EDISON

Fair Value REIT

Demire approach adds growth option

Interim results and takeover approach

Real estate

Underlying interim results were effectively looking backwards to a period of portfolio rationalisation and declining rental income. Meanwhile, Fair Value REIT (FVI) has been making considerable progress with its growth strategy, investing directly in properties previously owned by subsidiaries, increasing its investment in existing subsidiaries, and adding the new closed-end real estate fund subsidiary (BBV08). Management guidance anticipates further investments over 2015 and 2016 that have the potential to significantly increase our estimates further (based on the current structure). Meanwhile, a voluntary public takeover offer for FVI by Demire has been proposed. The move is welcomed by management and would see the creation of a larger, more diversified player, with c €1bn in gross assets.

Year end	Revenue (€m)	EPRA net profit* (€m)	EPRA EPS* (€)	DPS (€)	P/NAV (x)	Yield (%)
12/13	36.4	6.4	0.69	0.25	0.90	3.1
12/14	30.1	4.4	0.47	0.25	0.94	3.1
12/15e	29.3	5.5	0.44	0.25	0.88	3.1
12/16e	31.0	6.8	0.48	0.28	0.86	3.5

Note: *Net profit and EPS are on an underlying EPRA basis (also referred to as FFO), excluding valuation movements and exceptional. P/NAV is also on an EPRA basis.

Investments looking forward

Management says that the decline in H115 underlying earnings on an EPRA basis (or FFO) to €2.1m from €2.5m in H114 was as expected, reflecting lower rents on a smaller portfolio and cost increases related to the growth strategy. Statutory IFRS profits increased, including one-off gains on new investments at prices below fair value, but the investments did not contribute to H1 underlying earnings. There is plenty of room to gear up the H1 capital increase for further investment and management guidance implies significant upside to our forecasts when this occurs. We explore this in detail on page 8.

Potential combination with Demire

On 31 July, FVI and Deutsche Mittelstand Real Estate (Demire) jointly announced their intention to seek a combination by way of a voluntary public exchange offer for all of the shares of FVI. Demire has indicated that it intends to offer two new Demire shares for each FVI share, by way of a capital increase in kind and subject to approval by its shareholders at an EGM scheduled for 14 September. FVI management has welcomed the proposed combination, believing the two companies to be complementary and that the scale of the enlarged group will provide operational and financial synergies as discussed on page 4.

Valuation: Growth creating value

P/B (c 0.9x FY16e) and P/E (c 17.0x FY16e) are broadly in line with peers, although the P/E could fall to c 10x and the yield increase to c 5% if management meets its targets, based on further investment. Further NAV gains on acquisitions below fair value seem likely.

11 September 2015

Price	**€8.00**
Market cap	**€112m**

Net debt (€m) as at 30 June 2015	153.6
Shares in issue	14.0m
Free float	72%
Code	FVI
Primary exchange	Frankfurt
Secondary exchange	Stuttgart, Berlin, Munich

Share price performance

%	1m	3m	12m
Abs	(2.5)	1.0	59.0
Rel (local)	10.9	11.4	51.1
52-week high/low		€8.58	€4.42

Business description

Fair Value REIT (FVI) is a real estate investment trust managing c 275,000sqm at 44 commercial properties across Germany (as at 30 June 2015). It has a diversified portfolio of office and retail assets, with a focus on regional locations.

Next events

Demire EGM	14 September 2015
Q3 results	5 November 2015

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Edison profile page

Fair Value REIT is a research client of Edison Investment Research Limited

Highlights of the interim results

The recently reported interim results for the six months to 30 June 2015 provide very little insight into the effect of FVI's renewed growth strategy. In operational terms they look back over a period that was still showing the effects of portfolio optimisation and rationalisation. However, recently completed investments did appear in the balance sheet and generated material one-off gains that lifted the statutory IFRS profits.

- The investment portfolio at 30 June had a value of €306m and an annualised contracted rent of €25.4m, compared with €281m/€23.7m at 31 December. It comprised 44 properties (31 December: 43) with an occupancy rate of 91.8%, slightly up from 91.5% at 31 December. The weighted average unexpired lease term of 4.7 years compared with 5.0 years at year-end. The first-time consolidation of BBV08 at 30 June brought three new properties into the group.
- Rental income of €11.1m was 8% down on the previous year and net rental income of €8.3m was down 11% This was mainly due to the sale of non-strategic properties with some increase in property-related operating expenses.
- Direct acquisition of properties from partially owned subsidiaries, further acquisition of minority interests in existing subsidiaries, and investment in a new subsidiary (BBV08) generated non-cash gains of €4.1m, being effected at acquisition prices below fair value.
- Excluding these one-off items, the operating result was 6.4m, 21% below the previous year. General administrative expenses increased notably to €1.8m compared with €1.4m in the previous year. The new growth initiatives generated additional consulting fees during the period while the anticipated increase in expenses required to support FVI's growth ambitions appears to be faster than we had anticipated. The increase in personnel costs also reflects variable compensation benefits for the board.
- The reduction in the operating result was significantly offset by a reduction in net interest expense, resulting from lower average debt as well as a lower cost of debt. At €2.3m this was 15% lower than in H114.
- The statutory IFRS net profit was €6.3m or €0.59 per share on a fully-diluted basis compared with €2.1m or €0.23 per share in H114. In addition to the other factors referred to above, non-controlling interest as a share of the subsidiary profits was also lower, reflecting FVI's increased ownership.
- Underlying profit on an EPRA basis (or FFO), which excludes the one-off gains and valuation movements, was €2.1m or €0.20 per share on a fully-diluted basis compared with €2.5m/€0.26 in the prior year.
- Net assets were €117.0m on both an IFRS and an EPRA basis compared with €78.3m and €79.2m respectively at 31 December. The change reflects the profit for the period, €2.3m of dividends paid, and net proceeds of €34.7m from the May 2015 capital increase. In per share terms, and after payment of €0.25 per share in dividends to existing shareholders before the capital increase, EPRA NAV was €8.34 compared with €8.49 at 31 December.
- Reflecting the fact that FVI is yet to fully invest and leverage the proceeds of the capital increase, the REIT equity ratio (of shareholders' equity to 'immovable'/property assets) was 59.4% compared with 49.2% at 31 December.
- Earnings and dividend guidance has been provided for 2015 and 2016. Implicit in this guidance is management's expectation that it will continue to acquire non-controlling interests in subsidiary companies, substantially eliminating these by the end of 2016. We discuss this in more detail in the financial section on page 7. For 2015, the management board expects FFO before non-controlling interests to be in the range of €9.8-10.2m, and within a range of €6.9-

7.2m after non-controlling interests. Using average shares of 12.38m, based on the current share count of 14.03m, this equates to FFO of €0.56-0.58 per share. For 2016 management expects FFO before non-controlling interests to be in the range of €11.0-11.5m, and within a range of €10.0-10.5m after non-controlling interests. Based on the current share count, this equates to FFO of €0.71-0.82 per share. On this basis, dividends per share are guided to €0.25 in 2015 (unchanged on 2014 but on an increased number of shares and corresponding to the targeted c 50% pay-out of FFO) and €0.36-0.41 in 2016. We have reduced our 2015 dividend forecast to €0.25 per share (from €0.28), in line with management guidance, but we have left our 2016 forecast at €0.28 per share. This is based on our estimates for the business as it stands today, not yet reflecting management's intended actions (see financial section on page 7).

- The guidance above refers to FVI on a stand-alone basis. It should be noted that on 31 July Deutsche Mittelstand Real Estate (Demire) announced its intention to make a voluntary public takeover offer for FVI. FVI management has welcomed the approach as a way to accelerate its growth ambitions, subject to a formal bid confirming an acceptable exchange ratio of Demire shares for FVI shares. We discuss the potential combination in depth on page 4.

Progress on growth plans

Having taken advantage of improved conditions in the German commercial real estate market to accelerate the reorganisation of its existing portfolio, H115 saw FVI put in place the capital resources to fund the first stages of its growth strategy. In January it raised €8.5m with a non-dilutive convertible issue and in May raised €34.7m net of expenses in a capital increase priced at €7.9 per share.

FVI has indicated that that it will seek to grow its directly-owned portfolio, increase its ownership of existing subsidiaries while continuing to optimise its portfolios and seeking to liquidate them entirely where appropriate, and invest in new participations in closed-end real estate funds where it is able to consolidate these.

During H115, FVI added a hotel property in Dresden to its directly owned portfolio, acquiring it for €9.0m (less than the end-2014 fair value of €9.9m) from the IC15 subsidiary. It has also announced its agreement to acquire three additional properties from the IC13 subsidiary, in Langenfeld, Neubrandenburg, and Potsdam. These acquisitions have since completed at an investment cost of €17.5m (end-2014 book value of €18.6m).

FVI's ownership in six existing subsidiaries was increased. It acquired 329 individual investments from co-partners in the closed end funds at a cost of c €3.1m, including transaction costs. The €1.7m difference between the acquisition cost and the c €4.8m of net assets acquired was reported as a one-off gain in the IFRS profits.

The acquisition of a new majority (54.1%) investment in the closed-end real estate fund BBV08 was effective from 30 June, adding one new subsidiary. We previously wrote at length about this investment in our update note, although FVI's eventual holding is slightly higher than indicated at the time. The €2.2m difference between the total acquisition cost of €8.6m and the €10.8m of net assets acquired was reported as a one-off gain in the IFRS profits. At the time of the acquisition, FVI said it expected a c €1.0m recurring uplift to FFO after non-controlling interests on an annualised basis.

FVI states that it has invested c €27.7m in these initiatives, or nearly two-thirds of the €43.4m proceeds from the convertible bond and capital increase. In its calculation it includes the €9.0m Dresden hotel investment, the €3.1m invested in existing subsidiaries, the €8.6m investment in BBV08, and the repayment of €7.0m of relatively expensive (5.0% margin) debt. On this basis, the

completion of the further investment of €17.5m (in the 3 IC13 properties) would effectively see all of the convertible bond and equity raised proceeds invested. However, we prefer to look at how much potential remains for investment by utilising an appropriate amount of gearing leverage alongside the equity proceeds.

It is clear from management's forward-looking guidance that it expects to make further significant acquisitions of non-controlling interests in existing subsidiaries and/or acquire for direct ownership further properties from subsidiary portfolios. This looks for non-controlling interests of €2.9-3.0m in 2015 and between zero and €1.0m in 2016. In H115, non-controlling interests were an underlying €1.9m and we estimate that the newly consolidated subsidiary BBV08 will add c €1.0m pa.

We discuss this in detail in the financial section on page 7 and conclude that our existing estimates (that do not assume further investment) and management guidance are both consistent and that the latter is within FVI's financial resources.

Proposed combination with Demire

On 31 July, FVI and Deutsche Mittelstand Real Estate (Demire) jointly announced their intention to seek a combination by way of a voluntary public exchange offer for all of the shares of FVI. Demire has indicated that it intends to offer two new Demire shares for each FVI share, by way of a capital increase in kind and subject to approval by its shareholders at an EGM scheduled for 14 September.

At the time of the announcement, the proposed exchange ratio represented a 37.2% premium to the FVI share price as at 30 July, and a 27.6% premium to the trade-weighted share price of the previous three months. At current prices, the implied value of the potential offer (two Demire shares at €4.40) is a c 10% premium to the FVI share price. Demire management believes that this premium is justified by the potential for additional value creation that the deal offers. If approved by Demire shareholders at the EGM, it is expected that an offer document will be available to FVI shareholders on or around 28 September, and FVI management is expected to provide its formal response around mid-October. If accepted by a majority of FVI shareholders, completion by the end of the year is targeted. The offer will be dependent upon 50.1% acceptance and capped at 94.9% to avoid the triggering of land transfer tax. FVI shareholders representing 23.21% of the share capital have given irrevocable acceptances. These include the subsidiaries of Obotritia Capital (a 22.1% shareholder), founded by FVI supervisory board chairman, Rolf Elgeti, and Kienzle Vermoegensverwaltungs, controlled by the deputy chairman of the FVI supervisory board, Dr Oscar Kienzle.

FVI management has welcomed the proposed combination, believing the two companies to be complementary and that the scale of the enlarged group will provide operational and financial synergies.

Demire has been rapidly executing strategic refocus

Following significant changes in ownership, Demire (formerly known as Magnat Real Estate) has since the middle of 2013, been focused on creating a cash-generating German commercial real estate investment portfolio, supported by asset management initiatives. As Magnat, the company had followed a strategy of real estate development in markets surrounding the Black Sea and in Eastern Europe. The execution of the strategic re-alignment has been rapid. The recently reported Q215 results showed the core investment portfolio at €399m as of 30 June 2015, but this has since increased with the completion of the acquisition of Gutenberg-Galerie in Leipzig, and will reach a pro forma €684m (source: August FVI management presentation available at www.fvreit.de) on

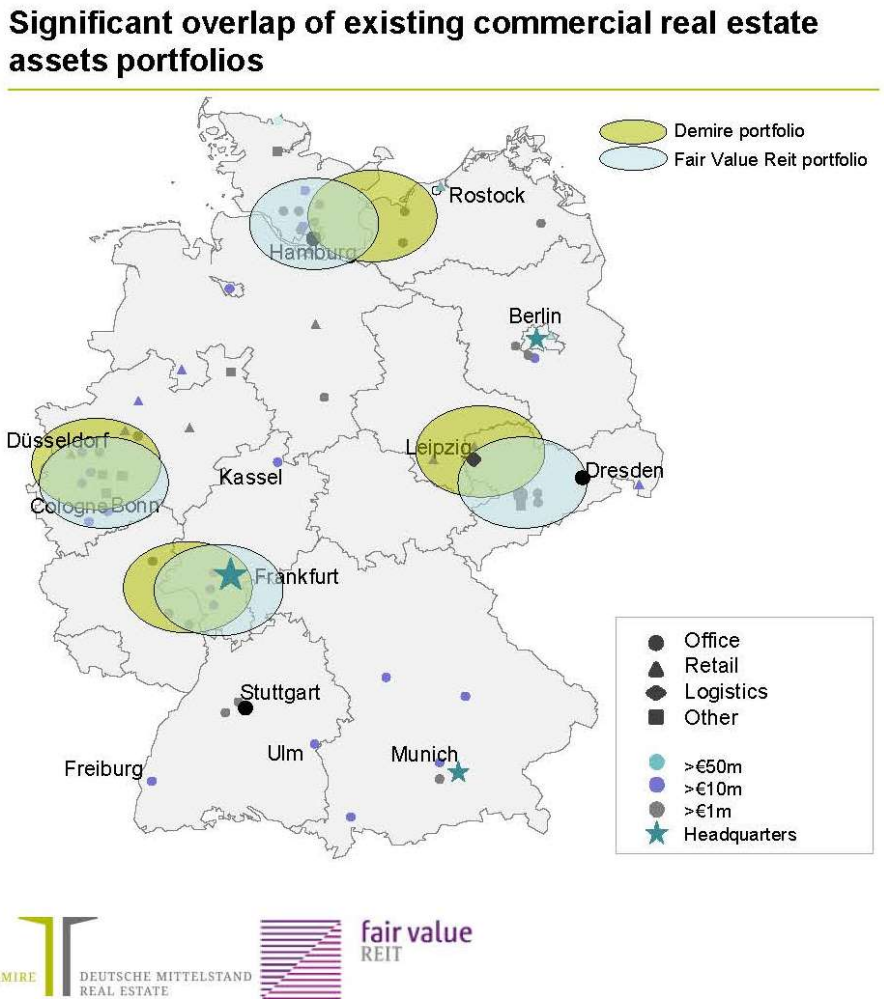
completion of two other agreed transactions. These are the acquisitions of the Kurfürsten Galerie in Hesse, and a portfolio of six properties all let to Deutsche Telekom (the 'T6 portfolio').

Non-core assets of €2.4m relating to the previous business strategy remained as at 30 June.

Creating a significant commercial real estate player

The combination of FVI (Q215 gross investment assets of €306m) and Demire (pro forma gross investment assets of €684m) would create a focused German commercial real estate player with c €1 billion gross assets under management. There is complementarity of the two portfolios both geographically and by sector. We have relied extensively on the FVI management presentation referred to above for the analysis that follows. Exhibit 1 shows the significant geographic overlap of the two portfolios.

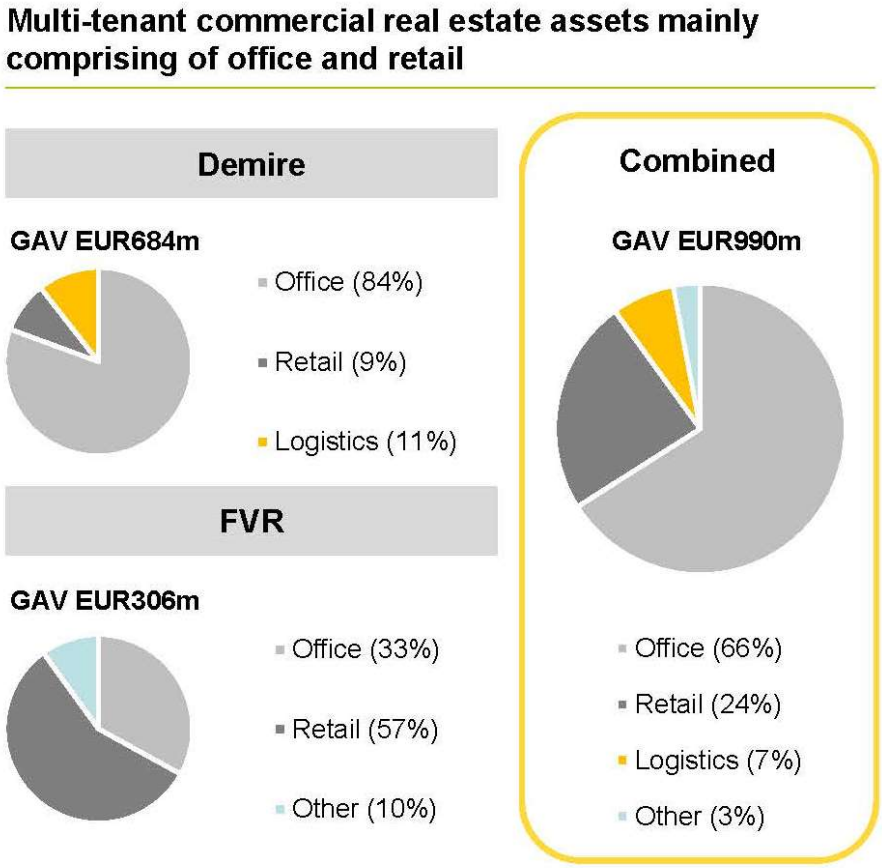
Exhibit 1: Pro forma geographic profile



Source: FVI management presentation

In terms of sector focus, FVI has a predominance of retail properties in its portfolio while Demire has a predominantly office portfolio. Exhibit 2 shows the current and pro forma sector splits.

Exhibit 2: Pro forma sector focus by gross asset value (GAV)



Source: FVI management presentation.

The combination would further diversify the tenant base of each of the companies and the pro forma average weighted lease term of 5.7 years is longer than the 4.7 years for FVI stand-alone as at 30 June.

Individually and combined, both companies plan for additional growth. FVI is notable for its track record in sourcing attractively priced investments in the c €50bn closed-end investment fund space. Post investment, its strategy for further value creation is to gradually increase its ownership and control, again at attractive prices, allowing it to optimise the portfolios of the fund investments, by third-party disposal or by directly buying out the properties, and eventually to liquidate the fund completely. Over the past two years, Demire has also shown itself able to source and execute on direct investments.

In order to seize opportunities and grow its investment portfolio, Demire has taken on more leverage than FVI for whom debt is limited by its REIT status and where (as we discuss above) it is yet to fully invest and leverage the proceeds of its May 2015 capital raising. Given its lower leverage, FVI has also been able to rely substantially on bank debt, mostly floating rate at increasingly low interest rate margins. When considering the proposal from Demire, FVI's shareholders will need to weigh up the fact that the combined entity will have both higher leverage (a pro forma LTV of 66% compared with 44% for FVI stand-alone) and a higher cost of debt (4.2% versus 2.7% for FVI stand-alone). However, as we have shown above, the combined entity will have a larger asset base that as well as offering the potential to deliver cost synergies, should also, in management's view, be capable of delivering cash flow for further debt reduction while providing a solid covenant to support debt cost reduction. Management says that the combined entity will target a medium-term LTV in the range of 50-60%. Moreover, with Demire's greater use of longer-

term fixed-rate funding, the average pro forma duration of debt is longer than for FVI stand-alone, with a greater fixed rate element.

Exhibit 3: Key pro forma balance sheet metrics

	Demire	FVI	Combined
Gross assets	684	306	990
Gross financial debt	530	180	710
Cash	14	46	60
Net financial debt	516	134	650
LTV	75%	44%	66%
Average cost of debt	4.7%	2.7%	4.2%

Source: FVI management presentation

The enhanced scale of the combined entity is best illustrated by a comparison of market capitalisation with quoted German peers, shown in Exhibit 7 on page 9.

Financials and estimate revisions

Having previously increased our estimates (in July) for the accretive impact of the BBV08 transaction, we have made further revisions to take account of the interim results and the recently announced direct investment in properties previously owned by subsidiaries. The latter has a positive effect, even though the assets are already full consolidated, in that 1) it eliminates the non-controlling interest in the earnings; and 2) allows the subsidiaries to repay debt out of the cash transferred, on which FVI was earning relatively little. We estimate that this adds c €1.0m to FFO or c 8 cents per share on an annualised basis. This is partially offset in our revised forecasts by a reduction in our assumed net rental income forecast and a faster build up in the group administrative costs (to support the growth strategy) than we had allowed. We have also revised our 2015 dividend per share forecast in line with guidance.

Our estimates include no further investments, due to the difficulty in predicting when these may be made and on what terms. However, it is clear from management's guidance that it expects to make further significant investments, the most obvious impact of which seems to be a further reduction in non-controlling interest compared with our estimates. This may be effected by further acquisitions of non-controlling interests and/or by additional direct investment in properties currently owned by subsidiaries.

Exhibit 4: Estimate revisions

	Net rental income (€m)			FFO/EPRA EPS (c)			EPRA NAV (€)			DPS (€)		
	New	Old	% change	New	Old	% change	New	Old	% change	New	Old	% change
FY15e	18.1	18.3	(1.1)	44.4	42.1	5.5	8.62	8.69	(0.8)	0.25	0.28	(10.7)
FY16e	19.4	19.9	(2.6)	47.8	44.8	6.7	8.81	8.86	(0.6)	0.28	0.28	0.0

Source: Edison Investment Research

FVI has the financial flexibility for significant further investment, without the need to raise additional equity. The REIT equity ratio was 59.4% at 30 June, well ahead of the minimum 45%. Based on a 45% ratio, the 30 June net assets would support immovable (property) assets of c €400m, compared with the current €306m. The ratio of net debt to investment assets (a measure of LTV) was 43.6% compared with 55.7% at the end of 2013, suggesting considerable room for additional gearing.

Significant further upside in forecasts towards guidance

FVI guidance implies that by the end of 2016, non-controlling interests are likely to have been substantially eliminated. We would anticipate management actions to include a combination of additional direct investment into subsidiary-owned properties, increased ownership of subsidiaries, further non-core asset sales, and subsidiary liquidations with potential positive expense benefits.

This provides the potential for material upside compared with our estimates that are based upon the current business structure.

Exhibit 5: Edison estimates have upside to management guidance

	2015e		2016e	
	Our estimate	FVI guidance	Our estimate	FVI guidance
FFO before non-controlling interests	10.0	9.8-10.2	11.9	11-11.5
Non-controlling interests	(4.5)	(2.9-3.0)	(5.1)	(1.0-0.0)
FFO attributable to shareholders	**5.5**	**6.9-7.2**	**6.8**	**10.0-11.5**
FFO per share	0.44	0.56-0.58	0.47	0.71-0.82
Dividend per share	0.25	0.25	0.28	0.36-0.41

Source: Company data, Edison Investment Research

Due to the uncertainty as to what measures management may actually undertake, when and on what terms, we have not attempted to simulate this.

However, we do believe that FVI has the financial resources to achieve its targets and in Exhibit 6 we show a very simplified illustration of how our 2016 FFO estimates would change, on an annualised basis, assuming FVI were to acquire all outstanding non-controlling interests at the end of 2016, and liquidate the underlying subsidiaries. Clearly this will not happen in one go and will be the result of numerous transactions during 2015 and 2016. However, we hope to demonstrate that our forecasts for the business as it currently stands are consistent with the range of outcomes guided to by management. The significance of liquidating the subsidiaries is that this would eliminate a layer of administration cost relating solely to the subsidiary entities. In 2014 this was €1.4m and we forecast €1.0m in 2016 based on the current group structure. In the illustration, this cost saving broadly covers the assumed interest cost on the debt that we assume would be raised to fund the investment. The assumed investment at a 20% discount to NAV is in line with recent experience. As a result, based upon our 2016 estimate and on an annualized basis, non-controlling interests are zero and net attributable income on an EPRA basis (FFO) is €11.5m, at the top of the range of management guidance. Because this is the annualised effect and management actions will be staggered over the next 18 months, the effective outcome would be lower and likely within the range of management guidance of €10.0-11.5m attributable FFO.

Exhibit 6: Illustrative buyout of non-controlling interests (NCI)

Estimated non-controlling interest	61.0
Assumed discount	20%
Investment required	48.8
Interest cost @ 3%	(1.5)
Subsidiary admin costs	1.0
Existing EPRA basis profit (FFO) estimate pre NCI	11.9
Existing NCI estimate	(5.1)
Existing EPRA basis net income (FFO) estimate	**6.8**
Adjusted EPRA basis profit (FFO) estimate pre NCI	11.5
Adjusted NCI estimate	0.0
Adjusted EPRA basis net income (FFO) estimate	**11.5**
Estimated 2016 net debt	129.8
Add investment	48.8
Adjusted 2016 net debt	178.7
Estimated 2016 investment portfolio	305.6
Estimated net debt as % investment portfolio	42.5%
Adjusted net debt as % investment portfolio	58.5%

Source: Company data, Edison Investment Research

If acquired at a discount of 20%, this investment would generate additional one-off, non-cash gains of c €12m. The implied net debt to investment asset ratio, at 58.3% is not materially different from the level at the end of 2013.

Valuation

Exhibit 7 shows a valuation comparison with peers. It is important to note that the table includes our revised base case forecasts for FVI, and excludes the significant further potential uplift from additional investment that is implied by management guidance. On this basis FVI is on a similar P/B and P/E ratio versus peers, although its dividend yield is a little lower. However, as we show above, further investment has the potential to significantly lift both EPS and, by implication, the earnings yield on NAV. Bloomberg estimates are not available for Demire, and given the rapid development of the group we do not believe that historic data provides a good insight.

Exhibit 7: Peer valuation comparison

	Price	Market cap	P/E		Yield		P/NAV	
	€	£m	2015e	2016e	2015e	2016e	2015e	2016e
Alstra Office	11.7	1,003	15.4	14.8	4.6%	5.0%	1.0	0.9
DEMIRE	4.3	117						
Deutsche Office	4.4	782	13.3	13.0	4.0%	4.2%	0.9	0.9
DIC Asset	8.0	553	20.5	23.7	4.4%	4.4%	0.7	0.7
Hamborner	8.7	546	39.9	24.4	4.7%	5.2%	1.2	1.4
TLG Immobilien	16.6	1,018	15.6	14.8	4.9%	5.3%	1.1	1.1
VIB Vermogen	17.0	428	12.8	11.9	3.2%	3.4%	1.1	1.0
Fair Value	8.0	112	18.9	17.8	4.4%	5.2%		
Average		570	19.5	17.2	4.3%	4.7%	1.0	1.0

Source: Edison forecasts (FVI), Bloomberg consensus (others). Note: Prices as at 10 September 2015

If instead we take the mid-point of management guidance (FFO per share of €0.57 in 2015 and €0.765 in 2016) it would give a 2015 P/E of 14.0x and a 2016 P/E of 10.5x. On a similar basis, the 2015 yield of 3.1% increases to a possible 4.8% in 2016 (range of 4.6% to 5.2% on company guidance).

Should the proposed combination with Demire proceed to completion, we estimate that using the aggregate current market capitalisations of FVI and Demire on a stand-alone basis as a proxy for the market capitalisation of the combined entity, the near-term P/B would be a little higher than for FVI, and we would expect the near-term dividend yield to be significantly lower (possibly no dividend at all) as the new entity focuses on debt reduction. We will review these numbers in detail at a later stage when (indeed if) a formal offer document becomes available. The rationale for an FVI shareholder to accept this near term valuation effect would be the potential for enhanced returns and faster growth from the combined entity looking forwards.

Exhibit 8: Financial summary

Year ending December	€m	2013	2014	2015e	2016e
		IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue		36.4	30.1	29.3	31.0
Net property expenses		(13.3)	(12.5)	(11.2)	(11.7)
Net rental income		23.1	17.6	18.1	19.4
Administrative expenses		(3.3)	(2.9)	(3.5)	(3.5)
EBITDA		19.8	14.7	14.6	15.8
Revaluation of inv. Property		(14.0)	(7.5)	0.6	0.0
Net resuly from sale of inv. Property		(0.7)	(0.7)	(0.0)	0.0
Net other income & expenses		(0.0)	(0.6)	4.2	0.0
EBIT		5.0	5.9	19.4	15.8
Associates		1.5	0.0	0.0	0.0
Net Interest		(12.7)	(5.0)	(4.4)	(3.9)
Profit Before Tax (IFRS)		(6.2)	0.8	15.0	11.9
Minority interests		0.9	(0.9)	(4.4)	(5.1)
Net income (IFRS)		(5.2)	(0.0)	10.5	6.8
EPRA adjustments:					
Net other operating income and expense		0.0	0.6	(4.4)	0.0
Revaluation of inv. Property		14.0	7.5	(0.6)	0.0
Net result from sale of inv. Property		0.7	0.7	0.0	0.0
Associates		0.1	0.0	0.0	0.0
Net Interest		3.9	0.0	0.0	0.0
Minority interests		(7.1)	(4.4)	(0.1)	0.0
Profit Before Tax (norm)		6.4	4.4	5.5	6.8
Average Number of Shares Outstanding (m)		9.3	9.3	12.5	14.2
EPS - normalised (c)		68.7	47.2	44.4	47.8
Dividend per share (€)		0.25	0.25	0.25	0.28
BALANCE SHEET					
Non-current assets		292.5	277.9	315.3	315.3
Investment property		292.3	267.7	305.6	305.6
Equity accounted investments		0.0	0.0	0.0	0.0
Other non-current assets		0.2	10.2	9.7	9.7
Current Assets		53.4	34.0	24.9	24.9
Trade receivables		2.5	3.0	2.7	2.7
Cash		17.4	14.6	19.6	19.6
Assets held as available for sale		19.6	13.2	0.0	0.0
Other		13.9	3.2	2.6	2.6
Current Liabilities		(70.9)	(61.0)	(30.6)	(30.2)
Trade payables		(2.2)	(2.3)	(1.4)	(1.4)
Short term borrowing		(64.6)	(54.2)	(25.0)	(24.6)
Other		(4.1)	(4.6)	(4.1)	(4.1)
Long Term Liabilities		(128.7)	(112.5)	(127.7)	(125.4)
Long-term debt		(126.6)	(110.9)	(127.1)	(124.8)
Derivative financial liabilities		(2.1)	(1.0)	0.0	0.0
Provisions and other		(4.1)	(4.6)	(4.1)	(4.1)
Net Assets		146.3	138.3	182.0	184.6
Minorities		(65.6)	(60.0)	(61.0)	(61.0)
Shareholders' equity		80.7	78.3	120.9	123.6
EPRA adjustments:					
Market value of derivative financial instruments (net of minorities)		1.9	0.9	0.0	0.0
EPRA adjusted NAV		82.6	79.2	120.9	123.6
Period end number of shares (m)		9.3	9.3	14.0	14.0
IFRS NAV per share (€)		8.65	8.39	8.62	8.81
EPRA NAV per share (€)		8.86	8.49	8.62	8.81
CASH FLOW					
Operating Cash Flow		14.7	10.8	12.0	10.7
Net Interest		(11.9)	(4.7)	(4.6)	(3.9)
Tax		0.1	0.0	0.0	0.0
Acquisitions/disposals		29.1	22.4	(11.0)	0.0
Financing		0.0	0.0	34.8	0.0
Dividends		(0.9)	(2.3)	(2.3)	(3.5)
Other		(2.3)	(2.8)	(10.6)	0.1
Net Cash Flow		28.7	23.3	18.2	3.4
Opening net debt/(cash)		202.6	173.8	150.5	132.3
HP finance leases initiated		0.0	0.0	0.0	0.0
Closing net debt/(cash)		173.8	150.5	132.3	128.9

Source: Edison Investment Research

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