

NEPI Rockcastle plc

(Incorporated and registered in the Isle of Man)

(Registered number 014178V)

JSE share code: NRP

Euronext share code: NRP

ISIN: IM00BDD7WV31

(“NEPI Rockcastle” or “the company”)



CIRCULAR TO NEPI ROCKCASTLE SHAREHOLDERS IN RESPECT OF AN ELECTION TO RECEIVE EITHER A CASH DIVIDEND OR A RETURN OF CAPITAL

As previously announced, on 11 July 2017, a merger transaction between New Europe Property Investments plc (“NEPI”) and Rockcastle Global Real Estate Company Limited (“Rockcastle”) was implemented, such that NEPI Rockcastle acquired 100% of the assets and liabilities of both NEPI and Rockcastle. On 22 August 2017, NEPI Rockcastle released the unaudited condensed consolidated financial results for each of NEPI and Rockcastle for the six months ended 30 June 2017 and announced an interim dividend of 23.46 euro cents per NEPI Rockcastle ordinary share (“share” or “NEPI Rockcastle share”) in respect of the six months ended 30 June 2017 (“interim dividend”).

The board of directors has resolved to offer to NEPI Rockcastle shareholders the election to receive the interim dividend as a return of capital by way of an issue of new shares of €0.01 each (of the same class as existing shares) credited as fully paid up (“return of capital”) and/or as a cash dividend. The election is available in respect of all or part of a shareholder’s shareholdings as at Friday, 29 September 2017.

A circular to NEPI Rockcastle shareholders in respect of the election being offered to NEPI Rockcastle shareholders to receive either the cash dividend or the return of capital has been posted to shareholders on Friday, 8 September 2017 and is available on the company’s website at www.nepirockcastle.com.

Cash dividend

The cash dividend will be paid to shareholders unless a shareholder elects to receive a return of capital. Shareholders holding shares traded on the JSE will receive their cash dividend in South African Rand converted from Euro at an exchange rate to be announced on Tuesday, 26 September 2017 (“reference price”). For NEPI Rockcastle shares traded on Euronext Amsterdam, the reference price will be converted to Euro at a ZAR: EUR conversion rate announced on Tuesday, 26 September 2017, before 11:00.

The cash dividend will be paid out of the company’s distributable profits.

Return of capital

The rationale for the return of capital is to afford shareholders the opportunity to increase their shareholding in NEPI Rockcastle and to retain flexibility with regard to the company’s cash resources.

The number of NEPI Rockcastle shares to which a shareholder electing to receive the return of capital is entitled will be determined with reference to the ratio that 23.46 euro cents per share bears to a reference price of up to a 7% discount to the five-day volume weighted average traded price (less the cash dividend) of NEPI Rockcastle shares on the JSE, to be announced on Tuesday, 26 September 2017.

NEPI Rockcastle reserves the right to reduce the number of new NEPI Rockcastle shares issued to an electing shareholder in respect of the return of capital if the issue of such shareholder’s full allocation of new NEPI Rockcastle shares would result in that shareholder (individually or together with any shareholders deemed to be acting in concert with such shareholder) having an interest in new NEPI Rockcastle shares that would ordinarily require the shareholder (or group of shareholders) to make a mandatory takeover offer pursuant to any applicable takeover, capital market or equivalent legislation. In such circumstances, the shareholder will receive the balance of their entitlement as a cash dividend.

The allocation of NEPI Rockcastle shares will be such that shareholders who elect to receive the return of capital will not be allocated a fraction of a new NEPI Rockcastle share. Any entitlement to receive a fraction of a NEPI Rockcastle share will be rounded down to the nearest whole number, with a cash payment (“cash payment”) made to the relevant shareholder in respect of the fraction. The cash payment due to shareholders will be determined with reference to the weighted average traded price of shares on the JSE on Tuesday, 26 September 2017, less 10% (converted to Euro at the exchange rate in respect of those shares traded on Euronext Amsterdam) which amount will be announced on Thursday, 28 September 2017 before 11:00.

The new NEPI Rockcastle shares to be issued pursuant to the return of capital will be funded by way of a reduction of part of the company’s share premium account (which is a reduction of capital).

As required in terms of Isle of Man law, NEPI Rockcastle shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the return of capital. NEPI Rockcastle shares will instead be delivered to shareholders in the form of dematerialised security entitlements representing the beneficial ownership of such shares. References throughout this announcement to NEPI Rockcastle shares received or issued pursuant to the return of capital or to any shareholding in NEPI Rockcastle before or after the implementation of the return of capital should therefore be read as a reference to a receipt, issue or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares. All NEPI Rockcastle shares are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Nederland) for and on behalf of shareholders.

As at the date of this announcement, the company has 538 953 794 ordinary shares of €0.01 each in issue.

SALIENT DATES AND TIMES

For shareholders holding shares traded on the JSE

	2017
Announcement on SENS regarding an election to receive either a cash dividend or a return of capital and issue of circular	Friday, 8 September
Announcement on SENS of the reference price and exchange rate by 11:00	Tuesday, 26 September
Last day to trade on the JSE in order to be eligible for the cash dividend or return of capital	Tuesday, 26 September
Shares commence trading on the JSE <i>ex</i> the dividend	Wednesday, 27 September
Announcement on SENS of cash payment applicable to fractional entitlements by 11:00	Thursday, 28 September
Record date for receipt of cash dividend or return of capital	Friday, 29 September
Return of capital elections to be made no later than 12:00	Monday, 9 October
Announcement on SENS of the number of new NEPI Rockcastle shares issued pursuant to the return of capital	Wednesday, 11 October
Payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI Rockcastle shares listed on the JSE	Thursday, 12 October

Notes:

- The above dates and times are subject to change. Any changes will be released on SENS and the website of the company at www.nepirockcastle.com.
- For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
- New NEPI Rockcastle shares should not be traded until they are issued and reflect in CSDP broker accounts on Thursday, 12 October 2017.**
- Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 26 September 2017 and Friday, 29 September 2017, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on the JSE at the commencement of trade from Tuesday, 26 September 2017.
- Shares may not be dematerialised or rematerialised between Wednesday, 27 September 2017 and Friday, 29 September 2017, both days inclusive.

For shareholders holding shares traded on Euronext Amsterdam

	2017
Announcement on the company website of reference price and exchange rate	Tuesday, 26 September
Shares commence trading on Euronext Amsterdam <i>ex</i> the dividend	Thursday, 28 September
Distribution of the Technical Information Memorandum	Thursday, 28 September
Start of election period	Thursday, 28 September
Record date for receipt of cash dividend or return of capital	Friday, 29 September
Accounts at Euroclear Nederland of the Admitted Institutions will be credited with dividend rights	Monday, 2 October
Close of election period	Monday, 9 October
Payment of cash dividend, broker/custodian accounts credited/updated and new NEPI Rockcastle shares listed on Euronext Amsterdam	Thursday, 12 October

Notes:

- The above dates and times are subject to change. Any changes will be released on the website of the company at www.nepirockcastle.com.
- For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
- New NEPI Rockcastle shares should not be traded until they are issued and reflect in, broker custodian accounts on Thursday, 12 October 2017.**
- Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 26 September 2017 and Friday, 29 September 2017, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on Euronext Amsterdam at the commencement of trade from Tuesday, 26 September 2017.

TAX IMPLICATIONS

South African resident shareholders

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders.

For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends withholding tax at a rate of 20%, unless an exemption as set out in the South African tax legislation applies.

The receipt of NEPI Rockcastle shares by South African resident shareholders pursuant to the return of capital should not be classified as a dividend or a foreign dividend for South African tax purposes and accordingly, South African dividends withholding tax should not be levied on the new NEPI Rockcastle shares so received. However, the legislation in this regard is complex and its implementation is uncertain. Shareholders should therefore seek independent professional tax advice.

The gross local dividend amount for shareholders exempt from paying South African dividends tax, as well as the net local dividend amount for shareholders liable to pay South African dividends tax, will be announced on Tuesday, 26 September 2017.

NEPI Rockcastle shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the return of capital or should they be in any doubt as to the appropriate action to take.

There is no withholding tax payable in the Isle of Man.

Shareholders residing outside South Africa

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders who are resident outside South Africa and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

NEPI Rockcastle has a dual primary listing on the Main Board of the JSE and Euronext Amsterdam.

For further information please contact:

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8 September 2017