATING PROFIT DIVIDEND

The group has a development management agreement with New Waverley Advisers Limited under which a fee is payable to New Waverley Advisers Limited in relation to the development of the New Waverley site in Edinburgh.
The priority participating profit dividend is payable to New Waverley Holdings Limited based on the value of the site following development.

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 31 December 2018, 31 December 2017 and 30 June 2018

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

LEVEL 3 FINANCIAL INSTRUMENTS

VALUATION PROCESS OF LEVEL 3 FINANCIAL LIABILITIES

The fair value of the level 3 financial liability in respect of New Waverley Advisers Limited and New Waverley Holdings Limited is calculated semi-annually. The investment property valuation process, refer to note 12, is part of this valuation process as the financial liability is derived from the fair value of New Waverley investment property.

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 31 December 2018, 31 December 2017 and 30 June 2018

Financial instrument	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Development management fee and priority profit dividend	Gross development value: Fair value is based on the value of the properties in the New Waverley development.	- Value of investment property	The estimated fair value would increase/(decrease) if: - Value of investment property was higher/ (lower)

FAIR VALUE SENSITIVITY ANALYSIS

As at 31 December 2018 (reviewed)

Gross development value

Sensitivity

%

Financial liability	Technique	Valuation	Input (Euro)	Change	Valuation
				+5.00	2,027,436
Development management fee	Gross development value	1,930,891	19,304,432		
				-5.00	1,834,346
				+5.00	3,039,977
Priority participating profit dividend	Gross development value	2,895,216	19,304,432		
				-5.00	2,750,455

As at 31 December 2017 (reviewed)

			Gross development value	Sensitivity %	
Financial liability	Technique	Valuation	Input (Euro)	Change	Valuation
				+5.00	4,376,348
Development management fee	Gross development value	4,167,950	39,976,121		
				-5.00	3,959,553
				+5.00	6,114,774
Priority participating profit dividend	Gross development value	5,823,594	39,976,121		
				-5.00	5,532,414

As at 30 June 2018 (audited)

			Gross development value	Sensitivity %	
Financial liability	Technique	Valuation	Input (Euro)	Change	Valuation
				+5.00	4,936,580
Development management fee	Gross development value	4,701,505	46,457,049		
				-5.00	4,466,430
				+5.00	7,258,394
Priority participating profit dividend	Gross development value	6,912,756	46,457,049		
				-5.00	6,567,118

23.TRADE AND OTHER RECEIVABLES

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017 Reclassified(1)	Audited As at 30 June 2018 Reclassified(1)
Contract assets	9,697,749	1,059,379	5,134,337
Trade receivables from lessees	6,135,033	4,239,022	3,588,558
Receivables	4,013,308	157,137	4,132,645
VAT receivable	1,208,513	634,516	1,141,499
Prepayments	1,142,253	694,187	1,009,668
Other	497,986	884,304	799,070
Dividends receivable	140,851	-	322,240
Property retentions held in escrow	20,000	20,000	20,316
	22,855,693	7,688,545	16,148,333

(1) In the prior year receivables from contracts with customers were not split out, this has been reclassified to Contract assets as a result of the group adopting IFRS 15, refer to note 3 for further detail regard the adoption of IFRS 15.

Receivables of EUR4,013,308 (December 2017: EUR157,137, June 2018: EUR4,132,645) relate to development costs receivable under the Forward Funding Agreement on the New Waverley development. This receivable is only conditional on the passage of time and is therefore a receivable from a contract with the group's customers.

Contract assets of EUR9,697,749 (December 2017: EUR1,059,379, June 2018: EUR5,134,337) relate to the group's right to consideration for work completed. Contract assets are transferred to receivables when the rights become unconditional. EUR8,902,922 (December 2017: EUR1,059,379, June 2018: EUR4,338,266) relates to profit receivable under the Forward Funding Agreement, which will be paid on completion of the development. The profit is conditional on the group's ability to complete the development on time and within budget. As at 31 December 2018, the development was progressing well and is on schedule to be completed on time and within budget. EUR794,827 (December 2017: EURnil, June 2018: EUR796,071) relates to a receivable in relation to the sale of investment property. The contract assets are all classified as current.

Significant changes to contract assets during the period are as follows:

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Opening balance	5,134,337	-	-
Increase in measure of progress	4,563,412	1,059,379	5,134,337
Closing balance	9,697,479	1,059,379	5,134,337

The carrying amount of the group's trade and other receivables approximates the fair value.

24. TRADE AND OTHER PAYABLES

Euro	Note	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
Trade payables		6,222,207	6,406,362	4,524,420
Priority participating profit dividend	22,31	4,534,437	-	-
Construction payables		3,804,885	150,386	4,551,993
Development management fee	22,31	3,024,130	-	-
Current tax payable		1,223,791	3,149,540	1,599,942
Deferred income		2,192,101	940,543	1,904,870
VAT payable		1,121,245	785,656	1,765,052
Other		929,458	847,300	386,987
		23,052,254	12,279,787	14,733,264

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

25. ACQUISITION OF SUBSIDIARIES

On 5 July 2018, the group acquired 100% of the shares and the voting interests of Militari shopping centre ("Militari") in Romania and on 5 December 2018, the group acquired 100% of the shares and the voting interests of the Atrium Mall in Arad, Romania ("Arad").

The group acquired the shares of both entities to gain control over the operations of two investment properties, namely Militari and Arad both located in Romania. The entities each held and operated a single investment property, Militari shopping centre and the Atrium Mall respectively. The acquisition is part of the group's strategy and continued investment into central and eastern Europe to enhance the group's distributions over the immediate, medium and long term. The acquisitions have both been treated as business combinations as the group substantially acquired all business operations.

From the date of acquisition to 31 December 2018 Militari and Arad contributed revenue of EUR5,569,037 and EUR672,134 respectively and profit of EUR6,833,026 and EUR12,240,735 respectively. If the acquisitions had occurred on 1 July 2018, management estimates that the revenue up to 31 December 2018 for the acquisitions combined would have been EUR8,773,152 and profit for the period for the acquisitions would have been EUR20,317,618. Included in this profit is fair value movements in investment property and the gain on bargain purchase below.

CONSIDERATION TRANSFERRED

The following table summarises the acquisition date fair value of the consideration transferred:

Euro	Total
Militari	94,472,318
Arad	28,145,360
	122,617,678

ACQUISITION RELATED COSTS

The group incurred acquisition-related costs of EUR839,282 on legal and due diligence fees. These costs have been included in profit or loss within investment expenses.

IDENTIFIED ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarises the fair value of assets and liabilities that were acquired at the date of acquisition:

Euro	Note	Militari	Arad	Total
Investment property	12	93,854,946	48,930,000	142,784,946
Trade and other receivables		1,543,313	1,325,825	2,869,138
Trade and other payables		(846,799)	(1,047,884)	(1,894,683)
Interest-bearing borrowings	20	-	(12,842,369)	(12,842,369)
Deferred tax (liability)/asset	10	(203,919)	766,579	562,660
Net assets excluding cash		94,347,541	37,132,151	131,479,692
Cash and cash equivalents		124,777	3,276,402	3,401,179
Net assets		94,472,318	40,408,553	134,880,871
Gain on bargain purchase		-	(12,263,193)	(12,263,193)
Cash consideration transferred		94,472,318	28,145,360	122,617,678
Cash and cash equivalents acquired		(124,777)	(3,276,402)	(3,401,179)
Cash consideration transferred, net of cash acquired		94,347,541	24,868,958	119,216,499

The gross contracted value of trade and other receivables of Militari and Arad was EUR1,543,313 and EUR1,325,825. Of this management expects to receive EUR1,543,313 and EUR1,325,825 respectively.

No goodwill arose on the acquisition of Militari because the consideration paid was equal to the fair value of assets acquired and liabilities assumed. A gain on bargain purchase of EUR12,263,193 arose on the acquisition of Arad because the consideration paid was less than the fair value of net assets acquired and liabilities assumed. The transaction price was based on the offer made at the start of the negotiations, 12 months prior to closing the deal. Within this period the footfall, tenants' turnover and the net operating income increased significantly, which implicitly lead to an increase in the valuation of the property.

26. OPERATING SEGMENTS

Segment results that are reported to the executive management team 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 the group structure and operations not related to specific investments. In addition, unallocated items in the condensed 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 basis of the reporting segment.

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 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 and other strategic assets	Residential developments and land plots held for schemes that have not yet commenced and listed real estate equity securities.
Corporate	Consists of the cash holdings outside of the other reporting segments as well as goodwill.

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 2018 (reviewed)

	Reportable segments				
Euro	Income-generating property	Development property	Land bank and other strategic assets	Corporate	Total
Statement of comprehensive income					
External revenue	30,428,609	-	220,435	-	30,649,044
Segment profit/(loss) before tax	37,662,102	14,074,490	(37,835,945)	6,907,525	20,808,172
Finance income	10,805	5,137,362	152	243	5,148,562
- Interest earned on preference shares	-	4,835,323	-	-	4,835,323
Finance costs	(3,409,941)	(302,039)	-	(142,467)	(3,854,447)
Current tax	(456,150)	(813,594)	(361,156)	(363,564)	(1,994,464)
Deferred tax	(2,758,191)	-	-	-	(2,758,191)
Share of profit from investment in equity-accounted investee, net of tax	-	6,398,768	-	-	6,398,768
Other material non-cash items					
- Fair value adjustments	11,714,738	-	(37,491,504)	1,041,747	(24,735,019)
- Gain on bargain purchase	12,263,193	-	-	-	12,263,193
- Exchange differences	708,119	-	(768,354)	93,935	33,700
- Depreciation	(32,945)	-	-	(20,709)	(53,654)
Statement of financial position					
Segment non-current assets	735,228,425	192,388,649	21,465,470	20,047,606	969,130,150
- Investment in equity accounted investee	-	30,172,990	-	-	30,172,990
Segment current assets	50,921,107	39,863,324	170,532,580	7,746,145	269,063,156
Segment non-current liabilities	(252,586,633)	-	-	(1,888)	252,588,521)
Segment current liabilities	(36,583,721)	(28,839,583)	(75,075,917)	(465,830)	140,965,051)

31 December 2017 (reviewed)

	Reportable segments				
Euro	Income-generating property	Development property	Land bank and other strategic assets	Corporate	Total
Statement of comprehensive income					
External revenue	20,980,965	(1,741)	119,486	22,825	21,121,535
Segment profit/(loss) before tax	13,789,374	(1,618,388)	3,826,402	(2,880,517)	13,116,871
Finance income	3,174	3,795,205	152,242	-	3,950,621
- Interest earned on preference shares	-	3,795,205	-	-	3,795,205
Finance costs	(2,178,353)	-	(152,223)	(146,796)	(2,477,372)
Current tax	(217,206)	139	(1,855,943)	(5,623)	(2,078,633)
Deferred tax	(1,358,739)	-	2,406,486	-	1,047,747
Share of profit from investment in equity-accounted investee, net of tax	-	1,543,057	-	-	1,543,057
Other material non-cash items					
- Fair value adjustments	1,448,741	(5,676,807)	3,614,311	-	(613,755)
- Exchange differences	(149,616)	-	-	(436,570)	(586,186)

- Goodwill impairment	-	-	-	(1,274,346)	(1,274,346)
- Depreciation	-	-	-	(18,098)	(18,098)
Statement of financial position					
Segment non-current assets	451,061,018	127,138,251	263,051,478	23,063,752	864,314,499
- Investment in equity accounted investee	-	21,751,615	-	-	21,751,615
Segment current assets	67,278,364	573,059	18,504,267	162,322,147	248,677,837
Segment non-current liabilities	(171,550,409)	-	(24,173,824)	-	(195,724,233)
Segment current liabilities	(36,614,315)	(9,994,023)	(2,484,870)	(1,146,575)	(50,239,783)

30 June 2018 (audited)

	Reportable segments				
Euro	Income-generating property	Development property	Land bank and other strategic assets	Corporate	Total
Statement of comprehensive income					
External revenue	43,010,408	-	396,153	-	43,406,561
Segment profit/(loss) before tax	37,329,217	9,938,530	(18,696,118)	(2,370,820)	26,200,809
Finance income	3,744	7,971,335	479	-	7,975,558
- Interest earned on preference shares	-	7,514,384	-	-	7,514,384
Finance costs	(4,944,538)	(456,951)	-	(158,855)	(5,560,344)
Current tax	(788,830)	(2,394,030)	(2,369,785)	(3,357)	(5,556,002)
Deferred tax	(3,730,148)	2,418,763	-	-	(1,311,385)
Share of profit from investment in equity-accounted investee, net of tax	-	3,568,925	-	-	3,568,925
Other material non-cash items					
- Fair value adjustments	12,357,437	(5,388,602)	(22,921,758)	152,796	(15,800,127)
- Exchange differences	(837)	-	-	(1,019,950)	(1,020,787)
- Goodwill impairment	-	-	-	(1,274,346)	(1,274,346)
- Depreciation	(85,088)	-	-	(14,938)	(100,026)
Statement of financial position					
Segment non-current assets	548,602,766	128,784,871	216,150,430	21,581,047	915,119,114
- Investment in equity accounted investee	-	23,774,222	-	-	23,774,222
Segment current assets	72,949,162	37,001,253	15,532,543	117,880,260	243,363,218
Segment non-current liabilities	(222,239,291)	-	-	(3,542)	(222,242,833)
Segment current liabilities	(47,772,895)	(29,887,847)	(1,419,996)	(363,838)	(79,444,576)

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 Europe. The geographical information below analyses the group's rental income and service charges and other recoveries and non-current assets by the relevant company's country of domicile and the jurisdiction in which the underlying property assets are held: western Europe (UK, Germany and Switzerland) and central and eastern Europe (Poland, Bulgaria and Romania) ("CEE").

Revenue

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
BVI	-	-	-
Western Europe	14,841,670	11,957,992	24,865,399
CEE	15,807,374	9,163,543	18,541,162
	30,649,044	21,121,535	43,406,561

Non-current assets

Euro	Reviewed As at 31 December 2018	Reviewed As at 31 December 2017	Audited As at 30 June 2018
BVI	20,047,609	-	204,633,310
Western Europe	433,522,128	580,745,050	414,204,311
CEE	515,560,413	283,569,449	296,281,493
	969,130,150	864,314,499	915,119,114

Income from contracts with customers

	Reviewed Six-month period	Six-month period	Year

Euro	ended 31 December 2018	ended 31 December 2017	ended 30 June 2018
Sales of inventory property	27,985,713	6,398,637	26,020,940
Service charges and other recoveries	4,504,330	2,147,390	5,954,048
	32,490,043	8,546,027	31,974,988

DISAGGREGATION

The following table disaggregates the income from contracts with customers by jurisdiction and the timing of income recognition. The table also includes a reconciliation to the group's reportable segments.

	Reviewed Six-month period ended 31 December 2018 Reportable segments			
Euro	Income-generating property	Development property	Corporate	Total
Jurisdiction				
BVI	-	-	-	-
Western Europe	712,511	27,985,713	23,761	28,721,985
CEE	3,768,058	-	-	3,768,058
	4,480,569	27,985,713	23,761	32,490,043
Timing of income recognition				
Over a period of time	4,480,569	27,985,713	23,761	32,490,043
	4,480,569	27,985,713	23,761	32,490,043

DIRECT AND INDIRECT INVESTMENT RESULTS

In order to provide information of relevance to investors and a meaningful basis of comparison for users of the financial information, a statement of direct and indirect investment results for the six-month period ended 31 December 2018 has been prepared and presented below. It allocates the IFRS result between direct and indirect investment result respectively. The directors consider that the distribution statement is useful in interpreting the performance of the group.

Six-month period ended 31 December 2018 (reviewed)

STATEMENT OF DIRECT AND INDIRECT RESULT

Euro	Direct investment result	Indirect investment result	Total IFRS
Rental income	26,144,714	-	26,144,714
Service charge income and other recoveries	4,504,330	-	4,504,330
Revenue	30,649,044	-	30,649,044
Service charge and other property operating expenses	(6,891,085)	-	(6,891,085)
Net rental income	23,757,959	-	23,757,959
Sale of inventory property	-	27,985,713	27,985,713
Cost of sales of inventory property	-	(23,697,456)	(23,697,456)
Profit on sale of inventory property	-	4,288,257	4,288,257
Other income	1,957,207	-	1,957,207
Corporate expenses	(3,103,013)	-	(3,103,013)
Investment expenses	-	(1,346,995)	(1,346,995)
Net operating income	22,612,153	2,941,262	25,553,415
Fair value adjustments	-	(24,735,019)	(24,735,019)
Foreign currency exchange differences	-	33,700	33,700
Share of profit from equity accounted investee, net of tax	-	6,398,768	6,398,768
Gain on bargain purchase	-	12,263,193	12,263,193
Profit/(loss) before financing costs	22,612,153	(3,098,096)	19,514,057
Finance income	5,148,562	-	5,148,562
Finance costs	(3,854,447)	-	(3,854,447)
Profit/(loss) before tax	23,906,268	(3,098,096)	20,808,172
Current tax	(1,180,870)	(813,594)	(1,994,464)
Deferred tax	-	(2,758,191)	(2,758,191)
Profit/(loss) for the period	22,725,398	(6,669,881)	16,055,517
Attributable to:			
Owners of the group	21,486,625	(10,399,717)	11,086,908
Non-controlling interest	1,238,773	3,729,836	4,968,609

DISTRIBUTABLE EARNINGS AND BASIS OF DISTRIBUTION

Euro	Six-month period ended 31 December 2018
Direct investment result distributable to shareholders	21,486,625

Company specific adjustments	
Net attributable profit on sales of inventory property(1)	2,605,997
Distributable earnings before effect of shares issued during the period	24,092,622
Weighted average number of shares in issue	637,493,798
Distributable earnings per share (euro cents per share)	3.78
Distributable earnings before effect of shares issued during the period	24,092,622
Adjustment relating to shares issued during the period	-
Distributable earnings (after effect of shares issued during the period)	24,092,622
Closing number of shares in issue	637,493,798

(1)The profit on sales of inventory property during the year was EUR4,288,257. The tax recognised on these sales was EUR813,594, giving a net amount of profit of EUR3,474,663. The group has allocated 75% (EUR2,605,997) of this balance as distributable earnings as approximately 25% of profit is payable to the developer.

Euro cents	Six-month period ended 31 December 2018
Distributable earnings per share	3.78
Adjustment from reserves per share	-
Distribution per share	3.78

RECONCILIATION OF CASH FROM OPERATIONS TO DIRECT INVESTMENT RESULT

Euro	Six-month period ended 31 December 2018
Net cash from operating activities	25,218,452
Finance cost	(3,854,447)
Finance cost	(3,854,447)
Finance income	518,242
Finance income	5,148,562
Finance income received - interest on preference shares	(4,630,321)
Tax	(170,062)
Tax expense	(1,180,870)
Tax paid on operating activities	1,010,808
Non-cash items	(384,151)
Depreciation	(53,654)
Loss on disposal of property, plant and equipment	(90,671)
Share based payment expenses	(239,826)
Working capital movement	50,369
Decrease in receivables	(516,733)
Decrease in payables	539,188
Decrease in provisions	27,914
Other	1,346,995
Investment expenses	1,346,995
TOTAL DIRECT INVESTMENT RESULT	22,725,398
Attributable to:	
Owners of the group	21,486,625
Non-controlling interest	1,238,773

Six-month period ended 31 December 2017 (reviewed)

STATEMENT OF DIRECT AND INDIRECT RESULT

Euro	Direct investment result	Indirect investment result	Total IFRS
Rental income	18,974,145	-	18,974,145
Service charge income and other recoveries	2,147,390	-	2,147,390
Revenue	21,121,535	-	21,121,535
Service charge and other property expenses	(5,859,557)	-	(5,859,557)
Net rental income	15,261,978	-	15,261,978

Sale of inventory property	-	6,398,637	6,398,637
Cost of sales of inventory property	-	(5,339,258)	(5,339,258)
Profit on sale of inventory property	-	1,059,379	1,059,379
Other income	89,831	-	89,831
Corporate expenses	(2,500,957)	-	(2,500,957)
Investment expenses	-	(1,335,379)	(1,335,379)
Net operating income	12,850,852	(276,000)	12,574,852
Fair value adjustments	-	(613,755)	(613,755)
Foreign currency exchange differences	-	(586,186)	(586,186)
Share of profit from equity accounted investee, net of tax	137,672	1,405,385	1,543,057
Good will impairment	-	(1,274,346)	(1,274,346)
Profit/(loss) before financing costs	12,988,524	(1,344,902)	11,643,622
Finance income	3,950,621	-	3,950,621
Finance costs	(2,477,372)	-	(2,477,372)
Profit/(loss) before tax	14,461,773	(1,344,902)	13,116,871
Current tax	(218,234)	(1,860,399)	(2,078,633)
Deferred tax	-	1,047,747	1,047,747
Profit/(loss) for the period	14,243,539	(2,157,554)	12,085,985
Attributable to:			
Owners of the group	13,567,227	(1,863,749)	11,703,478
Non-controlling interest	676,312	(293,805)	382,507

DISTRIBUTABLE EARNINGS AND BASIS OF DISTRIBUTION

Euro	Six-month period ended 31 December 2017
Direct investment result distributable to shareholders	13,567,227
Company specific adjustments	
Elimination of direct earnings in associate	(137,672)
Net attributable profit on sales of inventory property(1)	643,573
Distributable earnings before effect of shares issued during the period	14,073,128
Weighted average number of shares in issue	520,975,749
Distributable earnings per share (euro cents per share)	2.70
Distributable earnings before effect of shares issued during the period	14,073,128
Adjustment relating to shares issued during the period	3,050,851
Distributable earnings (after effect of shares issued during the period)	17,123,979
Closing number of shares in issue	633,915,786

(1)The profit on sales of inventory property during the year was EUR1,059,379. The tax recognised on these sales was EUR201,282, giving a net amount of profit of EUR858,097. The group has recognised 75% (EUR643,573) of this balance as distributable earnings as approximately 25% of profit is payable to the developer.

Euro cents	Six-month period ended 31 December 2017
Distributable earnings per share	2.70
Adjustment from reserves per share	0.88
Distribution per share	3.58

RECONCILIATION OF CASH FROM OPERATIONS TO DIRECT INVESTMENT RESULT

Euro	Six-month period ended 31 December 2017
Net cash from operating activities	13,278,072
Finance cost	(2,477,372)
Finance cost	(2,477,372)
Finance income	3,950,621
Finance income	3,950,621
Tax	(3,178)
Tax expense	(218,234)
Tax paid on operating activities	215,056
Non-cash items	(421,400)

Depreciation	(18,098)
Share based payment expenses	(403,302)
Working capital movement	(1,646,086)
Decrease in receivables	(2,235,006)
Decrease in payables	536,479
Decrease in provisions	52,441
Other	1,562,882
Investment expenses	1,335,379
Share of profit from equity accounted investee	137,672
Other income	89,831
TOTAL DIRECT INVESTMENT RESULT	14,243,539
Attributable to:	
Owners of the group	13,567,227
Non-controlling interest	676,312

STATEMENT OF DIRECT AND INDIRECT RESULT

Euro	Direct investment result	Indirect investment result	Total IFRS
Rental income	37,452,513	-	37,452,513
Service charge income and other recoveries	5,954,048	-	5,954,048
Revenue	43,406,561	-	43,406,561
Service charge and other property expenses	(11,073,518)	-	(11,073,518)
Net rental income	32,333,043	-	32,333,043
Sale of inventory property	-	26,020,940	26,020,940
Cost of sales of inventory property	-	(21,704,016)	(21,704,016)
Profit on sale of inventory property	-	4,316,924	4,316,924
Other income	8,585,032	-	8,585,032
Corporate expenses	(4,946,973)	-	(4,946,973)
Investment expenses	-	(1,976,096)	1,976,096
Net operating income	35,971,102	2,340,828	38,311,930
Fair value adjustments	-	(15,800,127)	(15,800,127)
Foreign currency exchange differences	-	(1,020,787)	(1,020,787)
Share of profit from equity accounted investee, net of tax	-	3,568,925	3,568,925
Good will impairment	-	(1,274,346)	(1,274,346)
Profit/(loss) before financing costs	35,971,102	(12,185,507)	23,785,595
Finance income	7,975,558	-	7,975,558
Finance costs	(5,560,344)	-	(5,560,344)
Profit/(loss) before tax	38,386,316	(12,185,507)	26,200,809
Current tax	(2,979,626)	(2,576,376)	(5,556,002)
Deferred tax	-	(1,311,385)	(1,311,385)
Profit/(loss) for the year	35,406,690	(16,073,268)	19,333,422
Attributable to:			
Owners of the group	34,078,183	(17,221,877)	16,856,306
Non-controlling interest	1,328,507	1,148,609	2,477,116

DISTRIBUTABLE EARNINGS AND BASIS OF DISTRIBUTION

Euro	Year ended 30 June 2018
Direct investment result distributable to shareholders	34,078,183
Company specific adjustments	
Net attributable profit on sales of inventory property(1)	2,628,067
Distributable earnings before effect of shares issued during the year	36,706,250
Weighted average number of shares in issue	577,814,866
Distributable earnings per share (euro cents per share)	6.35
Distributable earnings before effect of shares issued during the year	36,706,250
Adjustment relating to shares issued during the year	3,772,061
Distributable earnings (after effect of shares issued during the year)	40,478,311
Closing number of shares in issue	637,493,798

(1)The profit on sales of inventory property during the year ended 30 June 2018 was EUR4,316,924. The tax recognised on these sales was EUR812,835 (2017: EURnil) giving a net amount of profit of EUR3,504,089. The group has recognised 75% (EUR2,628,067) of this balance as distributable earnings as approximately 25% of profit is payable to the developer.

Year ended
30 June

Euro cents	2018
Distributable earnings per share	6.35
Adjustment from reserves per share	1.26
Distribution per share	7.61

RECONCILIATION OF CASH FROM OPERATIONS TO DIRECT INVESTMENT RESULT

Euro	Year ended 30 June 2018
Net cash from operating activities	35,386,649
Finance cost	(5,560,344)
Finance cost	(5,560,344)
Finance income	4,372,697
Finance income	7,975,558
Finance income received - interest on preference shares	(3,602,861)
Tax	454,869
Tax expense	(2,979,626)
Tax paid on operating activities	3,434,495
Non-cash items	(905,792)
Depreciation	(100,026)
Share based payment expenses	(805,766)
Working capital movement	(317,485)
Decrease in receivables	(1,029,613)
Decrease in payables	904,406
Increase in provisions	(192,278)
Other	1,976,096
Investment expenses	1,976,096
TOTAL DIRECT INVESTMENT RESULT	35,406,690
Attributable to:	
Owners of the group	34,078,183
Non-controlling interest	1,328,507

EPRA NAV

The European Public Real Estate Association (EPRA) is an organisation that promotes, develops and represents the European public real estate sector. EPRA sets out best practice reporting guidelines or several financial and operational performance indicators relevant to the real estate sector. EPRA NAV and EPRA NAV per share have been computed, which provides an industry standard methodology for the computation of the net asset value per share of the group.

Euro	Note	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Equity attributable to owners of the group		838,346,385	865,998,006	854,267,721
Adjustments for:				
Fair value of interest rate swaps		1,029,546	1,130,924	873,720
Deferred tax asset		(780,574)	(756,280)	(607,179)
Deferred tax liability		8,545,711	3,761,990	6,139,373
NCI in respect of the above adjustments		(1,114,380)	(247,180)	(616,418)
EPRA NAV		846,026,688	869,887,460	860,057,217
Fully diluted number of shares		637,493,798	634,171,721	637,556,656
Closing number of shares		637,493,798	633,915,786	637,493,798
Effect of share options	27	-	255,935	62,858
EPRA NAV per share (euro cents)		132.7	137.2	134.9

DISTRIBUTIONS

The holders of the company's shares are entitled to distributions as declared and 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:

Reviewed	Reviewed	
Six-month	Six-month	Audited

	period ended 31 December 2018	period ended 31 December 2017	Year ended 30 June 2018
Cash	25,691,000	6,957,823	24,127,632
Scrip	-	10,424,724	15,949,084
	25,691,000	17,382,547	40,076,716
Distributions paid per share (euro cents)	4.03	3.19	6.77

27. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE
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	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Profit for the period/year attributable to the owners of the group	11,086,908	11,703,478	16,856,306

WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Opening issued ordinary shares	637,493,798	467,366,299	467,366,299
Effect of shares issued for capital raises	-	50,858,057	105,128,974
Effect of shares issued for scrip distributions	-	2,751,393	5,319,593
Weighted-average number of ordinary shares	637,493,798	520,975,749	577,814,866

The shares issued as part of the geared share purchase plans are not included in the calculation of the weighted-average number of ordinary shares as they are deemed to be unissued (treasury shares).

BASIC EARNINGS PER SHARE

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Profit attributable to ordinary shareholders	11,086,908	11,703,478	16,856,306
Weighted-average number of ordinary shares	637,493,798	520,975,749	577,814,866
Basic earnings per share (euro cents)	1.74	2.25	2.92

DILUTED EARNINGS PER SHARE
The calculation of diluted earnings per share has been based on the following weighted-average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Weighted-average number of ordinary shares (basic)	637,493,798	520,975,749	577,814,866
Effect of share options	-	255,935	62,858
Weighted-average number of ordinary shares (diluted)	637,493,798	521,231,684	577,877,724

DILUTED EARNINGS PER SHARE

Euro	Reviewed Six-month period ended 31 December 2018	Reviewed Six-month period ended 31 December 2017	Audited Year ended 30 June 2018
Profit attributable to ordinary shareholders	11,086,908	11,703,478	16,858,306
Weighted-average number of ordinary shares	637,493,798	521,231,684	577,877,724
Diluted earnings per share (euro cents)	1.74	2.25	2.92

At 31 December 2018, options on 7,850,000 shares were excluded from the diluted weighted-average number of ordinary shares because their effect would have been anti-dilutive.
The average market value of the company's shares for the purpose of calculating the dilutive effect of the share options was based on quoted market prices for the period during which the options were outstanding.

HEADLINE EARNINGS/(LOSS) AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE

		Reviewed Six-month period ended 31 December 2018	
Euro	Note	Gross	Net
Profit for the period attributable to ordinary shareholders		11,086,908	11,086,908
Adjusted for:			
Fair value gain on investment property	12	(10,625,741)	(8,483,497)
Fair value gain on investment property in associate		(8,529,274)	(5,003,872)
Fair value loss on investment property held for sale	13	467,919	467,919
Recycle of foreign currency exchange through profit and loss		(679,015)	(679,015)
Loss on disposal of property, plant and equipment		90,671	90,671
Gain on bargain purchase		(12,263,193)	(12,263,193)
Headline loss		(20,451,725)	(14,784,079)
Headline loss per share			
Weighted-average number of ordinary shares (basic)		637,493,798	637,493,798
Headline loss per share (euro cents)		(3.21)	(2.32)
Diluted headline loss per share			
Weighted-average number of ordinary shares (diluted)		637,493,798	637,493,798
Diluted headline loss per share (euro cents)		(3.21)	(2.32)

		Reviewed Six-month period ended 31 December 2017	
Euro	Note	Gross	Net
Profit for the period attributable to ordinary shareholders		11,703,478	11,703,478
Adjusted for:			
Fair value loss on investment property	12	4,140,178	2,306,546
Fair value gain on investment property in associate		(1,802,951)	(1,802,951)
Fair value gain on investment property held for sale	13	(1,568,735)	(1,568,735)
Goodwill impairment	11	1,274,346	1,274,346
Headline earnings		13,746,316	11,912,684
Headline earnings per share			
Weighted-average number of ordinary shares (basic)		520,975,749	520,975,749
Headline earnings per share (euro cents)		2.64	2.29
Diluted headline earnings per share			
Weighted-average number of ordinary shares (diluted)		521,231,684	521,231,684
Diluted headline earnings per share (euro cents)		2.64	2.29

		Audited Year ended 30 June 2018	
Euro	Note	Gross	Net
Profit for the year attributable to ordinary shareholders		16,856,306	16,856,306
Adjusted for:			
Fair value loss/(gain) on investment property	12	721,387	232,813
Fair value gain on investment property in associate		(6,179,920)	(3,878,272)
Fair value gain on investment property held for sale	13	(2,766,206)	(2,766,206)
Goodwill impairment	11	1,274,346	1,274,346
Headline earnings		9,905,913	11,718,987
Headline earnings per share			
Weighted-average number of ordinary shares (basic)		577,814,866	577,814,866
Headline earnings per share (euro cents)		1.71	2.03
Diluted headline earnings per share			
Weighted-average number of ordinary shares (diluted)		577,877,724	577,877,724
Diluted headline earnings per share (euro cents)		1.71	2.03

The JSE Listings Requirements require the calculation of headline (loss)/earnings and diluted headline (loss)/earnings per share and the disclosure of a detailed reconciliation of headline (loss)/earnings to the earnings numbers used in the calculation of basic and diluted 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.

28.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

Key management consists of the executive and non-executive directors as well as the company secretary.

RELATED PARTY RELATIONSHIPS

ARTISAN

Artisan is a real estate management company with a board which comprises of four directors. Two of which were directors of Artisan and MAS until 1 October 2018 when one resigned as a director of Artisan.

NEW WAVERLEY HOLDINGS LIMITED

New Waverley Holdings Limited is a real estate development holding company and is a 60% owned subsidiary of Artisan. As such it is controlled by Artisan. Refer to note 22.

NEW WAVERLEY ADVISERS LIMITED

New Waverley Advisers Limited is a real estate developer and is a 100% owned subsidiary of New Waverley Holdings Limited. As such it is controlled by Artisan. Refer to note 22

CORONA

Corona is a real estate management company with five staff members and is owned 100% by Jonathan Knight who is the chief investment officer of the group.

Jonathan Knight has a contract of employment with Corona Real Estate Partner Limited, a service provider to MAS Property Advisers Limited. The total remuneration paid to Corona in relation to services provided to MAS by Jonathan Knight was EUR81,432 (December 2017: EUR65,142, June 2018: EUR130,284). Jonathan Knight received a salary of EUR33,696 (December 2017: EUR33,987, June 2018: EUR67,974) from Corona.

PKM DEVELOPMENTS

PKM Developments is an associate of the group and MAS owns 40% of the ordinary shares, refer to notes 16 and 21.

The group provided EUR157,000,000 to acquire 7.5% preference shares in PKM Developments, refer to notes 16 and 21. The group has committed to fund up to a further EUR300,000,000 over the next three years.

MOMATS

Momats provides BVI corporate services and is a director on MAS BVI (Holdings) Limited and MAS CEE Investments Limited, 100% owned subsidiaries of the company.

RELATED PARTY TRANSACTIONS

		Income/(expenses) for the period/year ended			Capitalised for the period/year ended			Balances receivable/(payable) as at		
Euro	Note	Reviewed 31 December 2018	Reviewed 31 December 2017	Audited 30 June 2018	Reviewed 31 December 2018	Reviewed 31 December 2017	Audited 30 June 2018	Reviewed 31 December 2018	Reviewed 31 December 2017	Audited 30 June 2018
NW Advisers										
- Oncharged development costs		-	-	-	1,532,293	230,704	2,287,409	-	163,350	-
- Development management fee(1)		(253,517)	(152,455)	(682,957)	-	-	-	(4,955,021)	(4,167,950)	(4,701,505)
		(253,517)	(152,455)	(682,957)	1,532,293	230,704	2,287,409	(4,955,021)	(4,004,600)	(4,701,505)
NW Holdings										
- Priority participation profit dividend(1)		(516,896)	201,586	(1,042,368)	-	-	-	(7,429,653)	(5,823,594)	(6,912,757)
		(516,896)	201,586	(1,042,368)		-	-	(7,429,653)	(5,823,594)	(6,912,757)
Corona										
- Legal and professional expenses		(331,922)	(472,760)	(804,187)	-	96,931	132,549	(138,564)	-	(124,474)
		(331,922)	(472,760)	(804,187)	-	96,931	132,549	(138,564)	-	(124,474)
Artisan										
- Oncharged administrative expenses		26,063	22,825	46,946	-	-	-	9,410	8,388	-
		26,063	22,825	46,946	-	-	-	9,410	8,388	-
PKM Developments										
- Equity accounted investee	16	6,398,768	1,543,057	3,568,925	-	-	-	30,686,286	21,751,615	23,774,222
- Preference shares - PKM Developments	21	4,835,323	3,795,207	7,514,384	-	-	-	162,250,770	104,929,452	105,045,768
		11,234,091	5,338,264	11,083,309	-	-	-	192,937,056	126,681,067	128,819,990
Momats										
- Directors fees and legal and professional fees		(6,595)	(11,840)	12,621	-	-	-	-	-	2,180
		(6,595)	(11,840)	12,621	-	-	-	-	-	2,180

10,151,224	4,925,620	(8,613,364)	1,532,293	327,635	2,419,958	180,423,227	116,861,261	117,083,434

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

TRANSACTIONS WITH KEY MANAGEMENT

Six-months ended 31 December 2018 (reviewed)

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Sub total	IFRS 2 option expense	Total
Malcolm Levy	Interim CEO	-	-	-	-	-	149,138	149,138
Paul Osbourn	CFO	75,558	-	-	-	75,558	-	75,558
Jonathan Knight	CIO	44,928	-	-	-	44,928	60,867	105,795
Ron Spencer	Chairman	24,250	-	-	-	24,250	-	24,250
Gideon Oosthuizen	NED	18,530	-	-	-	18,530	-	18,530
Jaco Jansen	NED	18,750	-	-	-	18,750	-	18,750
Pierre Goosen	NED	25,750	-	-	-	25,750	-	25,750
Glynnis Carthy	NED	20,000	-	-	-	20,000	-	20,000
Werner Alberts	NED	10,805	-	-	-	10,805	-	10,805
Melt Hamman	NED	1,479	-	-	-	1,479	-	1,479
Helen Cullen	Company secretary	54,873	-	4,777	-	59,650	20,289	79,939
Morne Wilken	Former CEO	143,672	112,320(1)	-	-	255,992	-	255,992
		438,595	112,320	4,777	-	555,692	230,294	785,986

(1)The sum of GBP500,000 (approximately EUR564,250) was awarded and paid to Morne Wilken as recognition that he would forfeit in-the money incentive scheme by becoming CEO of MAS. This amount was repayable on a pro-rata basis should he cease to be employed by the company from 1 January 2018 to 30 June 2020 and accordingly GBP16,667 (approximately EUR18,720) was expensed monthly and recognised as a benefit paid to him. Morne paid back the outstanding amount of GBP300,000 (approximately EUR369,600) when he ceased to be director.

Six-months ended 31 December 2017 (reviewed)

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Sub total	IFRS 2 option expense	Total
Lukas Nakos	CEO	-	-	-	-	-	-	-
Malcolm Levy	CFO	-	-	-	-	-	242,008	242,008
Jonathan Knight	CIO	33,970	-	-	-	33,970	107,413	141,383
Ron Spencer	Chairman	15,000	-	-	-	15,000	-	15,000
Gideon Oosthuizen	NED	13,750	-	-	-	13,750	-	13,750
Jaco Jansen	NED	12,500	-	-	-	12,500	-	12,500
Morne Wilken	NED	10,000	13,163	-	-	23,163	-	23,163
Pierre Goosen	NED	10,000	-	-	-	10,000	-	10,000
Glynnis Carthy	NED	13,750	-	-	-	13,750	-	13,750
Helen Cullen	Company secretary	48,540	-	-	-	48,540	35,804	84,344
		157,510	13,163	-	-	170,673	385,225	555,898

Year ended 30 June 2018 (audited)

Euro	Role	Basic salary	Benefits	Short-term incentive	Long-term incentive	Sub total	IFRS 2 option expense	Total
Morne Wilken		188,432	141,613	-	-	330,045	-	330,045
	CEO	178,432	141,613	-	-	320,045	-	320,045
	Former NED	10,000	-	-	-	10,000	-	10,000
Malcolm Levy	CFO	-	-	-	-	-	425,758	425,758
Jonathan Knight	CIO	67,974	-	-	-	67,974	164,354	232,328
Ron Spencer	Chairman	30,000	-	-	-	30,000	-	30,000
Gideon Oosthuizen	NED	27,500	-	-	-	27,500	-	27,500
Jaco Jansen	NED	25,000	-	-	-	25,000	-	25,000
Pierre Goosen	NED	22,500	-	-	-	22,500	-	22,500
Glynnis Carthy	NED	27,500	-	-	-	27,500	-	27,500
Helen Cullen	Company secretary	95,778	-	-	-	95,778	66,441	162,219
Lukas Nakos	Former CEO	-	157,794	-	-	157,794	-	157,794
		484,684	299,407	-	-	784,091	656,553	1,440,644

29.CONTINGENT LIABILITIES

The group is subject to possible litigation regarding a disputed lease agreement in one of its subsidiaries. The maximum potential claim is EUR3,000,000, however, at the date of this report there are no current legal proceedings and the success of the claim is not considered to be probable.

30.CAPITAL COMMITMENTS

INVESTMENT PROPERTY

The group entered into a sale and purchase agreement ("SPA") to acquire a shopping centre located in Flensburg, Germany. The sale was completed on 14 January 2019 for a purchase price of EUR62,550,000.

INVESTMENT IN EQUITY ACCOUNTED INVESTEE
The group has committed to fund PKM Developments through 7.5% cumulative preference shares issued by PKM Developments. The group is committed to fund up to a total of EUR300,000,000. The outstanding commitment at the reporting date was EUR143,000,000 which is expected to be funded by 23 March 2021, subsequently amended, refer to note 31. The loan commitments have been reviewed and are not considered to be onerous at the reporting date.

31.EVENTS AFTER THE REPORTING PERIOD
ACQUISITION OF INVESTMENT PROPERTY
On 14 January 2019 the group acquired the share capital of a special purpose vehicle that owns a shopping centre located in Flensburg, Germany ("Flensburg") for the purchase price of EUR62.6million and has a passing rent of EUR4.1million.

On 28 February 2019 the group entered into a sale and purchase agreement to acquire the entire share capital and shareholder loans of three subsidiaries of PKM Developments for a purchase price of EUR113.0million.

The entities own nine completed retail assets in PKM Developments: Roman Value Centre, Roman; Baia Mare Value Centre, Baia Mare; and the Kaufland portfolio, being value centres in Slobozia, Focsani, Ramnicu Sarat, Targu Secuiesc, Fagaras, Sebes and Gheorgheni. The nine assets comprise 67,950 square metres of GLA and are expected to deliver EUR8.1million of net operating income, which represents a yield of 7.5%.

The payment of the purchase price was off-set by the distribution of profits from PKM Developments and then funded on a short-term basis by PKM Developments with interest accruing at MAS' marginal cost of borrowing.

PAYMENT TO RELATED PARTY
On 27 February 2019, the group paid EUR4,534,437 of the priority participating dividend to New Waverley Holdings Limited and EUR3,024,130 of the development management fee to New Waverly Advisers Limited. EUR1,930,891 and EUR2,895,216 remains owing to New Waverley Holdings Limited and New Waverley Advisers Limited respectively and will be paid in the next twelve months.

OTHER INVESTMENTS
On 31 January 2019, the group invested a further 03,000,000 in PKM Development preference shares, bringing the total amount invested in PKM Development preference shares to 870,000,000 and the outstanding commitment to EUR130,000,000. The expected timeframe to fund PKM Developments has been amended from 23 March 2021 to 23 March 2023 after the reporting date.

After the reporting date the group made a number of purchases and sales of the listed real estate equity securities portfolio. As at 28 February 2019, the group's listed real estate equity securities had a fair value of EUR162,384,994.

Sponsor: Java Capital