

PRELIMINARY RESULTS FOR THE YEAR TO 30 JUNE 2019

Dublin, 14 August, 2019 – Green REIT plc, (“Green REIT” or the “Company”), the Irish property investment company, today announces its results for the year ended 30 June 2019.

KEY FINANCIALS

	30 June 2019	30 June 2018	Change
EPRA Earnings (Underlying net rental profit)	€44.6m	€36.9m	+21%
Profit after Tax*	€91.8m	€144.2m	-36%
Portfolio Value	€1,533.7m	€1,424.4m	+8%
Property LTV	18.6%	15.5%	3.1pps
IFRS NAV	€1,305.0m	€1,251.6m	+4%
EPRA EPS	6.4 cent	5.3 cent	+21%
Basic EPS	13.1 cent	20.8 cent	-37%
Dividend per share - interim	2.8 cent	2.6 cent	+8%
Dividend per share - final**	See note 9	2.7 cent	n/a
IFRS NAV per Share	186.6 cent	180.3 cent	+4%
EPRA NAV per Share	187.1 cent	178.9 cent	+5%

* Includes fair value movements on the Company's investment properties

**Please see note 9. The Company will be required, subject to remaining within the Irish REIT regime, to pay a further dividend by 31 March 2020 to bring the total dividend in respect of the year to 30 June 2019 to the minimum 85% payout level.

Portfolio Update

- Contracted annual rent of €79.4 million at 30 June 2019 (30 June 2018: €71.7 million), or €83.0 million when rental income from lettings with terms agreed are included
- WAULT of 8.5 years (30 June 2018: 8.8 years)
- EPRA vacancy rate of 5.7% (30 June 2018: 4.4%), or 1% when lettings with terms agreed are also included
- Portfolio now comprises 87% offices, 9% logistics and 4% mixed use, by value
- Terms agreed for the retail space at One Molesworth Street, at an annual rent of €505,000, which will bring the building to full occupancy, delivering a total rent of €5.85 million per annum
- Building I in Central Park completed in April 2019. Genesis Aircraft Services have signed a lease for the top two floors of the building (2,410 square metres (25,941 square feet)), for 20 years and with a tenant break at year 12. The Company has recently agreed terms with a party for the balance of Building I, extending to 7,260 square metres (78,117 square feet). Subject to

completion of this lease, the total annual rent from Building I will be approximately €3.5 million, 13% ahead of our most recent annual rent projection in February 2019 of €3.1 million.

Development Update

- Bunzl unit (10,700 square metres (115,000 square feet)) at Horizon Logistics Park commenced in February 2019 and is due for completion in Q1 of 2020 with an annual rent of €1.14 million
- Kuehne+Nagel triggered their options for an extension to the unit delivered to them in Horizon Logistics Park in April 2018 by 7,400 square metres (80,000 square feet), which is under construction and due for completion in Q1 of 2020. The annual rent on the extension will be approximately €0.71 million, subject to final measurement when built, with no rent free period
- Agreement signed with Vortex Aviation for unit D4 at Horizon Logistics Park at an annual rent of €0.43 million, on 4,160 square metres (44,800 square feet), for 20 years with first tenant break at year 10, and with nine months' rent free. Vortex Aviation is an aircraft maintenance company and part of the Kellstrom Group (US)
- The completion of the units under construction at Horizon Logistics Park will bring the total number of units to 13, increasing the annual contracted rent to €6.5 million, or to €7.0 million including units D6 and D7 (on the assumption that they are leased at their current ERVs)
- Planning consent granted in June 2019 for a 15,300 square metre (165,000 square feet) unit at Horizon Logistics Park
- Planning application submitted in July 2019 for 47,364 square metres (509,826 square feet) of new office space over three new blocks at Central Park, in excess of previous estimate of 37,200 square metres (400,000 square feet) of lettable space

Gary Kennedy, Chairman of Green REIT plc, commented: *“This has been another year of growth in our rental income and underlying earnings, with further positive contributions from our development schemes and asset management initiatives to the Company’s income base. Our contracted annual rent is now up to €79.4 million, or €83.0 million when lettings from lease deals with terms agreed are included, representing an increase of 10% on the last reported contracted annual rent on 31 December 2018 of €75.5 million.”*

RECOMMENDED OFFER

As noted in the Sales Process Update announcement dated 31 July 2019, the independent committee of the Board entered into discussions with an affiliate of Henderson Park Capital Partners UK LLP (which together with its affiliates shall be referred to as “Henderson Park”) regarding a possible offer to be made by Henderson Park for the issued, and to be issued, share capital of Green REIT.

The independent committee of the Board of Green REIT has now reached agreement with Henderson Park, on the terms of a recommended cash offer pursuant to which HPREF Dublin Office Bidco Limited (“Bidco”), an indirect wholly owned subsidiary of the Henderson Park Funds, will acquire the entire issued and to be issued share capital of the Company. Consequently, Bidco will imminently announce a firm intention to make an offer for Green REIT under Rule 2.5 of the Irish Takeover Rules.

Press enquiries

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About Green REIT plc

Green REIT plc is an Irish Real Estate Investment Trust (“**REIT**”) and is listed on the Irish and London Stock Exchanges. The Company was the first REIT established in Ireland following the introduction of REIT legislation by the Irish Government. The Company’s stated strategy is to create a property portfolio consisting primarily of commercial property in Ireland to deliver income and capital growth through opportunistic investments, active property management and prudent use of debt finance. Please visit www.greenreitplc.com.

This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of Green REIT is Niall O’Buachalla, Company Secretary. The date and time of this announcement is the same as the date and time it has been communicated to the media.

Responsibility statement

The directors of Green REIT accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act 1997, Irish Takeover Rules 2013 (the “**Irish Takeover Rules**”), if any person is, or becomes, ‘interested’ (directly or indirectly) in, 1% or more of any class of ‘relevant securities’ of Green REIT, all ‘dealings’ in any ‘relevant securities’ of Green REIT (including by means of an option in respect of, or a derivative referenced to, any such ‘relevant securities’) must be publicly disclosed by not later than 3.30pm (Irish/UK time) on the ‘business’ day following the date of the relevant transaction. This requirement will continue until the date on which the ‘offer period’ ends. If two or more persons cooperate on the basis of any agreement, either express or tacit, either oral or written, to acquire an ‘interest’ in ‘relevant securities’ of Green REIT, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

A disclosure table, giving details of the companies in whose ‘relevant securities’ ‘dealings’ should be disclosed, can be found on the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie.

Interests in securities arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an ‘interest’ by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020.

Further Information

In accordance with Rule 19.9 of the Irish Takeover Rules, a copy of this announcement will be available on the Company’s website at www.greenreitplc.com by no later than 12 noon on the business day following this announcement. The content of any website referred to in this announcement is not incorporated into, and does not form part of, this announcement.

This announcement is not intended to, and does not, constitute or form part of (1) an offer or invitation to purchase or otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of any securities, (2) the solicitation of an offer or invitation to purchase or otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of any securities, or (3) the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise.

The release, publication or distribution of this announcement in, into, or from, certain jurisdictions other than Ireland and the United Kingdom may be restricted or affected by the laws of those jurisdictions. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into, or from any such jurisdiction. Therefore persons who receive this announcement (including without limitation nominees, trustees and custodians) and are subject to the laws of any jurisdiction other than Ireland and the United Kingdom who are not resident in Ireland or the United Kingdom will need to inform themselves about, and observe any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

J.P. Morgan Securities plc (which conducts its UK and Ireland investment banking business as J.P. Morgan Cazenove) is authorised in the United Kingdom by the Prudential Regulation Authority (the “PRA”) and regulated by the PRA and the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Green REIT and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Green REIT for providing the protections afforded to clients of J.P. Morgan or its affiliates, or for providing advice in relation to any matter referred to herein.

J&E Davy (“Davy”), which is authorised and regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Green REIT and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Green REIT for providing the protections afforded to clients of Davy or for providing advice in connection with the matters referred to in this announcement.

No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company. No statement in this announcement constitutes an estimate of the anticipated financial effects of an acquisition of the Company, whether for the Company or any other person. Copies of the valuation opinions required under Rule 29.1(a) of the Irish Takeover Rules in relation to any asset valuations contained in this announcement will be contained in the firm offer announcement to be issued by Bidco.

Green REIT plc
Consolidated statement of comprehensive income

		Year Ended 30 June 2019			Year Ended 30 June 2018			
		<i>Notes</i>	Underlying pre-tax	Capital and other	Total	Underlying pre-tax	Capital and other	Total
			€'000	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	2	81,860	-	81,860	78,866	-	78,866	
Rental income	2	69,919	-	69,919	67,906	-	67,906	
Property Expenses	2	(3,195)	-	(3,195)	(2,548)	-	(2,548)	
Net rental and related income	2	66,724	-	66,724	65,358	-	65,358	
Net movement on fair value of investment properties	5	-	52,891	52,891	-	109,186	109,186	
Investment Manager								
- base fee	17	(12,789)	-	(12,789)	(11,834)	-	(11,834)	
- performance fee	17	-	-	-	(7,773)	-	(7,773)	
Administrative expenses		(2,431)	-	(2,431)	(2,060)	-	(2,060)	
Sales Process Costs	3	-	(1,849)	(1,849)	-	-	-	
Operating profit		51,504	51,042	102,546	43,691	109,186	152,877	
Finance (expense)/income	4	(6,940)	(3,848)	(10,788)	(6,790)	(1,853)	(8,643)	
Profit on ordinary activities before taxation		44,564	47,194	91,758	36,901	107,333	144,234	
Income tax		-	-	-	-	-	-	
Profit for the year after taxation		44,564	47,194	91,758	36,901	107,333	144,234	
Other comprehensive income		-	-	-	-	-	-	

Total comprehensive income for the year attributable to the shareholders of the Company		44,564	47,194	91,758	36,901	107,333	144,234
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Basic earnings per share (cent)	10			13.1			20.8
Diluted earnings per share (cent)	10			13.1			20.6
EPRA earnings per share (cent)	10			6.4			5.3
				<u> </u>			<u> </u>
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The accompanying notes are an integral part of these financial statements.

Green REIT plc
Consolidated statement of financial position
as at 30 June

		2019	2018
Assets	<i>Note</i>	€'000	€'000
Non-current assets			
Investment properties	5	1,533,671	1,424,428
Financial Assets	6	-	389
Trade and other receivables	7	31,666	32,062
Total non-current assets		1,565,337	1,456,879
Current assets			
Trade and other receivables	7	7,609	4,541
Restricted Cash		4,502	-
Cash and cash equivalents		49,244	48,470
Total current assets		61,355	53,011
Total assets		1,626,692	1,509,890
Equity			
Share capital	8	69,946	69,435
Share premium		663,022	655,760
Performance fee share reserve		-	7,773
Retained earnings		572,072	518,647
Equity attributable to shareholders of the Company		1,305,040	1,251,615
Liabilities			
Current liabilities			
Amounts due to investment manager – base fee		3,250	3,115
Trade and other payables	12	30,171	24,745
Borrowings	13	-	70,534
Total current liabilities		33,421	98,394

Non-current liabilities			
Borrowings	13	283,788	149,652
Financial Liabilities	6	3,459	-
Other Payables	12	984	10,229
Total non-current liabilities		288,231	159,881
Total liabilities		321,652	258,275
Total equity and liabilities		1,626,692	1,509,890
Basic net asset value per share (cent)	11	186.6	180.3
Diluted net asset value per share (cent)	11	186.6	178.9
EPRA net asset value per share (cent)	11	187.1	178.9

The accompanying notes are an integral part of these financial statements.

Green REIT plc
Consolidated statement of changes in equity

	Share capital €'000	Share premium €'000	Perfor mance fee share reserve €'000	Retain ed earnin gs €'000	Tota l €'00 0
At 30 June 2017	69,035	650,478	5,682	426,984	1,152,179
Total comprehensive income for the year					
Profit for the year to 30 June 2018	-	-	-	144,234	144,234
Transactions with owners, recognised directly in equity					
Investment Manager – performance fee shares issued	400	5,282	(5,682)	-	-
Investment Manager – performance fee share reserve	-	-	7,773	-	7,773
Dividends paid	-	-	-	(52,571)	(52,571)
At 30 June 2018	69,435	655,760	7,773	518,647	1,251,615
Total comprehensive income for the year					
Profit for the year to 30 June 2019	-	-	-	91,758	91,758
Transactions with owners, recognised directly in equity					
Investment Manager – performance fee shares issued	511	7,262	(7,773)	-	-
Investment Manager – performance fee share reserve	-	-	-	-	-
Dividends paid	-	-	-	(38,333)	(38,333)

At 30 June 2019	69,946	663,022	-	572,072	1,305,040
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The accompanying notes are an integral part of these financial statements.

Green REIT plc
Consolidated statement of cash flows
for the year ended 30 June

		2019	2018
	<i>Note</i>	€'000	€'000
Cash flows from operating activities			
Profit for the year		91,758	144,234
Adjustments for:			
– Net movement on revaluation of investment properties	5	(52,891)	(109,186)
– Net movement on revaluation of financial assets	4	3,848	1,853
– Finance expense	4	6,940	6,790
– Investment Manager – performance fee		-	7,773
– Increase in lease incentives	7	(4,395)	(8,510)
		45,260	42,954
Changes in:			
– trade and other receivables	7	1,732	(2,436)
– current liabilities and base fee due	12	5,561	5,779
– long term other payables	12	(9,246)	3,005
Cash generated from operating activities		43,307	49,302
Interest paid		(6,071)	(5,869)
Cash inflow from operating activities		37,236	43,433
Cash flows from investing activities			
Acquisition of investment properties		(767)	(13,467)
Capital expenditure on properties		(56,595)	(75,421)
Proceeds from sale of investment properties	5	1,169	155,161
Transfer to restricted cash		(4,502)	-
Net cash generated (used in)/from investing activities		(60,695)	66,273
Cash flows from financing activities			

Dividends paid	(38,333)	(52,571)
Drawdowns under revolving credit facility	154,018	82,138
Costs associated with revolving credit facility	(1,643)	-
Repayments under revolving credit facility	(89,809)	(139,600)
Net cash inflow/(outflow) from financing activities	24,233	(110,033)
Net increase/(decrease) in cash and cash equivalents	774	(327)
Cash and cash equivalents at beginning of year	48,470	48,797
Cash and cash equivalents at end of year	49,244	48,470

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1 Basis of preparation and significant accounting policies

Basis of preparation

The financial information in this announcement was approved by the Board of Directors on 14 August 2019 and does not comprise statutory financial statements for the year ended 30 June 2019, within the meaning of the Companies Acts 2014. The financial information has been derived from the group financial statements for the year ended 30 June 2019, which will be finalised, reported on by the auditors, published on the Group's website and filed with the Companies Registration Office in due course.

These consolidated unaudited financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board, and the Companies Act 2014. All accounting policies are consistent with the prior year as detailed in the 2018 annual report, with the exception of the adoption of IFRS 9 and IFRS 15, which did not have a material impact.

2 Gross and net rental and related income	2019	2018
	€'000	€'000
Gross rental and related income		
Gross rental income	69,231	57,731
Spreading of tenant lease incentives/rent free periods	688	10,175
Service charge income	11,941	10,960
Gross rental and related income	81,860	78,866
Service charge expenses	(11,941)	(10,960)
Property operating expenses	(3,195)	(2,548)
Net rental and related income	66,724	65,358

3 Sales process costs

2019	2018
€'000	€'000

Total sales process costs	1,849	-
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Sales process costs are legal and professional costs relating to the ongoing sales process and are of a non-routine nature.

In the case of a successful conclusion to the sales process the financial advisors of the Company will be entitled to a success fee.

Green REIT plc
Notes (continued)

4 Finance expense	2019	2018
	€'000	€'000
Loan interest	(4,528)	(5,362)
Swap payments	(542)	-
Commitment fees	(829)	(356)
Loan cost amortisation	(1,037)	(1,068)
Bank fees and other costs	(4)	(4)
	(6,940)	(6,790)
Fair value movement of interest rate swaps	(3,848)	(1,853)
Net finance expense	(10,788)	(8,643)

5 Investment properties

	2019	2019	2019	2018	2018	2018
	Investme nt Property	Developmen t Property	Total	Investmen t Property	Developme nt Property	Total
	€'000	€'000	€'000	€'000	€'000	€'000
At beginning of year	1,409,448	14,980	1,424,428	1,307,096	74,325	1,381,421
Additions:						
- Acquisitions including related costs	767	-	767	13,467	-	13,467

- Capital additions	5,847	50,907	56,754	4,378	71,137	75,515
Reclassification to development	(1,274)	1,274	-	(5,604)	5,604	-
Reclassification to investment	66,997	(66,997)	-	197,500	(197,500)	-
Disposals	(1,169)	-	(1,169)	(155,161)	-	(155,161)
Change in fair value	40,355	12,536	52,891	47,772	61,414	109,186
Balance at 30 June	1,520,971	12,700	1,533,671	1,409,448	14,980	1,424,428

The market value of the Group's investment properties, as determined by the Group's external valuers, differs from the value presented in the balance sheet due to the Group presenting tenant lease incentives separately.

The €67 million reclassification between development property and investment property relates mainly to Building I in Central Park, with the remainder relating to a number of units in Horizon Logistics Park.

6 Derivative financial (liability)/asset	2019	2018
	€'000	€'000

Total derivative financial (liability)/asset	(3,459)	389
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The derivative financial asset represents interest rate hedges entered into in respect of the Group's borrowings.

7 Trade and other receivables

	2019	2018
	€'000	€'000

Current

Tenant lease incentives	4,495	3,703
Trade receivables	1,222	747
Other receivables	1,892	3,569

	7,609	8,019
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Non-Current

Tenant lease incentives	30,136	26,533
Other receivables	1,530	2,051

	31,666	28,584
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Total trade and other receivables	39,725	36,603
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8 Share capital

Authorised and issued share capital

	2019	2018
<i>Ordinary shares of €0.10 each</i>	Number	Number
Authorised	1,000,000,000	1,000,000,000
Allotted, called up and fully paid		
Issued for cash	666,969,696	666,969,696
Issued to settle 2015 Performance Fee	13,895,291	13,895,291
Issued to settle 2016 Performance Fee	9,482,718	9,482,718
Issued to settle 2017 Performance Fee	4,007,197	4,007,197
Issued to settle 2018 Performance Fee	5,114,736	-
In issue at 30 June	699,469,638	694,354,902

On 5 October 2018, the Company issued 5,114,736 shares to the Investment Manager. These shares were issued to meet the Company's obligation with respect to the performance fee payable in respect of the year ended 30 June 2018.

9 Dividends

In accordance with the Irish REIT regime, the Group is required, subject to having sufficient distributable reserves, to distribute to its shareholders (by way of dividend), at least 85% of the Property Income of the Property Rental Business arising in each Accounting Period. For the year ended 30 June 2019 the Property Income of the Property Rental Business of the Group is calculated as follows:

	2019	2018
	€'000	€'000
Profit for the period after taxation	91,758	144,234
Less net movement on fair value of investment properties	(52,891)	(109,186)
Net movement on fair value of financial assets	3,848	1,853

Property Income of the Property Rental

Business	42,715	36,901
85% thereof (minimum dividend payable)	36,308	31,366

The Board declared a dividend on 18 September 2018, in respect of the year to 30 June 2018, of 2.7 cent per share, or €18.7 million, which was paid on 19 October 2018, bringing the total dividends paid for that year to 5.3 cent per share, or 100% of the Property Income. On 1 April 2019 the Company paid a dividend of 2.8 cent per share, or €19.6 million, in respect of the six months to 31 December 2018. The Company will be required, subject to remaining within the Irish REIT regime, to pay a further dividend by 31 March 2020 to bring the total dividend in respect of the year to 30 June 2019 to the minimum 85% level set out above.

10 Earnings per share

Basic and diluted earnings per share

Profit attributable to ordinary shareholders

	2019	2018
	€'000	€'000
Profit for the period, attributable to the owners of the company	91,758	144,234
EPRA adjustment		
– deduction of fair value movement on investment properties	(52,891)	(109,186)
– addition of fair value movement on financial assets	3,848	1,853
– addition of non-routine sale process costs	1,849	-
EPRA Earnings	44,564	36,901

Weighted average number of ordinary shares

	2019	2018
	Number	Number
Effect of shares in issue on 1 July	694,354,902	690,347,705
Effect of performance fee shares issued	4,007,711	3,172,822
Weighted average number of ordinary shares - basic	698,362,613	693,520,527
Performance fee shares payable – dilutive effect	-	5,114,736
Weighted average number of ordinary shares - diluted	698,362,613	698,635,263
Basic earnings per share (cent)	13.1	20.8
Diluted earnings per share (cent)	13.1	20.6

EPRA Earnings per share (cent)	6.4	5.3
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Green REIT plc
Notes (continued)

11 Net asset value per share

	2019	2018
Net assets as at 30 June ('000)	€1,305,040	€1,251,615
EPRA Adjustment – Add/(Deduct) fair value of financial derivatives ('000)	€3,459	(€389)
EPRA Net Assets as at 30 June ('000)	€1,308,499	€1,251,226
Ordinary shares in issue at 30 June	699,469,638	694,354,902
Performance fee shares issuable	-	5,114,736
Ordinary shares including Performance Fee shares issuable	699,469,638	699,469,638
Basic NAV per share (cent)	186.6	180.3
Diluted NAV per share (cent)	186.6	178.9
EPRA NAV per Share (cent)	187.1	178.9

EPRA NAV per Share excludes the net mark to market adjustment to the value of financial instruments which are used for hedging purposes and where the Company has the intention of keeping the hedge position until the end of the contractual duration and is calculated on a fully diluted basis.

12 Trade and other payables	2019	2018
	€'000	€'000
Accrued expenditure	12,060	8,438
Deferred income and income received in advance	7,906	8,224
Trade Creditors	445	1,006
Provision for Service Charge	2,032	1,188
VAT	1,257	461
Other creditors	6,471	5,428
Total trade and other payables - current	30,171	24,745
Long term other creditors	983	10,229
	31,154	34,974

13 Borrowings

	2019	2018
	€'000	€'000
Current		
Revolving credit facility	-	70,534
Non-current		
Bank of Ireland Central Park facility	149,923	149,652
Revolving credit facility	133,865	-
Total borrowings	283,788	220,186

The increase in borrowings during the period is as a result of drawdowns to fund the ongoing development capital expenditure programme.

14 Subsequent events

On 15 April 2019, the Board of the Company announced that, following a comprehensive and carefully considered review of the strategic options available to the Company to maximise value for its shareholders, it had taken a decision to initiate a process for the sale of the Company or its portfolio of assets. This was primarily due to the persistent and structural discount in its share price relative to its underlying net asset value. Initial proposals were received based upon publicly available information, with selected interested parties invited to carry out further due diligence and submit “best and final” bids no later than Thursday 25 July 2019. Having assessed the bids received as part of the sales process in detail, with the assistance of its advisers, the Company announced on 31 July 2019 that an independent committee of the Board had entered into discussions with an affiliate of Henderson Park Capital Partners UK LLP (“Henderson Park”) regarding a possible offer to be made by Henderson Park for the issued, and to be issued, share capital of the Company. The completion of any offer would be subject to customary conditions for an offer for an Irish public company. The independent committee of the Board has now reached agreement with Henderson Park, on the terms of a recommended cash offer pursuant to which HPREF Dublin Office Bidco Limited (“Bidco”), an indirect wholly owned subsidiary of the Henderson Park Funds, will acquire the entire issued and to be issued share capital of the Company. Consequently, Bidco will imminently announce a firm intention to make an offer for Green REIT under Rule 2.5 of the Irish Takeover Rules.

15 Capital commitments

The Group has entered into a number of development contracts to develop buildings at various locations. The total capital commitment, for contracts entered into at the 30 June 2019, over the next 12 to 24 months is €26.8 million.

16 Contingent liabilities

As stated in Note 3 (Sales Process Fees), the financial advisors of the Company will be entitled to a success fee upon completion of a sale of the Company.

17 Related party transactions

(a) Subsidiaries

The Company’s subsidiaries are detailed in the 2018 Annual Report.

The Company transacts with its 100% owned and controlled subsidiaries and has provided them with the necessary funding to facilitate the acquisition of the assets that now form part of the Group’s overall assets.

(b) Investment Manager - Green Property REIT Ventures DAC

Green Property REIT Ventures DAC is a related party by virtue of providing key management services to the Company. These services are set out in the IMA entered into on 12 July 2013.

Investment Manager role and responsibilities

The Investment Manager identifies possible property acquisitions for, and opportunities with a view to investment by, the Company by reference to the Company’s investment policy and strategy and will be entitled to consult with professional advisers to assist it. Further information is included in our annual report.

17 Related party transactions (continued)

(b) Investment Manager - Green Property REIT Ventures DAC (continued)

Base fee

The base fee is paid to the Investment Manager in cash quarterly in arrears. The base fee in respect of each quarter is calculated by reference to 1% per annum of EPRA NAV for that quarter. The total base fee earned by the Investment Manager in the period amounted to €12.8 million (2018: €11.8 million).

Performance fee

The performance fee is designed to incentivise and reward the Investment Manager for generating returns to shareholders. Further information is included in the 2018 annual report.

No performance fee (2018: €7.7m) was earned for the year ended 30 June 2019 as the required hurdle was not reached.

Shareholding

At 30 June 2019, Green Property REIT Ventures held 32,499,942 ordinary shares in the Company. These shares were issued in full settlement of the performance fees for the years to 30 June 2015, 2016, 2017 and 2018.

(c) Directors and key management personnel

The key management personnel of the Company are its Directors. During the year to 30 June 2019, the Company incurred Directors' fees, including taxes and expenses of €0.45 million (2018: €0.3 million). There is no other Director or key management compensation paid by the Company.

EPRA Performance Measure	Unit	Definition of Measure	Jun-19	Jun-18
EPRA Earnings	€'000	Recurring earnings from core operational activities	44,564	36,901
EPRA Earnings per share ('EPRA EPS')	Cents	EPRA earnings divided by the weighted average basic number of shares	6.4	5.3
Diluted EPRA EPS	Cents	EPRA earnings divided by the diluted weighted average number of shares	6.4	5.3
EPRA Net Asset Value ('EPRA NAV')	€'000	Net assets adjusted to exclude the fair value of financial instruments	1,308,499	1,251,226
EPRA NAV per share	Cents	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	187.1	178.9
EPRA triple net assets ('EPRA NNNAV')	€'000	EPRA net assets amended to include the fair value of financial instruments and debt	1,305,040	1,251,615
EPRA NNNAV per share	Cents	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	186.6	178.9
EPRA cost ratio including vacancy costs	%	Administrative and operating costs, including direct vacancy costs, divided by gross rental income. Costs include Investment Manager base and performance fees.	26.3%	35.7%
EPRA cost ratio excluding vacancy costs	%	Administrative and operating costs, excluding direct vacancy costs, divided by gross rental income. Costs include Investment Manager base and performance fees.	25.2%	34.9%
EPRA vacancy rate	%	ERV of non-development vacant space as a percentage of ERV of the whole portfolio of non-development space	5.7%	4.4%
EPRA Net Initial Yield (NIY)	%	Annual passing rents at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of income producing property, increased by estimated purchasers' costs.	4.5%	3.9%
EPRA 'topped-up' NIY	%	EPRA NIY adjusted for the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents.)	4.6%	4.7%

APPENDIX – EPRA PERFORMANCE MEASURES

Forward-looking Statements

This preliminary announcement may contain certain forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this announcement. The Company will not undertake any obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new information or otherwise except as required by law or by any appropriate regulatory authority.