



SALE OF ALDI TUTTLINGEN

In a productive last quarter of 2013 MAS purchased Attacq's share of the Karoo Fund, increasing the portfolio size to nearly R1.5billion. MAS agreed the sale of one of the six buildings in Germany occupied by low-cost food retailer Aldi at a significant profit. In addition, not only did MAS get the green light from City of Edinburgh Council for the development of its 63 000 m² project in January of this year, but it also signed up two hotels with the UK's foremost hotel operator as part of its first phase. And last but not least, MAS has also gained the expertise of the highly experienced Jonathan Knight who will be heading up its investment portfolio.

IP 10 DEVELOPMENT

The City of Edinburgh Council only days ago – on Wednesday, 29 January – approved the detailed plans for MAS's £150 million development of one of the last open spaces in the historic centre of the city. The decision means that work on the first phase of the redevelopment could start as early as June this year.

The site is to be transformed into a new pedestrian-friendly urban centre mixing open public spaces with independent retailers, restaurants, hotels and leisure offerings – as well as new homes and offices.

The development has elicited enormous interest from potential tenants, both from the UK and abroad. The first lease contract was signed in December with Whitbread Group plc, the UK's largest hotel group and a FTSE 100 company. This is for two hotels, to be managed by the Premier Inn and Hub brands. Construction work on the two

The company exchanged contracts on the sale of one of the six Aldi stores, located in the town of Tuttlingen, Baden-Württemberg. The transaction price was just over €3 million, compared to a book value of €2.16 million, netting MAS a healthy profit. The sale also confirms the latent value in the high-quality sites selected in the original sale-and-leaseback transaction with Aldi.



hotels, which will occupy adjacent positions on the site, is expected to be completed by the end of 2015.

The two new hotels will be a 127-room Premier Inn and a 130-room Hub by Premier Inn. The latter is Whitbread's new "high-tech micro-concept" hotel, which will be the first of its kind outside London. It will also be the first hotel in the UK with its own app which will allow guests to control temperature, lighting and TV from their smart phones. Both hotel leases are on 20-year fully repairing and insuring lease terms.

ACQUISITION OF KAROO SHARES

MAS has acquired over 41% of the Karoo Fund previously owned by Attacq, which recently listed on the main board of the JSE. The Karoo Fund owns a high-quality portfolio of both listed and unlisted property assets in Germany and the UK. This is a transformational transaction for the company, offering a healthy return and boosting NAV to over €100 million. This acquisition also paves the way for a move by MAS to the main board of the JSE in the coming months.

The transaction increases the company's exposure to European property while cementing its relationship with principal shareholder Attacq. This deal offers a number of significant benefits for both the long-term growth of the company and improved investor returns as the increased scale of the business will reduce fixed costs per share.

Karoo offers exposure to a number of particularly appealing assets at large discounts to the NAV of the fund and underlying asset share prices. These assets include a direct holding in the Waterside shopping centre in Lincoln in the UK (whose famous medieval cathedral was the tallest building in the world for over 200 years). Waterside, Lincoln's major shopping centre, is currently undergoing a multi million pound transformation.

Of particular interest is Karoo's investment in Sirius Real Estate, a German business-park owner listed on AIM, the London Stock Exchange's international market for smaller companies. Karoo provides a unique opportunity to gain exposure to this recovery story. The company is an owner of significant commercial workspace in Germany.

JONATHAN KNIGHT JOINS AS CHIEF INVESTMENT OFFICER

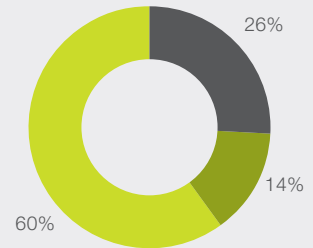
Jonathan Knight has joined our executive team and will be responsible for the investment portfolio. Jonathan has more than 25 years' experience in the real estate industry, most recently as a director of ING Bank in London and Amsterdam where he was responsible for multiple European and global real estate projects and portfolios. Although not a statutory appointment to the board of MAS, as CIO, he will play a key role in the company's plans to further expand its real estate interests and move to the main board of the JSE.

CAPITAL RAISE

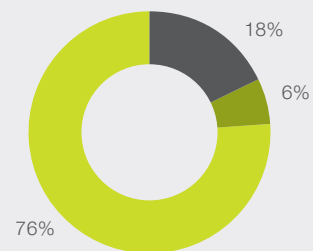
On the back of our success in 2013, we are undertaking a capital raising exercise in February, subject to the necessary regulatory approvals. The purpose of the capital raising is to allow investors to increase their exposure to MAS and to enable the company to continue taking advantage of the strong investment opportunities in our target markets.

Should you require further information please do not hesitate to contact our company secretary, Helen Cullen. She can be reached on +44 1624 625 000. Her email address is helen@masrei.com.

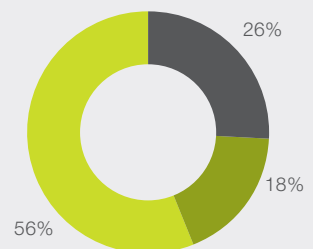
PORTFOLIO OVERVIEW (EUROS)



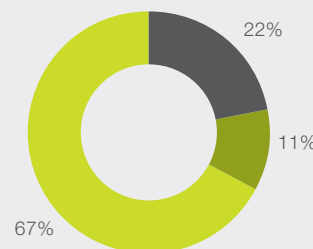
Gross property by value



Property equity¹



Gross rentals



Net rentals (after interest)



¹Property equity is the property value less the amount of bank debt borrowed against the property

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