



ROCKCASTLE

GLOBAL REAL ESTATE COMPANY LIMITED

REVIEWED SUMMARISED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND WITHDRAWAL OF CAUTIONARY

for the three and twelve months ended 30 June 2016

Incorporated in the Republic of Mauritius Reg no 108869 C1/GBL ISIN MU0364N00003

Primary listing SEM (SEM code Rock.N0000) and JSE (JSE code ROC) ("Rockcastle" or "the Company" or "the Group")

DIRECTORS' COMMENTARY

1 STRUCTURE AND LISTING

Rockcastle is a Category One Global Business Licence Company registered in Mauritius. The Company has primary listings on both the Stock Exchange of Mauritius Ltd ("SEM") and the Johannesburg Stock Exchange ("JSE"). Its objectives are investing in direct property in Central and Eastern Europe as well as listed real estate securities globally.

Shareholders were provided with the option of electing to receive shares in lieu of cash for the six months ended 31 December 2015 interim dividend. Over 90% opted to take the scrip dividend resulting in the issue of 18.45 million new shares.

2 DISTRIBUTABLE EARNINGS

The Board has declared a dividend of 4.782 USD cents per share for the six months ended 30 June 2016. This represents an increase of 8.2% over the comparable prior period and is within the guidance of between 8% and 10%.

3 OPTION TO RECEIVE A SCRIP DIVIDEND

Subject to final regulatory approvals, shareholders will be given the option to receive their dividend either in cash or as a scrip dividend at a ratio of 1.937 new shares for every 100 shares held.

A circular containing details of this election, accompanied by announcements on the Stock Exchange News Service ("SENS") of the JSE as well as the website of the SEM will be issued in due course.

4 COMMENTARY

Global property markets have continued to show strong momentum although there are numerous signs of easing in the developed economies. Uncertainty is set to remain heightened and therefore volatility can be expected to continue for a prolonged period.

The result of the UK's EU referendum worsened sentiment significantly across the region with the decline most pronounced in the depreciation of the British pound and the valuation of UK REITs. The pound fell to a 31-year low to the US dollar and continues to trade at this level as a result of the structural uncertainty of the UK's unprecedented exit from the European Union. Another consequence of this surprising result by UK voters is that the interest rate regime is now certain to remain lower for longer supporting demand for all higher yielding investments. With many equity markets, especially the US, now at all-time highs valuations are vulnerable to a correction. In addition, the extraordinary political environment prevailing globally means that investors remain more cautious and bearish than normal.

Both global real estate listed companies, with the notable exception of those in the UK, and bonds are trading at historically low yields. Direct property asset capitalisation rates will therefore also compress further but this may not happen across all asset classes. Secondary assets will continue to trade at widening discounts to those of premium assets in primary markets. Rockcastle's net asset value per share increased from USD1.46 to USD1.70 for the 12-month period ended 30 June 2016 mainly as a result of the appreciation of the listed securities portfolio. The Company continues to focus on growing its net asset value and its dividend-paying capacity for the 2016 financial year.

The Company's strategy to focus on investing in direct properties and developments has resulted in these assets increasing from approximately 17% to 23% of total investment assets during the six-month period. An additional USD140 million was invested in retail property in the Czech Republic and Poland in the last six months. The increase in exposure to direct property provides the Company with the flexibility to concentrate its listed security portfolio on a core number of property stocks that meet Rockcastle's distribution growth, market capitalisation and liquidity requirements.

LISTED SECURITY PORTFOLIO

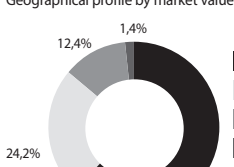
Management's proactive decision in Q1 of 2016 to reduce gearing as well as the Company's investment bias towards the US, UK and European markets has provided substantial protection from market volatility. This was most evident in the aftermath of the UK's EU Referendum result crisis where the defensive positioning of the portfolio proved its quality.

The listed security portfolio is focused on large, liquid counters which dominate their markets and consistently outperform their competitors. Investments in Singapore and Australia were sold down and proceeds rotated into Europe and the UK as well as into direct assets in Poland and the Czech Republic. Rockcastle's investments in UK REITs, Hammerson, British Land and Land Securities were negatively affected by the market's reaction to the unexpected result of the UK's EU Referendum, however the Company's strategy to match underlying gearing against these investments in base currency resulted in a more muted currency impact. Subsequent to the reporting period the prices of these companies have largely recovered and Rockcastle has been able to take advantage of this temporary depreciation to increase its investment in these counters at attractive prices. Management maintain their view that these companies will continue to provide consistent distribution growth.

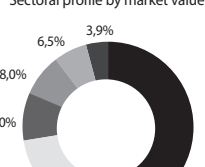
The low levels of gearing currently being maintained by the Company are in anticipation of several large direct property acquisitions anticipated to be completed by the end of 2016.

Listed security portfolio composition

Geographical profile by market value



Sectoral profile by market value



Listed security portfolio composition

The following table indicates the Group's top 10 investment holdings by market value as at 30 June 2016:

Company	Sector	Jurisdiction	Market value as at Jun 2016 (USD Million)
Simon Property	Retail	USA	377.4
Hammerson	Retail	UK	372.6
Unibail Rodamco	Retail	Europe	229.6
Prologis Inc	Industrial	USA	226.6
Ventas Inc	Healthcare	USA	167.5
Avalonbay Communities Inc	Residential	USA	147.2
Host Hotels & Resorts Inc	Hotel	USA	119.3
KIMCO	Retail	USA	103.6
Land Securities Group	Other/Diversified	UK	38.0
British Land Co plc	Other/Diversified	UK	34.1

DIRECT PROPERTY

Central and Eastern Europe

During the last six months the Company has continued to expand its CEE executive management team and to apply the relevant asset management efficiencies and value creation strategies to its existing retail centres acquired in late 2015. Positive benefits from this operational rollout are already evident in the turnovers and financial results of the assets. The combined value of the Company's existing assets in Poland and the Czech Republic is now approximately USD\$19 million and represents a substantial deployment of capital to our direct property portfolio.

Rockcastle's recent entry into the retail sector in the Czech Republic represents a significant milestone in the Company's ambitions to extend its reach into other countries in the region. Although Warsaw is intended to be the operational headquarters of the region, various asset management and leasing resources will be allocated in-country. Numerous opportunities in Poland, the Czech Republic and Hungary enable the Company to leverage off this operational platform. The focus continues to be on established assets as well as increasing the development pipeline to position the business advantageously for the future. Substantial additional capital is expected to be invested in the region as a result of these initiatives.

Updates on Acquisitions and Developments

Forum Liberec Shopping Centre - Czech Republic

In June 2016, Rockcastle concluded an agreement with Tesco Holdings B.V. and Tesco Stores a.s. to acquire the Forum Liberec shopping centre. The shopping centre has a GLA of 46 816m² and opened for trading in February 2009. Liberec is one of the largest cities in the country, has a population of over 100 000 and is the centre of the Liberec region with approximately 440 000 inhabitants. It benefits from well-developed infrastructure and is a popular tourist destination. With an annual footfall of over 12 million, Forum Liberec has the highest footfall in the region and it is located in the city centre with excellent public transport connectivity.

The shopping centre is tenanted by strong retailers including: Cinema City, C&A, Datar, Gant, H&M, Lindex, New Yorker, Nord Blanc, Norma, ProBrest, Reserved, Sportissimo, Tesco and Tiger. Management believes that the tenant profile can be further strengthened which will enhance the mall's dominance and enable it to grow its income into the future. A substantial refurbishment and new retail leasing plan will be executed in the next 12-18 months.

The aggregate purchase price was approximately EUR80 million.

Platan Retail Park - Poland

On 1 June 2016, Rockcastle concluded a transaction to purchase the retail park adjoining Platan Shopping Centre in Zabrze, Poland ("Platan"). The retail park has a GLA of 3 277m² and is situated on 11 026m² of land. This acquisition will enable Rockcastle to extend Platan's GLA from 25 336m² to approximately 37 000m² in order to meet tenant demand. The various permits and planning approvals required have been applied for and are expected to be granted in mid-2017.

The purchase price was approximately EUR4.8 million.

Developments

Galeria Wolomin

The development, located in the City of Wolomin 30km outside Warsaw, is scheduled to be opened in October 2016. The retail centre which is expected to be 95% let on opening will be 25 000m², anchored by a 5 691m² Carrefour hypermarket and tenants include CCC, Cropp, H&M, KFC, Martes Sport and B&B. Due to tenant demand construction will start on the second phase of the development (Retail Park) of 6 500m² which is expected to be completed in Q1 of 2017. Road and infrastructure upgrades in progress by the local authorities are scheduled to be completed in March 2017 and are expected to substantially benefit the shopping centre and its catchment area. The completed development cost will be EUR50 million at a budgeted initial yield of 8%. The centre was re-designed after acquisition to accommodate the construction of a cinema and extension of the food court to cater for tenant demand.

Galeria Tomaszow

The Group's 85% owned 18 500m² retail project being developed in the city of Tomaszow Mazowiecki, 120km south west of Warsaw, will open in October 2016. The mall will be 95% let at opening and anchored by French grocer Intermarche and tenants include CCC, Cropp, Deichmann, H&M, House, Peppco, Reserved, Rossmann, RTV EURO AGD and Sinsay. The original size of the centre has been increased to accommodate a cinema operator which is expected to enhance the leisure and lifestyle offering. The completed development cost is expected to be EUR30 million representing a projected initial yield of 9%.

Existing shopping centres

The shopping centres acquired in late 2015 namely, Karolinka, Platan, Pogoria and Solaris have a combined retail GLA of approximately 150 000m² and offer potential expansion opportunities of at least 40 000m² in the future. All have shown a marked improvement in tenant turnovers in 2016 and their performances are expected to benefit from strong Polish retail sales growth as well as numerous asset management strategies currently being implemented. Extension and refurbishment plans for all centres are currently progressing and it is expected that work at Platan and Solaris will commence in Q3 of 2017.

ZAMBIA

During the six-month period, the 26 000m² GMA Cosmopolitan Mall in Lusaka, Zambia opened. Rockcastle acquired its 50% interest in the centre at a yield of 9.5% on completion. The mall is anchored by Game and Shoprite, and includes Ackermans, Edgars, Foschini, Inscor, Jet, Mr Price, Pep, Truworths and Woolworths as tenants. On 24 June 2016 an agreement to sell Rockcastle's 50% effective interest in the mall was entered into with Mara Delta Property Holdings Limited. The sale is subject to competition commission approval in Zambia as well as Mara Delta Property Holdings Limited obtaining shareholder approval. These conditions must be met by 28 October 2016 and Rockcastle has received a non-refundable deposit of USD3 million towards the transaction proceeds.

5 POST RESULTS ACQUISITIONS

BONARKA CITY CENTRE (KRAKOW, POLAND)

Rockcastle has concluded a preliminary agreement with Trios Dutch Holdings B.V. to acquire Bonarka City Center Sp. z o.o. and Energis Sp. z o.o., the owner and energy management company respectively of Bonarka City Centre situated in Krakow, Poland. The shopping centre, with a GLA of 92 425m², 20 620 m² of which is owned under separate ownership by Auchan, opened for trading in 2009.

Krakow is the second largest city in Poland with a population of 760 000 and a regional catchment area of 1.1 million people. It is the main tourist city in Poland and benefits from the influx of 10 million tourists p.a. and an international airport which handles 4.2 million people p.a. The City's local authority is ranked A- by S&P which is the highest achieved score by any local authority in Poland. It has an unemployment rate of 5%, being half the national average and its economy is geared towards high technologies and modern business services. Krakow ranked 1st in Europe and 9th in the world in the best locations for service centres category in a recent international survey. It has the lowest retail density compared to other major Polish cities and is second only to Warsaw in average vacancy rates.

With an annual footfall of over 14.5 million people in 2015, Bonarka is the largest retail centre in the catchment area. It is located in a dominant location in the South of Krakow with excellent access to major motorways. The shopping centre is anchored by Auchan and tenanted by 270 retailers including C&A, CCC, Deichmann, H&M, Leroy Merlin, Mango, Megasport, New Yorker, Peek & Cloppenburg, Reserved, TK MAXX, ZARA and Cinema City (20 screens). It offers customers a choice of 30 restaurants and cafes and provides 3 200 parking spaces. It has produced consistent growth in footfall and turnovers since opening and a below market average rent-to-sales ratio.

The aggregate purchase price of approximately EUR361 million is subject to a closing balance reconciliation on the effective date, being the date on which the various conditions precedent have been fulfilled or waived, and represents an acquisition yield of 5.4%. It will be settled by the taking over of existing financing arrangements in place of EUR191 million and the balance from Rockcastle's existing cash resources. The transaction is subject to various conditions precedent. The transaction is categorised as a category 2 transaction in terms of the JSE Listings Requirements and is considered as an acquisition in the ordinary course of business of Rockcastle and will not trigger the provisions of Chapter 13 of the SEM listing rules.

AVIVA-FOCUS PORTFOLIO

Rockcastle has concluded preliminary agreements with Focus Park Zielona Gora Sp. z o.o. and Focus Park Piotrkow Trybunalski Sp. z o.o. to acquire the shopping centres known as Focus Park Zielona Gora and Focus Mall Piotrkow Trybunalski.

1. FOCUS PARK - ZIELONA GORA, POLAND

The shopping centre, with a GLA of 26 800m² opened for trading in 2008 and is the largest retail destination in the town. Zielona Gora is a city with a population of 138 000 inhabitants and is a joint-capital city of the region populated by over 1 million inhabitants. It is one of two places in Poland with wine grape cultivation and has a university and a College of International Trade and Finance with 18 000 students studying in the city. It has one of the lowest unemployment rates in Poland of only 6.8% against the national average of approximately 9%.

RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS

	Reviewed for the twelve months ended 30 Jun 2016 USD'000	Audited for the twelve months ended 30 Jun 2015 USD'000
Basic earnings – profit for the period attributable to equity holders	245 309	10 132
Adjusted for:		
- fair value gain on investment property	(4 822)	-
- fair value adjustment on sale of interest in joint ventures	706	-
- fair value gain on investment property of joint ventures	-	(4 814)
Headline earnings	241 193	5 318
Headline earnings per share (USD cents)	26.66	0.69

Rockcastle has no dilutionary instruments in issue.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital USD'000	Retained income USD'000	Minority interest USD'000	Non-distributable reserves USD'000	Currency translation reserve USD'000	Total USD'000
Audited for the twelve months ended 30 June 2015						
Opening balance	871 154	131 714	-	(19 684)	-	983 184
Issue of shares	277 242	-	-	-	-	277 242
Dividends declared	32 274	(62 508)	-	-	-	(30 234)
Exchange differences on translation of foreign operations	-	-	-	-	804	804
Profit for the period	-	10 132	-	-	-	10 132
Transfer to non-distributable reserves	-	104 263	-	(104 263)	-	-
Balance at 30 June 2015	1 180 670	183 601	-	(123 947)	804	1 241 128
Reviewed for the twelve months ended 30 June 2016						
Opening balance	1 180 670	183 601	-	(123 947)	804	1 241 128
Shares issued and cum distribution portion on issue during the period	94 783	3 378	-	-	-	98 161
Dividends declared	75 934	(81 730)	-	-	-	(5 796)
Equity contributed by minorities	-	-	295	-	-	295
Reclassification of exchange differences on joint ventures on sale of investments	-	(1 657)	-	-	-	(1 657)
Exchange differences on translation of foreign operations	-	-	-	-	1 672	1 672
Profit for the period	-	245 309	(179)	-	-	245 130
Transfer to non-distributable reserves	-	62 482	-	(62 482)	-	-
Balance at 30 June 2016	1 351 387	411 383	116	(186 429)	2 476	1 578 933

RECONCILIATION OF PROFIT FOR THE PERIOD TO DIVIDEND DECLARED

	Reviewed for the twelve months ended 30 Jun 2016 USD'000	Audited for the twelve months ended 30 Jun 2015 USD'000
Profit for the period	245 130	10 132
Foreign exchange (gain)/loss	(12 969)	77 935
Fair value loss on bond shorts	-	11 421
Fair value gain on investment property	(4 822)	-
Fair value gain on listed security investments	(183 852)	(21 142)
Unrealised fair value loss/(gain) on interest rate derivatives	35 768	(5 331)
Dividends received from listed security investments and related income	(80 249)	(77 931)
Accrued income from listed securities investments	85 229	76 962
Loss/(income) from joint ventures	706	(5 892)
Distributable income from joint ventures	-	1 163
Adjustment to taxation for accrued income	28	-
Shares issued cum dividend	1 632	3 102
Minority interest	179	-
Distributable earnings for the period	86 780	70 419
Less:		
Interim dividend declared	(42 260)	(32 943)
Final dividend declared	(44 520)	(37 476)
	-	-

Zielona Gora is located approximately 410 kilometres to the west of Warsaw. It is linked to the national motorway system via the S3 express road connecting to Berlin and Warsaw. Focus Park is located in the south western fringe of the town centre at the crossing of an inner city bypass road allowing for convenient access to the centre by public access and car. The Property is served by an adjacent open-air car park offering 950 spaces.

The two-storey centre benefits from a balanced footfall with the main pedestrian access situated on the northern side of the bottom level and the car park access on the southern side of the upper level as a result of the favourable slope of the land. Being the only modern retail destination in town, Focus Park experiences rolling vacancy only from permanent lease renewals. It has an annual footfall of 5.4 million people and 0.8% vacancy. Key tenants include Alma, Bershka, C&A, CCC, Deichmann, Empik, H&M, New Yorker, Reserved, Rossmann, Smyk, Cinema City, KFC & McDonalds.

The site allows for a shopping centre extension of approximately 12 000m² GLA, which can be increased, if favourable changes in the local master plan are introduced. It is Rockcastle's intention to apply for the necessary permit approvals to undertake the extension which is being driven by high tenant demand.

2. FOCUS MALL – PIOTRKÓW TRYBUNALSKI, POLAND

Situated in central Poland, Piotrków Trybunalski with 75 608 inhabitants is the second largest city in the Łódźkie Voivodeship. Focus Mall was opened in 2009 and remains the only modern third generation retail destination in town. The centre offers 35 168m² GLA divided across two retail levels.

Located on the crossing of the A1 motorway and S8 expressway just 50 km to the south of Łódź and 150 km to the south-west of Warsaw, Piotrków is the key warehouse and logistic hub in Poland. Due to the well-developed road network Piotrków's location allows for fast and convenient access to main cities and industrial regions in Poland.

The biggest distribution centres in the Piotrków area are, Prologis Park, IKEA Distribution Centre, Logistic City and Poland Central.

Focus Mall is located on the western fringe of the city in the centre of a dense residential area comprising high-rise blocks of flats. The property is serviced by 8 out of the 11 bus lines operated by the local public transport authority, which allows non-motorized customers very convenient access to the shopping centre. Main pedestrian access is located on the ground level, whereas the footfall on the upper level is supplied by the multilevel car park situated at the western side of the property. The property currently has a high vacancy rate of 14% which is explained by the imminent conversion of the anchor grocer to a larger store format. Key anchors in the centre include Tesco, CCC, C&A, H&M, Martes Sport, New Yorker, Peppco, Reserved, Rossmann, Smyk, KFC and Helios Cinema.

The aggregate purchase price of the portfolio is approximately EUR161 million and is subject to closing balance reconciliation on the effective date, being the date on which the various conditions precedent have been fulfilled or waived, and represents an average acquisition yield of 6.5%. It will be settled from Rockcastle's existing cash resources. The transaction is subject to various conditions precedent usually associated with transactions of this nature.

The transaction is categorised as a category 2 transaction in terms of the JSE Listings Requirements and is considered as an acquisition in the ordinary course of business of Rockcastle and will not trigger the provisions of Chapter 13 of the SEM listing rules.

WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the cautionary announcements released on 28 May 2016 and 27 June 2016 and are advised that caution is no longer required to be exercised when dealing in the Company's securities.

CAPITAL STRUCTURE AND HEDGING

In addition to its direct holdings in shares, Rockcastle utilises equity derivatives in its portfolio. Rockcastle also utilises interest rate swaps and caps to hedge its interest rate exposures. The principal counterparties are Morgan Stanley and Bank of America Merrill Lynch. During the period a new prime brokerage relationship was launched with Goldman Sachs on competitive terms. This further mitigates the effects of counterparty concentration risk to the portfolio. The Group does not hedge its capital positions but continues to utilise gearing against the purchase of counters in the currency in which that stock is denominated. The Company has hedged out approximately 90% of its distributable income currency exposure.

Current interest rate and cap hedges are as follows:

Interest rate swaps and caps expiry (financial year)	Equivalent amount USD'000	Average swap rate
Dec 2018	80 360	0.73%
Dec 2019	80 361	0.78%
Dec 2020	61 714	0.82%
Dec 2021	44 421	0.53%
Dec 2025	243 754	1.94%
	510 610	1.31%

Direct property

Rockcastle continues to employ a strategy of acquiring assets from its equity pool and later refinancing with in-country bank funding. To this end, in August 2016 Rockcastle has concluded an agreement of a five-year facility of EUR163.6 million with a syndicate of banks including ING Bank (Poland), Deutsche Pfandbriefbank and Heuba that is secured against Karolinka Shopping Centre, Pogoria Shopping Centre and Platan Shopping Centre and has been fully hedged at an all-in cost below 1.75%. The facility is ring-fenced to the property-owning entities with no recourse to the Rockcastle parent balance sheet. The facility proceeds are earmarked for Rockcastle's new acquisitions.

Rockcastle's loan to value ratio was 33.9% as at 30 June 2016.

6 SUMMARY OF FINANCIAL PERFORMANCE

	Jun 2016	Dec 2015	Jun 2015	Dec 2014
Dividend/ distribution per share	4.782 USD cents	4,6310 USD cents	4,42 USD cents	4,28 USD cents
Shares in issue ('000)	930 994	912 540	847 862	769 700
Net asset value per share	USD 1.70	USD 1.56	USD 1.46	USD 1.50
Loan to value ratio*	33.9%	41.6%	46.9%	37.8%

* The loan to value ratio is calculated by dividing net interest-bearing borrowings less cash by investment property, listed securities and loans receivable.

7 CHANGE IN FINANCIAL YEAR-END

As announced on SENS and on the website of the SEM on 21 December 2015, Rockcastle has changed its financial year-end from 30 June to 31 December. The reason for the change is to better align the Company with the reporting deadlines of investors and the market in which the Company operates. The change in year-end will not affect Rockcastle's distribution period which will continue to be for the six-months ending 30 June and 31 December. Shareholders are referred to the announcement released on 21 December 2015 for further information.

8 CHANGES TO THE BOARD

With effect from 1 August 2016, Marek Noetzel has been appointed to the Board as an executive director.

9 OUTLOOK

The Board forecasts growth in dividends of between 11% and 13% for the six-month period to 31 December 2016 compared to the same period in 2015.

The foregoing forecast statement and the forecasts underlying such statement are the responsibility of the Board and have not been reviewed or reported on by the Group's external auditors. The forecast is based on the assumptions that a stable global macro-economic environment will prevail and no failures of listed REITs will occur.

By order of the Board

Intercontinental Trust Limited

Company Secretary

Mauritius – 11 August 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed for the twelve months ended 30 Jun 2016 USD'000	Audited for the twelve months ended 30 Jun 2015 USD'000
Cash inflow from operating activities	91 251	53 759
Cash inflow/(outflow) from investing activities	74 734	(751 235)
Cash (outflow)/inflow from financing activities	(152 665)	700 025
Increase in cash and cash equivalents	13 320	2 549
Cash and cash equivalents at beginning of period	3 035	486
Cash and cash equivalents at end of period	16 355	3 035
Current accounts	16 355	3 035

NOTES

1 PREPARATION, ACCOUNTING POLICIES AND AUDIT OPINION

The Group is required to publish financial results for the three months and the twelve months ended 30 June 2016 in terms of the Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the financial results of the Group in respect of the period from 1 April 2016 to 30 June 2016, the period from 1 July 2015 to 30 June