Integrated REPORT 2014

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ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED

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ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED

GLOBAL DIVERSIFICATION

USA	40,1%
Canada	13,3%
Europe	12,3%
Singapore	12,3%
UK	9,1%
Australia	7,9%
Hong Kong	5,0%

CHAIRMAN'S REPORT

MARK CYRIL OLIVIER

Dear shareholders,

This is the integrated report for the twelve months ended 30 June 2014 for Rockcastle Global Real Estate Company Limited ("Rockcastle").

Following the prior year's achievement of a dividend yield of approximately 8%, the board indicated that Rockcastle would be targeting growth in dividends of approximately 4%, growing its capital base and increasing capital allocation to direct retail property investments in Africa. I'm pleased to report that these key strategic objectives have been accomplished, as follows:

- an interim dividend of 4.07 USD cents per share was paid and a dividend of 4.18 USD cents per share has been declared for the second half of the year, resulting in a total dividend of 8.25 USD cents per share for the year, an increase of over 4.4% over the annualised dividends from the previous period;

- Rockcastle raised an additional USD475.4 million in equity capital during the year by issuing 355 000 000 new shares. Rockcastle is in the process of migrating its listing from the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange ("JSE") to the Main Board of the JSE; and

- on 24 April 2014 Rockcastle's first direct investment in a shopping centre, located in Ndola, Zambia ("Kafubu Mall") commenced trading. Kafubu Mall comprises a gross lettable area of approximately 12 500m^2 and is currently yielding in excess of 9% per annum in USD. Rockcastle is also well advanced with the development of a 26 000m^2 shopping centre in Kitwe, Zambia ("Mukuba Mall"), which is expected to open in April 2015.

There are a growing number of participants in the African property sector, attracted by forecasts of strong per capita income growth, growing urbanisation and an under supply of quality retail space. However, it is key to balance the potential returns of investing in Africa with elevated levels of financial, title, political and operational risk. In this respect, Rockcastle is focused on quality of return. Fittingly, both its Zambian shopping centres dominate in the area in which they are located, are jointly owned with a reputable developer and are occupied by high quality tenants including Shoprite, the anchor tenant and the leading retailer in Africa. Further, employees of Rockcastle, who are "on the ground", continually review the quality of build during the development process.

In addition to its physical investments in Africa, Rockcastle also has exposure to the global real estate market, predominantly through investment in publicly listed Real Estate Investment Trusts ("REITs"). Detailed information on the listed security portfolio and the hedging of interest rate risk through various financial instruments is included in this report.

Over time, a greater proportion of Rockcastle's capital will be invested globally in physical property. In this respect, Rockcastle will be broadening its investment horizon in the year ahead into retail properties that are dominant in secondary cities located in relatively stable and high-growth emerging European countries and in retail assets, which by virtue of their geographic location and/or size have an enduring, long-term competitive advantage.

The execution of Rockcastle's strategy is progressing at a time of underlying anxiety in the global markets. Whilst global economic growth is recovering it has been facilitated by extraordinary monetary policy. The timing and effects of a more normal monetary policy are unknown, however, it is going to be difficult for central banks to co-ordinate their future actions given the disparate evolution of growth, unemployment and inflation in the industrialised nations. Therefore there is a risk that some central banks will "get it wrong" and harm the global recovery. Factoring in growing geopolitical risk and limited financial resources to buffer another economic or political crisis, it is likely that central banks and governments will err on the side of caution resulting in a restrained approach to economic policy.

Given this context, the strategic development of Rockcastle's business will be measured. Risk is to be mitigated through diversification and a balance between capital growth and yield will be achieved by investment in both physical and listed assets and exposure to both developed and developing economies. Interest rate, currency and market risk will continue to be managed through various financial instruments and gearing will be maintained below 60%. In the year ahead, Rockcastle will be focused on achieving the following specific strategies and objectives:

- completion of the Mukuba Mall at an initial US Dollar yield of 9,5%;
- agreement of terms and commencement of construction of at least two other quality retail properties in Africa, generating a minimum initial yield of 9,5% in US Dollars;
- the purchase of various retail properties in an emerging European country with the medium-term objective of gaining critical mass;
- maintaining a well diversified portfolio of listed REITs with a bias towards high quality retail properties in developed markets with strong balance sheets and growth potential; and
- growth in dividends per share of approximately 5%.

The delivery of this strategy will continue to be executed by a dynamic, experienced and well motivated management team led by Mr. Spiro Noussis as CEO, who will be based in London. A broad network of associates with extensive local experience will be supporting Spiro and his team in delivering on the broader strategy.

The board and I look forward to working with the team to deliver premium returns to shareholders.

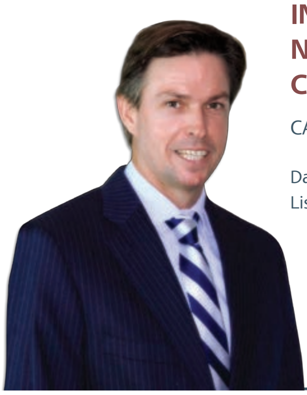
Yours sincerely,

Mark Olivier

Independent non-executive chairman

12 August 2014

BOARD OF DIRECTORS



Mark Olivier (45)

(British - residing in Mauritius)

INDEPENDENT NON-EXECUTIVE CHAIRMAN

CA (SA)

Date of appointment: 30 March 2012
Listed company directorships: 1

Mark has over 20 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London based, boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was the management buy-out of Natwest Markets' corporate finance business. Mark worked for BoE Limited where he served on the executive committee of the Group's international business. Mark also worked at KPMG (London) as a manager.

Mark is the chairman of Trellidor, the largest physical barrier security business in South Africa, and is a non-executive director of the Dynasty Group of companies, which is managed by Macquarie and was the first-ever wholesale international vehicle established to invest in retail properties in China. Mark also is a director of the financing arm of one of the largest independent providers of care to adults with acute learning disabilities in the United Kingdom.

Spiro Noussis (43)

(South African - residing in the United Kingdom)

CHIEF EXECUTIVE OFFICER

CA (SA)

Date of appointment: 14 May 2014
Listed company directorships: 2

Spiro has experience in private equity and investment management. He has been involved in property since 2005 and was most recently a founding shareholder and managing director of Lodestone Properties Limited, an unlisted property fund focusing on retail and industrial property. He has been a non-executive director of Resilient Property Income Fund Limited ("Resilient") since August 2012.

Andries de Lange (41)

(South African)

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

CA (SA), CFA

Date of appointment: 8 May 2013
Listed company directorships: 3

After completing his articles, Andries joined the Industrial Development Corporation of South Africa Limited and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He then joined the Resilient group in 2004 and is an executive director of Capital Property Fund Limited ("Capital") and Resilient.

Nick Matulovich (27)

(South African - residing in the United Kingdom)

CHIEF FINANCIAL OFFICER

CA (SA), MCom (TAXATION) (*CUM LAUDE*), BAccSci (HONOURS -TAXATION)

Date of appointment: 14 May 2014
Listed company directorships:1

Nick has been working for the Resilient group for 3 years where he has been actively involved in the group's new initiatives such as Resilient Africa in Nigeria and Rockcastle as well as overseeing the group's structuring considerations. He has been actively involved in the management of Rockcastle from its initial listing and continues to have direct oversight over the financial function.

Nick previously worked for Ernst & Young and spent time in both audit as well as the Transaction Tax division, a division that was one of the most successful and active M&A advisory businesses in Africa.

Rory Kirk (58)

(Mauritian)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BACHELOR OF SOCIAL SCIENCE AND DIPLOMA IN BUSINESS MANAGEMENT

Date of appointment: 30 March 2012
Listed company directorships: 1

Rory is the founder and managing director of Frontière Finance, a Mauritian financial services business. Rory has many years of financial service, insurance and banking experience having been in this field since the early 1980's in a number of roles at a variety of institutions.

Yan Ng (39)

(Mauritian)

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

BSC (Hons), MSc, ACA, TEP

Date of appointment: 30 March 2012
Listed company directorships: 2

Yan is an executive director of Intercontinental Trust Limited. He oversees the Fund Administration operations and advises clients on all Fund related aspects including tax, regulatory matters, structuring, listings and their establishment in Mauritius. He is a board member of a number of Mauritian funds. He was previously employed by Baker Tilly Mauritius and Deloitte Luxembourg. He trained as a chartered accountant in London.

Yan graduated from the University of Mauritius with a degree in Management and achieved a Masters in Finance (MSc) from Lancaster University. He is a member of the Institute of Chartered Accountants in England and Wales and of the Society of Trust and Estate Practitioners. He is an executive committee member of the Association of Trust and Management companies of Mauritius and the past treasurer of the International Fiscal Association (Mauritius branch).

Paul Pretorius (48)

(South African - residing in Mauritius)

CHIEF OPERATING OFFICER

BSc (QS)

Date of appointment: 8 May 2013
Listed company directorships: 1

Paul has in excess of 15 years' experience in direct property having worked as both as an asset manager as well as a property manager for various JSE listed property funds including the bulking up of Capital and the turnaround of Pangbourne Properties. Paul was previously a professional quantity surveyor for Macintosh Latilla Carrier and Lang, one of the large South African practices, as well as for his own practice.

Andre van der Veer (46)

(South African)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BPL(Hons), MPL (ECONOMICS AND BANKING)

Date of appointment: 14 May 2014
Listed company directorships:1

After completing a Masters degree in Banking and Economics during 1991, Andre joined Merchant Bank and later Rand Merchant Bank where he founded the agricultural commodities and derivatives trading group in 1995. He headed the trading, derivatives structuring and proprietary trading teams. Since 2003 he had been with the RMB Equity Global Markets team and gained experience in the UK, North America, Western European, Scandinavian as well as most markets in the Far East and Australia.

He became Head of RMB Equity proprietary trading desk in 2009 with a mandate to invest in debt and equity instruments globally. Andre founded Foxhole Capital during 2012 as a family office specialising in global real estate securities in the listed and private equity markets.

ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

Director	Board	Investment committee	Audit committee	Risk committee	Nomination committee	Remuneration committee	Social and ethics committee
Mark Olivier (1)	5/5	5/5	4/4		2/2	3/3	
Andries de Lange (2)	5/5		3/3		1/1	3/3	
Stephen Delport (3)	4/4	4/4					
Craig Hallowes (4)	4/4						
Rory Kirk (5)	5/5	1/1	1/1	1/1	1/1	3/3	1/1
Alexandru Morar (6)	4/4	4/4	3/3				
Yan Ng (7)	5/5			1/1	1/1		1/1
Paul Pretorius (8)	5/5	4/4					1/1
Spiro Noussis (9)	1/1	1/1		1/1			
Nick Matulovich (10)	1/1						
Andre van der Veer (11)	1/1	1/1	1/1	1/1			

(1) Mark Olivier resigned as a member of the risk and social and ethics committees on 14 May 2014. He resigned as chairman of the investment committee.
(2) Andries de Lange was appointed as a member of the audit, nomination and remuneration committees on 13 August 2013.
(3) Stephen Delport resigned from the board on 14 May 2014.
(4) Craig Hallowes resigned from the board on 14 May 2014.
(5) Rory Kirk was appointed as chairman of the audit committee and resigned as a member of the investment committee on 14 May 2014.
(6) Alexandru Morar resigned from the board on 14 May 2014.
(7) Yan Ng was appointed as a member of the risk and social and ethics committees on 14 August 2013. He resigned as member of the nomination and remuneration committees on 14 August 2013.
(8) Paul Pretorius was appointed as a member of the investment and social and ethics committees on the 14 August 2013 and resigned as a member of the investment committee on 14 May 2014.
(9) Spiro Noussis was appointed to the board on 14 May 2014. He was appointed as a member of the investment and risk committees on 14 May 2014.
(10) Nick Matulovich was appointed to the board on 14 May 2014.
(11) Andre van der Veer was appointed to the board on 14 May 2014. He was appointed as chairman of the investment and risk committees on 14 May 2014.

BENEFICIAL SHAREHOLDING OF DIRECTORS AND OFFICERS

At 30 June 2014	Direct holding	Indirect holding	Total shares held	Percentage of issued shares
Mark Olivier	-	190 000	190 000	*
Rory Kirk	1 000	-	1 000	*
Paul Pretorius	1 650 000	-	1 650 000	0,23%
Andries de Lange	-	3 259 510	3 259 510	0,46%
Spiro Noussis	4 615 000	306 508	4 921 508	0,65%
Nick Matulovich	1 201 352	99 290	1 300 642	0,18%
Andre van der Veer	10 750	68 000	78 750	*
	7 478 102	3 923 308	11 401 410	1,52%

* Less than 0,1% of the issued shares.

The shareholding of directors and officers has not changed between the end of the financial year and one month prior to the date of the notice of the Annual General Meeting, other than as follows:

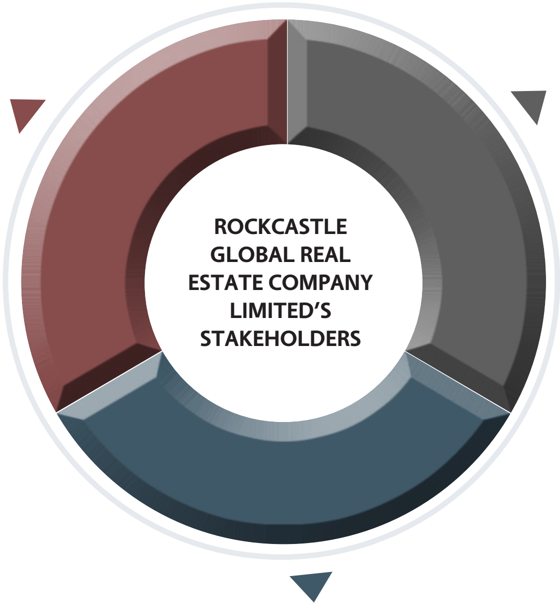
Date	Director	Associate	Direct/ indirect	Number of shares (beneficial interest)
13 August 2014	Nick Matulovich		Direct	1 500
13 August 2014	Nick Matulovich		Direct	1 000
14 August 2014	Nick Matulovich		Direct	30 000
14 August 2014	Nick Matulovich	Panthera Tigris Investments	Indirect	400
14 August 2014	Nick Matulovich	Panthera Tigris Investments	Indirect	4 000
15 August 2014	Andries de Lange	Nano Trust	Indirect	1 000 000
1 September 2014	Nick Matulovich		Direct	15 000
2 September 2014	Nick Matulovich		Direct	10 000

Kafubu Mall, Ndola, Zambia

STAKEHOLDER PROFILE

ECONOMIC STAKEHOLDERS
- Suppliers
- Financiers
- Tenants
- Property manager
- Investors

ORGANISATIONAL STAKEHOLDERS
- Employees
- Co-owners



SOCIETAL STAKEHOLDERS
- Government
- Regulatory bodies
- Communities
- Local authorities

SCOPE OF THE INTEGRATED REPORT

Rockcastle is pleased to present its 2014 integrated report to stakeholders in accordance with the Code of Corporate Governance for Mauritius ("the Code"). Our integrated report has been prepared to provide stakeholders insight into Rockcastle's business model, performance, governance framework, strategy, risks and opportunities. While we have attempted to include information relevant to all stakeholders, the integrated report has been primarily prepared for the providers of financial capital in accordance with the International Integrated Reporting Framework (the "Framework") issued in December 2013. The information in this integrated report has been prepared using methods consistent with the prior years and contains comparable information.

The information included in the integrated report has been provided in accordance with International Financial Reporting Standards ("IFRS"), the Mauritian Companies Act, 2001, the Mauritian Securities Act, 2005, the Stock Exchange of Mauritius ("SEM") Listing Rules, the JSE Listings Requirements, the Framework and the Code. Rockcastle is working towards complying fully with the Framework and has made additional disclosures as a step towards our compliance.

This integrated report covers the financial and non-financial performance of Rockcastle. Rockcastle's operations are based in Mauritius. Rockcastle owns a property located in Zambia and has established a European office in London.

In determining materiality when preparing the 2014 integrated report, Rockcastle applied the definition as per the Framework as: "Information about matters that substantively affect the group's ability to create value over the short, medium and long-term." All items identified as being material by the board have been disclosed in this report.

BUSINESS MODEL AND STRATEGY

OUR SHAREHOLDERS

We strive to deliver both capital and distribution growth to our shareholders by investing in global real estate assets and companies that are high-yielding with the prospect of capital appreciation. Rockcastle's total return is illustrated in the graph provided on page 17 of this report. In the current financial year, Rockcastle achieved a 4,4% dividend growth over the prior period which marginally exceeded its target of approximately 4% dividend growth.

OUR INVESTMENTS

Our management team employs opportunistic and pro-active asset management strategies to enable it to investigate potential investments in global real estate securities, unlisted and over-the-counter real estate securities, other instruments derived from such real estate securities and direct property assets. Management is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms.

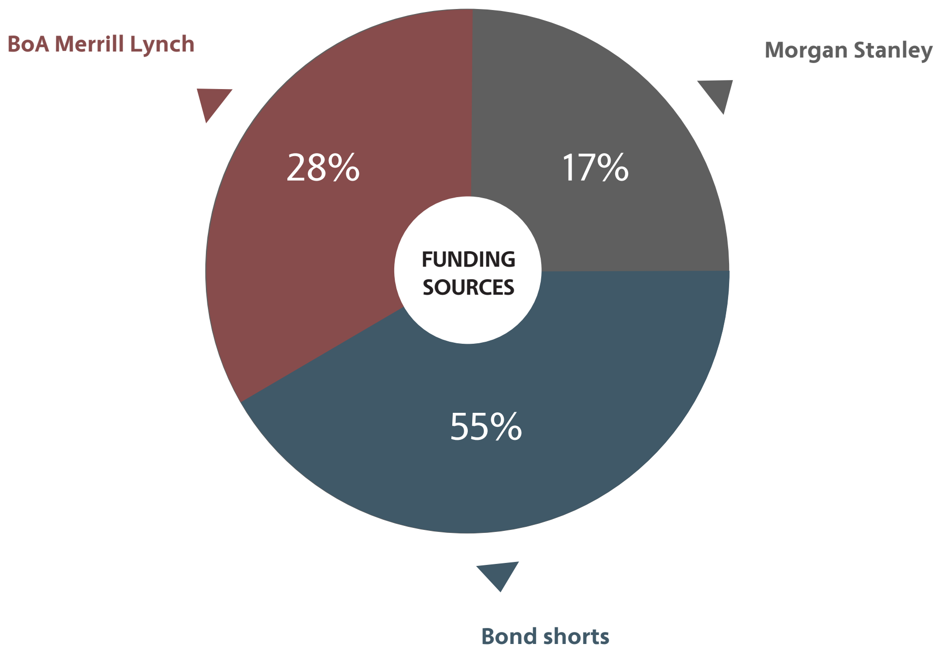
Our aim is to build a global company with exposure to international property companies across the globe, and to invest in direct property with sustainable growth prospects. Our board has set mandates for investments in specific markets where potential growth is considered to be highest. We balance our investment decisions by considering the risks and returns of the underlying properties, whether directly or through an individual real estate company, as well as the macro-economic conditions in the specific markets in which the properties are located. Rockcastle aims to have a portfolio with an equal composition of direct property to listed securities in the medium-term.

A stringent approval process is in place for properties to be acquired or developed with minimum letting and anchor tenant requirements. Our acquisitions and developments are detailed on page 12 of this report. Our investment committee, who are all experienced in the property sector, approve Rockcastle's acquisitions, redevelopments and disposals and receive updates on these at each meeting.

BUSINESS MODEL AND STRATEGY
(CONTINUED)

FUNDING OUR BUSINESS

We manage our financing costs and concentration risk by utilising more than one major source of financing and by utilising instruments that facilitate hedging of our exposure against interest rate risk. In addition, we ensure that the currencies of our investments largely match those of the currencies of the underlying funding. Details of our swap and borrowings profile are shown on page 12 and 13 of this report. Our funding sources are shown in note 12 to the financial statements.



OUR BUSINESS PARTNERS

We have relationships with global financial institutions with best-of-breed operating platforms reducing both our operational and counterparty credit risk.

We enter into developments with reputable partners with whom we share values and goals, and who are well-established in the markets in which they operate.

OUR TENANTS

Rockcastle's management team fosters long-term relationships with all of our tenants, recognising that there is an important symbiotic relationship between their success and ours.

OUR PROPERTIES

The day-to-day management of our properties has been outsourced to a property manager. We also have experienced and dedicated in-house asset managers who are responsible for overseeing the properties, the performance of the properties and managing the tenant relationships. The asset managers report directly to the chief executive officer. We are constantly assessing opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.

Kafubu Mall, Ndola, Zambia

DIRECTORS' REPORT

1. STRUCTURE AND LISTING

Rockcastle was established on 30 March 2012 in Mauritius as a Category One Global Business License Company. The company and its subsidiary have the primary objective of investing globally in listed real estate securities and direct property. Rockcastle has a primary listing on the SEM and a secondary listing on the AltX of the JSE. Rockcastle is in the process of migrating its listing on the AltX to the main board of the JSE and will maintain two primary listings going forward. During the year, Rockcastle successfully raised USD475.4 million by the issue of 355.5 million shares through private placings.

2. DISTRIBUTABLE EARNINGS

The board has declared a dividend of 4.18 USD cents per share for the six months ended 30 June 2014. Accordingly, total dividends declared for 2014 are 8.25 USD cents per share, an increase of 4,4% over the annualised dividends for the previous financial period. This is marginally ahead of the guidance of approximately 4%.

3. COMMENTARY

Following the re-rating of the global listed property markets and most listed property counters now trading at a premium to net asset value, the group's strategy is to migrate from listed property counters to direct property assets. The board's view is that direct property assets, particularly in certain countries in Africa and central Europe offer superior value and will achieve attractive growth for the foreseeable future.

Listed security portfolio

With interest rates declining following the financial crisis, interest rate-sensitive sectors such as REITs outperformed equity markets. The board is of the opinion that the moderate pace of global economic growth will underpin real estate stock valuations in 2014/2015 countering rising interest rate trends. As a result of weaker economic activity, new supply of real estate has been limited to specific geographies and sectors. This demand and supply imbalance should translate into stable or rising rents and thus increased capital values. In this environment, expected increases in income and therefore distributions will more than offset the impact of increasing interest rates. In our view, this trend as well as effective stock selection based on geographies, sectors and business models will support the next stage of real estate value creation. Rockcastle maintained its investments in the developed markets of the USA, UK, Canada, Europe, Singapore, Hong Kong and Australia and continued to shift its focus from higher yielding investments to those with greater growth prospects. The net asset value per share increased from USD1.15 to USD1.39 for the 12 month period ended 30 June 2014. Rockcastle's relative overweight positions in Europe and the UK and successful stock selection contributed to this performance. Rockcastle attributes its successful stock selection to active interaction with management of the counters it invests in and site inspections and evaluations of the underlying physical assets. In excess of one hundred properties were visited in Western and Central Europe, the UK, Canada, the USA and Hong Kong. Management has observed that the distribution growth forecasts provided by counters in the portfolio are well ahead of growth achieved in the past. This promising trend together with a further shift in bias towards higher growth stocks bodes well for Rockcastle's growth in dividends for the 2015 financial year.

Geographical profile by market value	2014
USA	40,1%
Canada	13,3%
Europe	12,3%
Singapore	12,3%
UK	9,1%
Australia	7,9%
Hong Kong	5,0%

Sectoral profile by market value	2014
Retail	55,3%
Other/Diversified	12,4%
Healthcare	8,5%
Residential	6,4%
Hotel	5,8%
Industrial	5,4%
Mortgage	3,3%
Office	2,9%

The following table indicates the group's top 10 investment holdings by market value as at 30 June 2014:

Company	Sector	Jurisdiction	Market value as at Jun 2014 (USD Million)
Simon Property	Retail	USA	**146.3**
Unibail Rodamco	Retail	Europe	**132.0**
CapitaMall Trust	Retail	Singapore	**107.5**
Avalonbay Communities	Residential	USA	**99.5**
Ascendas REIT	Industrial	Singapore	**84.7**
The Link REIT	Retail	Hong Kong	**78.0**
Ventas Inc	Healthcare	USA	**76.9**
British Land	Other/Diversified	UK	**71.9**
Hammerson	Retail	UK	**71.2**
Hospitality Properties	Hotel	USA	**66.9**

DIRECT PROPERTY

The 12 500m² gross lettable area ("GLA") Kafubu Mall in Ndola, Zambia opened on 24 April 2014. The mall is anchored by Shoprite and includes Foschini, Edcon and a number of other South African retailers. The mall is the dominant shopping and leisure offering in the town and tenants report good trading conditions. Kafubu Mall was developed at a yield of 9,5%.

The development of the 29 000m² GLA Mukuba Mall in Kitwe, Zambia is proceeding well and beneficial occupation of tenants is scheduled to take place 3 months earlier than anticipated. As a result, the mall will open ahead of the initial projected opening date of April 2015 at a yield of 9,5%. Rockcastle has agreed to acquire a 50% interest in the 26 000m² GLA Cosmopolitan Mall in Lusaka, Zambia at a yield of 9,5%. The mall will be anchored by Game and Shoprite, and include Edcon, Foschini, Pepkor, Toys"R"Us and Innscor as tenants. The site for the mall is situated to the south of Lusaka on Kafue Road, the primary transport route between Zambia, South Africa, Botswana and Zimbabwe.

Rockcastle has agreed to acquire an office building in Kingston-Upon-Thames in the United Kingdom to house its European office. The building has a GLA of 540m², is currently fully tenanted and Rockcastle will occupy an 85m² section which will be available in early 2015. It is not Rockcastle's intention to invest in additional properties in the United Kingdom. Consistent with its strategy of migrating from indirect to direct property investments, Rockcastle is in negotiations to acquire a number of retail properties in Poland. Terms have been agreed pertaining to the acquisition of a 30 000m² GLA mall which dominates its catchment area and is tenanted predominantly by national and international retailers. The acquisition is subject *inter alia* to a due diligence which will be completed by mid-October 2014. The property is being acquired at a purchase price of approximately EUR53 million and a yield of 8%. The acquisition will be yield accretive.

4. 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 bond shorts to hedge its interest rate and capital risks. The principal counter parties are Morgan Stanley and BoA Merrill Lynch. The group has not hedged its currency positions but continues to fund the purchase of counters in the currency in which that stock is denominated. Rockcastle's loan to value ratio was 38,3% as at 30 June 2014.

HEDGING

Interest rate swaps expiry (financial year)	Equivalent amount USD'000	Average swap rate
Jun 2021	34 130	1,52%
Jun 2022	-	-
Jun 2023	-	-
Jun 2024	120 956	2,69%
Jun 2025	40 478	2,35%

Bond short maturity profile (financial year)	Equivalent amount USD'000	Average rate
Jun 2018	11 841	0,51%
Jun 2019	-	-
Jun 2020	-	-
Jun 2021	-	-
Jun 2022	9 900	1,94%
Jun 2023	287 674	2,23%
Jun 2024	30 642	2,60%
	340 057	**2,20%**

5. SUMMARY OF FINANCIAL PERFORMANCE

	Jun 2014	Dec 2013	Jun 2013	Dec 2012
Dividend/distribution per share	4.18 USD cents	4.07 USD cents	4.00 USD cents	4.56 USD cents*
Shares in issue	705 500 000	530 000 000	350 000 000	140 000 000
Net asset value per share	USD 1.39	USD 1.16	USD 1.15	USD 1.09
Loan to value ratio**	38,3%	42,3%	42,4%	35,9%

* For the 7 month period to Dec 2012.
** The loan to value ratio is calculated by dividing net interest-bearing borrowings by total assets.

6. OUTLOOK

Based on projections provided by the management of the counters in which Rockcastle invests and Rockcastle's projections for its direct property investments, the board forecasts growth in dividends of approximately 5% for the 2015 financial year.

The aforegoing 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.

Artist's impression: Mukuba Mall, Kitwe, Zambia

REMUNERATION REPORT

The board bears ultimate responsibility for the remuneration policy. The remuneration committee has been mandated by the board to approve the remuneration policy and to authorise the remuneration and incentivisation of all employees, including executive directors. In addition, the remuneration committee approves directors' fees payable to non-executive directors. As at the end of the financial period, the remuneration committee comprised: Rory Kirk (chairman), Andries de Lange and Mark Olivier. Attendance of directors at the various board and sub-committee meetings is disclosed on page 5.

GENERAL STAFF AND EXECUTIVE DIRECTORS' REMUNERATION

The remuneration policy is aligned with the strategic objectives of the company to create long-term, sustainable value for stakeholders. Remuneration is a combination of salary, short-term incentivisation and long-term incentivisation in order to attract and retain motivated, high-calibre executives and staff whose interests are aligned with the interests of shareholders.

Salaries are competitive relative to the market and increases are determined with reference to individual performance, inflation and market-related factors on a total cost-to-company basis. Annual increases are effective 1 January each year. Executive directors do not receive directors' or sub-committee fees. There is no retirement fund for employees or executive directors. Executive directors have service contracts with Rockcastle which include a notice period.

Bonuses based on individual and company performance is an effective means of short-term incentivisation. These are awarded based on the performance of the individual and the company taking into account market conditions. Bonuses are approved by the remuneration committee.

The aim of long-term incentivisation is to promote sustainable growth in distributions. Long-term incentivisation is achieved through the allocation of shares to employees through the Rockcastle management incentive loan ("MIL"). The remuneration committee authorises the number of units to be allocated based on individual performance as recommended by management. The remuneration committee takes into consideration the individual's salary, position and previous unit allocations. Rockcastle issues shares to employees by way of the MIL. On acceptance of the shares by the individual, Rockcastle provides loan financing to acquire the shares. Further details of loans made to the MIL can be found in note 6 to the financial statements.

	Remuneration (paid by the company) 2014 USD	**Remuneration (paid by the company) 2013 USD**
Craig Hallowes (1)	125 823	141 000
Stephen Delport (2)	86 443	86 000
Nick Matulovich (3)	7 527	-
Spiro Noussis (4)	51 371	-
Paul Pretorius	180 833	41 995

(1) Craig Hallowes resigned from the board on 14 May 2014.
(2) Stephen Delport resigned from the board on 14 May 2014.
(3) Nick Matulovich was appointed to the board on 14 May 2014.
(4) Spiro Noussis was appointed to the board on 14 May 2014.

The company did not pay any fees or benefits to directors other than the remuneration as disclosed in the tables above.

Remuneration for the top three earning employees has not been disclosed as the board does not consider it appropriate for privacy reasons.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors' remuneration consists of an annual fee. The remuneration committee recommends directors' fees payable to non-executive directors to the board which proposes the fees for shareholder approval at the Annual General Meeeting ("AGM").

Non-executive directors do not participate in the MIL nor is there any other remuneration paid to non-executive directors, including remuneration linked to the performance of the group. In the current year, the annual fee represents remuneration for services rendered for a twelve month period, however, for the prior period the annual fee was adjusted to reflect a fifteen month period for those non-executive directors who were appointed upon the company's incorporation.

	For services as a director for the year ended Jun 2014 (paid by the company)	For services as a director for the 15 month period ended Jun 2013 (paid by the company)
	USD	USD
Mark Olivier (chairman of the board and the nomination committee) &#$	20 000	25 000
Rory Kirk (chairman of the audit, remuneration and the social and ethics committees) $@*^&	20 000	25 000
Andries de Lange $&@	20 000	2 904
Alexandru Morar (2)	17 418	17 500
Yan Ng (1) @^*	-	-
Andre van der Veer (chairman of the investment committee and risk committee) (3) $#^	2 637	-

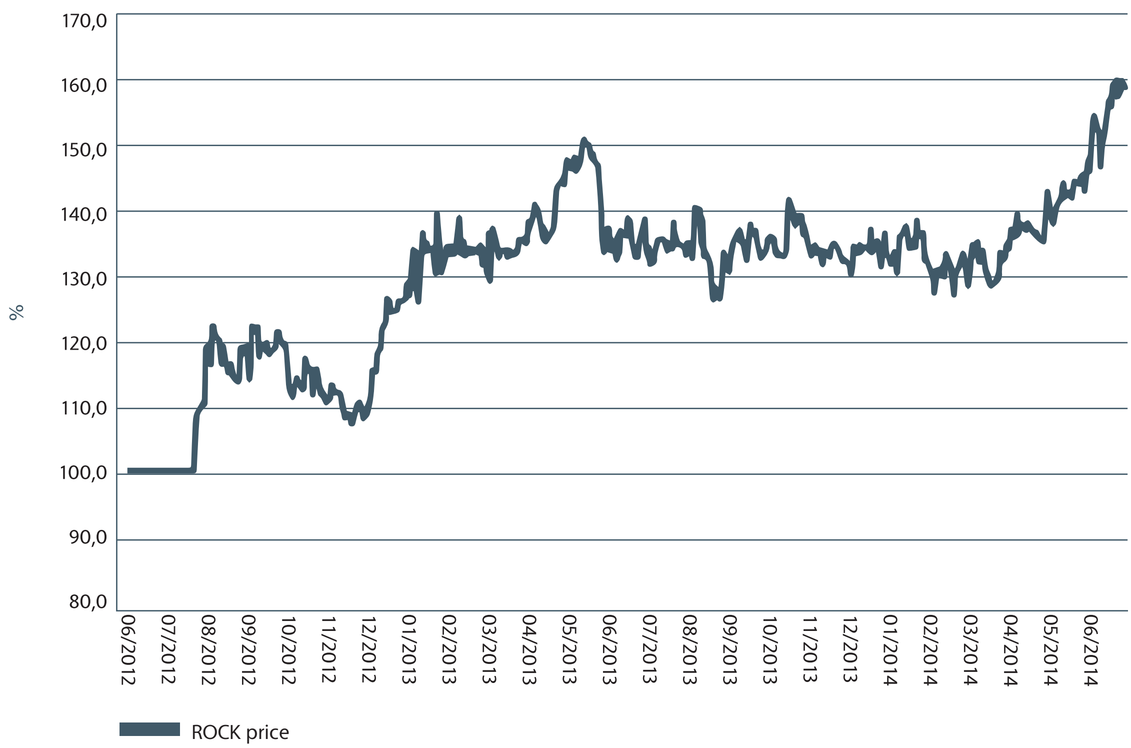
(1) Yan Ng's remuneration is incorporated into the fees paid by the company to Intercontinental Trust Limited, the company's company secretary.
(2) Alexandru Morar resigned from the board on 14 May 2014.
(3) Andre van der Veer was appointed to the board on 14 May 2014.
$ Member of the audit committee
^ Member of the risk committee
# Member of the investment committee
@ Member of the remuneration committee
& Member of the nomination committee
* Member of the social and ethics committee

SHARE PERFORMANCE

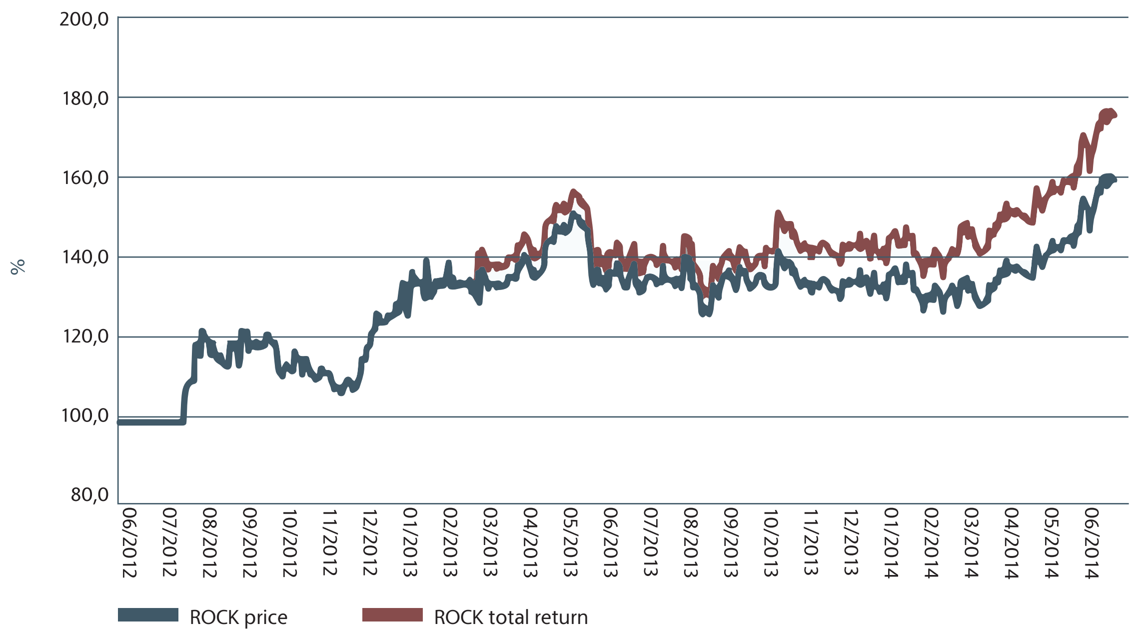
The board is committed to creating sustainable stakeholder value by managing the portfolio and by maximising returns on its assets.

The graphs below indicate the share price performance of Rockcastle on both a price return and total return basis. The performance of the Rockcastle shares are indexed using a base of 100 on 5 June 2012.

ROCKCASTLE RELATIVE CLOSING PRICE



ROCKCASTLE RELATIVE PERFORMANCE



Value traded (USD'million)	
2014	**72,5**
2013 (13 months)	45,2

Volume traded (million)	
2014	**55,0**
2013 (13 months)	34,8

SUSTAINABILITY REPORTING

At Rockcastle, our approach to the concept of sustainability relates to the maintenance and enhancement of environmental, social and economic resources, in order to meet the needs of current and future generations. This is founded in a commitment to being a good corporate citizen, and operating in a commercially sensible and socially responsible manner.

ENVIRONMENTAL

Rockcastle owns one property, Kafubu Mall with our development partner. Kafubu Mall opened on 24 April 2014. In order to meet our sustainability objectives, we have implemented a number of strategies. These include the use of timers on all tenant and mall lighting as well as energy efficient air conditioners in order to reduce electricity consumption and optimising the use of natural light in the mall's design. Furthermore, a limited number of tenants have been supplied with geysers, further reducing electricity consumption.

Water is a precious resource and the gardens and landscaping at Kafubu Mall only include indigenous plants thus significantly reducing irrigation requirements. A borehole was installed which supplies approximately 95% of the water required.

Our carbon footprint was limited during construction as all of the 1.5 million bricks required were made on site, as was the concrete.

SOCIAL

Our employees

Our employees are as intrinsic to our business as our assets. We strive to create a productive working environment and our success in doing so is evidenced by our low staff turnover. The remuneration of our employees is elaborated on in the remuneration report on pages 15 to 16.

As discussed in note 6 to the financial statements, Rockcastle has management incentive loans which are granted to employees to enable them to purchase shares in Rockcastle. We believe that empowering our employees in this way aligns their interests even closer to those of shareholders.

Our communities

The impact of developments on surrounding communities is carefully considered and we engage directly with these communities where possible. The construction of Kafubu Mall in Ndola, Zambia has brought direct and indirect benefits to the surrounding community by way of both permanent and temporary jobs during both the construction and operating stages. Furthermore, Kafubu Mall has brought upmarket shopping and leisure offerings to the town where previously this was absent.

Makuba Mall, Kitwe, Zambia

Makuba Mall, Kitwe, Zambia

SHAREHOLDER ANALYSIS

SHAREHOLDER SPREAD AT 30 JUNE 2014 IN TERMS OF THE JSE LISTINGS REQUIREMENTS

	Number of shareholders	Number of shares held	Percentage of issued shares
Public	1 721	206 932 307	29,3%
Non-public	3	479 255 000	67,9%
Directors and employees	26	19 312 693	2,8%
	1 750	**705 500 000**	**100,0%**

Size of holding	Number of shareholders	Number of shares held	Percentage of issued shares
1 to 2 500 shares	598	752 837	0,1%
2 501 to 5 000 shares	322	1 272 227	0,2%
5 001 to 10 000 shares	235	1 839 797	0,3%
10 001 to 50 000 shares	318	7 775 193	1,1%
50 001 to 100 000 shares	94	6 981 249	1,0%
100 001 to 1 000 000 shares	128	44 205 402	6,3%
1 000 001 to 3 500 000 shares	26	45 281 967	6,4%
More than 3 500 000 shares	29	597 391 328	84,6%
	1 750	**705 500 000**	**100,0%**

Registered shareholders owning 5% or more of issued shares	Number of shares held	Percentage of issued shares
Resilient Properties Proprietary Limited	133 560 000	18,9%
Pangbourne Properties Limited	121 705 087	17,3%
Fortress Income 2 Proprietary Limited	84 745 000	12,0%
	340 010 087	**48,2%**

Control of more than 5% of issued shares	Number of shares controlled	Percentage of issued shares
Resilient Properties Proprietary Limited	133 560 000	18,9%
Pangbourne Properties Limited	121 705 087	17,3%
Fortress Income 2 Proprietary Limited	84 745 000	12,0%
	340 010 087	**48,2%**

KEY RISK FACTORS AND RISK MANAGEMENT

Risk is the volatility of unexpected outcomes. Within the Rockcastle framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings. Risk management is the discipline by which these risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value.

Risk management is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the board. The board has overall responsibility for risk management but has delegated the responsibility for monitoring risk management processes and activities to Rockcastle's risk committee. The day-to-day responsibility for risk management, including maintaining an appropriate internal control framework, remains the responsibility of Rockcastle's executive management.

Risk management is an integral part of the company's strategic management and is the mechanism through which risks associated with the company's activities are addressed. The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the instillation of a culture of risk management throughout the company.

Risks are monitored via the risk management framework in terms of which management identifies risks, documents these in the risk matrix and assesses the probability of their occurrence as well as the potential impact of the risk on the organisation. Each identified risk is then managed and, where possible, mitigated. Due to the dynamic nature of the economic environment in which Rockcastle operates, risks, and the impact thereof, change constantly. Accordingly, risk management is a dynamic and ongoing discipline which is continuously adapted to its environment.

The risk management framework is presented to the risk committee on an annual basis. The key risks include:

Key risk	Strategic goal impacted	Business impact	Mitigation of the risk	Stakeholders impacted
Risk of losses due to currency fluctuations.	Capital growth in share price.	Income for the period is reduced due to foreign exchange fluctuations.	Rockcastle hedges its exposure to currency risk to a reasonable extent by aiming to fund the purchase of counters in the currency in which that counter is denominated.	Shareholders
Risk of underperformance of investments, specifically forecasted dividends not being received.	Growth in distributable earnings.	Distributable earnings are reduced due to the reduction of dividends received from investments.	Management monitors the performance of listed counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with such mandates on a quarterly basis.	Shareholders
Risk of losses owing to movements in the level or volatility of market prices.	Capital growth in share price.	Net asset value is reduced due to losses incurred, which in turn reduces the Rockcastle share price.	Management monitors the performance of the counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with such mandates on a quarterly basis.	Shareholders Financiers

Key risk	Strategic goal impacted	Business impact	Mitigation of the risk	Stakeholders impacted
Rockcastle is built on the expertise of the management team. Executive management is critical in the day-to-day operations of the business through their expertise and experience in the analysis of the market and the identification of suitable investment opportunities.	Capital growth in share price.	Skilled and experienced staff may not be retained.	The remuneration of key staff is aligned with the interests of shareholders.	Shareholders Employees
Deterioration in the company's credit profile, a decline in debt market conditions or a general rise in interest rates could impact the cost and availability of funding.	Growth in distributable earnings.	The cost of financing increases substantially reducing distributable earnings.	The company monitors its key financial ratios. Interest rate risk is mitigated through the use of bond shorts and interest rate swaps in multiple currencies and jurisdictions.	Shareholders Financiers Employees
Inability to refinance debt at acceptable rates and overexposure to a single financial institution.	Growth in distributable earnings.	Higher finance costs result in lower distributable earnings.	Concentration exposure to one financial institution is avoided.	Shareholders Financiers Employees
Business continuity risk.	Growth in distributable earnings.	Business interruption may have a severe impact on the operations of Rockcastle and may reduce distributable earnings.	Rockcastle has a business continuity plan which includes the daily backup of data which is tested regularly.	Shareholders Employees
Investing on international markets increases operational, regulatory and other risks.	Growth in distributable earnings. Maintenance of the Rockcastle brand.	Non-compliance with regulatory requirements could lead to fines, penalties and censures.	This risk is mitigated through the collaboration of the risk committee, the executives, and Rockcastle's legal advisers and service providers in identifying and ensuring compliance with regulatory requirements.	Shareholders Financiers Employees
Development projects fail to deliver expected returns due to increased costs or delays.	Growth in distributable earnings.	Rockcastle may suffer reputational damage as well as financial loss if developments are not completed timeously and within budget. The majority of developments are done via joint ventures and delays may lead to legal disputes.	Rockcastle has access to professional, independent development managers that can be contracted on a watching brief basis to mitigate this risk. All construction works are, where possible, put to tender and only reputable professionals are engaged. Structural and occupation certificates are obtained for all developments on completion.	Shareholders Financiers Employees

Key risk	Strategic goal impacted	Business impact	Mitigation of the risk	Stakeholders impacted
The underperformance of property managers may result in inaccurate recovery of revenue and incorrect reporting.	Tenant relationships and retention. Growth in distributable earnings.	Inaccurate billing of tenants and reporting.	Compliance with service level agreements is monitored regularly. Management reviews monthly reports and meets with the property managers on a regular basis.	Tenants Property managers Shareholders Employees Co-owners
Destruction of assets.	Maintaining and growing a quality portfolio of assets. Growth in distributable earnings.	Buildings destroyed due to force majeure, fire, etc. and as a result income cannot be generated from tenants.	Insurance cover is carefully monitored to ensure that it is sufficient. The insurable amount is based on replacement valuations obtained from an independent valuer. Rockcastle uses reputable underwriters with sufficient financial backing to sustain cover paid for.	Tenants Property managers Shareholders Employees Co-owners
Physical deterioration of properties rendering them untenantable.	Maintaining and growing a quality portfolio of assets. Growth in distributable earnings.	Properties that have physically deteriorated will be untenantable resulting in decreased distributable earnings.	Asset managers perform regular property inspections as do the property managers.	Tenants Property managers Shareholders Employees Co-owners
Exposure to uncertain operating environments through investment in various African countries.	Growth in distributable earnings.	Due to the dynamic legislative and regulatory environments in certain African countries, the risk of non-compliance is increased.	Management consults with professional advisors in order to identify and comply with legislation and regulations in the applicable jurisdictions.	Shareholders Financiers Co-owners
Significant volume of leases expiring in a specific period.	Tenant relationships and retention. Growth in distributable earnings.	Rental income may be eroded due to new leases or renewals at lower rentals than previously achieved. Vacancies may not be let timeously thus reducing distributable earnings.	Asset and property managers closely monitor lease expiries and begin negotiations with tenants in advance of the expiry. All rentals are done at market related rates. Rockcastle actively markets all vacant space.	Tenants Property managers Shareholders Employees Co-owners

OPPORTUNITIES

Following the re-rating of the global listed property markets and most listed property counters now trading at a premium to net asset value, the group's strategy is to transfer from listed property counters to direct property assets. The board's view is that direct property assets, particularly in certain countries in Africa and central Europe offer superior value and will achieve attractive growth for the foreseeable future. Rockcastle will assess these opportunities in line with guidance from the investment committee.

Kafubu Mall, Ndola, Zambia

CORPORATE GOVERNANCE REVIEW

The board endorses the code of corporate practices and conduct as set out in the Code of Corporate Governance for Mauritius ("the Code"). The disclosures included in this review are consistent with the requirements of the Code. Independent consultants have been made available to members of the board to ensure that all directors are fully conversant with best practice and current thinking with regard to corporate governance.

HOLDING STRUCTURE

Rockcastle is the ultimate holding company entity and has one subsidiary, namely Ndola Kafubu Investments Limited and an associate, namely Kafubu Mall Limited. An analysis of Rockcastle's shareholder spread is provided on page 20.

COMPOSITION OF THE BOARD OF DIRECTORS

The board comprises three executive directors, three independent non-executive directors and two non-independent non-executive directors. All directors serve for a maximum period of one year and are subject to retirement by rotation and re-election by members in general meeting. Board appointments are made in terms of the policy on nominations and appointments, and such appointments are transparent and a matter for the board as a whole.

There are no fixed-term contracts for executive directors and the notice period for termination or resignation is one calendar month. There is no restraint of trade period for executive directors. Individual board members and their respective profiles are disclosed on pages 3 and 4. Directors' remuneration is disclosed on pages 15 to 16.

ROLE OF THE DIRECTORS

Ultimate control of the company rests with the board while the executive management is responsible for the proper management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards. Although quarterly board meetings are arranged every year, additional meetings are called should circumstances require it. Five board meetings were called during the current year.

In 2014, the chairman with the assistance of the company secretary, led a formal review of the effectiveness of the board and its committees. Each director completed a detailed evaluation questionnaire and an analysis of the findings was presented to the board. There was agreement that the board was operating effectively. The results were positive and action plans were agreed upon where required.

BOARD CHARTER

In order to fulfil its duties, the board has adopted a charter setting out its responsibilities. The board reviewed this charter in 2014.

The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter:

- good corporate governance and implementation of the code of corporate practices and conduct as set out in the Code;
- that the company performs at an acceptable level and that its affairs are conducted in a responsible and professional manner; and
- the board recognises its responsibilities to all stakeholders.

RESPONSIBILITIES OF THE BOARD

Although certain responsibilities are delegated to committees or management executives, the board acknowledges that it is not discharged from its obligations in regard to these matters.

The board acknowledges its responsibilities as set out in the board charter in the following areas:

- the adoption of strategic plans and ensuring that these plans are carried out by management;
- monitoring of the operational performance of the business against predetermined budgets;
- monitoring the performance of management at both operational and executive level;
- ensuring that the company complies with all laws, regulations and codes of business practice; and
- ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of company policies.

INDEPENDENCE OF THE DIRECTORS

The board's independence from the executive management team is ensured by the following:

- separation of the roles of chairman and chief executive officer, with the chairman being independent;
- the board being dominated by non-executive directors;
- the audit, investment, nomination, risk, remuneration and social and ethics committees having a majority of non-executive directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company at the company's expense.

The following non-executive directors chair the various sub-committees of the board:

- Rory Kirk (independent): Audit
- Andre van der Veer (independent): Investment
- Mark Olivier (independent): Nomination
- Rory Kirk (independent): Remuneration
- Andre van der Veer (independent): Risk
- Rory Kirk (independent): Social and ethics

The independence of the non-executive directors was assessed and three non-executive directors are considered to be independent in terms of the requirements of the Code. Independence evaluations are done annually.

The criteria used to assess the independence of the directors were as follows:

- whether the director is a representative of a shareholder who has the ability to control or significantly influence management or the board;
- whether the director has a direct or indirect interest in the company which exceeds 5% of the company's total number of shares in issue;
- whether the director has a direct or indirect interest in the company which is less than 5% of the company's total number of shares in issue, but is material to the director's personal wealth;
- whether the director has been employed by the company in any executive capacity, or appointed as the designated auditor or partner in the company's external audit firm, or senior legal adviser for the preceding financial year;
- whether the director is a member of the immediate family of an individual who is or has during the preceding financial year been employed by the company in an executive capacity;
- whether the director is a professional adviser to the company other than in the capacity as a director;
- whether the director is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the director's capacity to act in an independent manner, such as being a director of a material customer or supplier to the company; and
- whether the director receives remuneration contingent upon the performance of the company.

DIRECTORS' INTERESTS

A full list of directors' interests is maintained and directors certify that the list is correct at each board meeting.

Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

AUDIT COMMITTEE

The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditors. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditors. The role of the audit committee has been codified in the audit committee charter which has been approved by the board. This charter has been aligned with the requirements of the Code and the Companies Act. The charter was reviewed by the board in 2014.

As at the end of the financial year, the audit committee comprised: Rory Kirk (chairman), Andries de Lange, Andre van der Veer and Mark Olivier, all of whom are non-executive directors. The chief executive officer, chief financial officer and company secretary attend the committee meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as do the external auditors.

The board, in consultation with the nomination committee, makes appointments to the committee to fill vacancies. The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairman has the requisite experience in accounting and financial management.

The committee met four times during the financial period.

The audit committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the period under review. In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the audit committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information and has examined documentation relating to the annual integrated report and quarterly financial reports. The clarity of disclosures included in the financial statements was reviewed by the audit committee, as was the basis for significant estimates and judgements. The audit committee is further satisfied that the chief financial officer, Nick Matulovich CA(SA), is sufficiently competent and that the finance function has adequate resources and sufficient expertise.

It is the function of the committee to review and make recommendations to the board regarding quarterly financial results and the integrated report prior to approval by the board. The audit committee has complied with its legal, regulatory and other responsibilities. The audit committee recommended the integrated report to the board for approval.

EXTERNAL AUDIT

A key factor that may impair auditors' independence is a lack of control over non-audit services provided by the external auditors. In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the company;
- puts the auditors in the role of advocate for the company; or
- creates a mutuality of interest between the auditors and the company.

The company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the company;
- the audit committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated; and
- the audit committee has primary responsibility for making recommendations to the board on the appointment, reappointment and removal of the external auditors.

The committee reviews audit plans for external audits and the outcome of the work performed in executing these plans. They further ensure that items identified for action are followed up. The external auditors report annually to the audit committee to confirm that they are and have remained independent from the company during the period.

The audit committee considered information pertaining to the balance between fees for audit and non-audit work for the company for 2014 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditors' independence. Furthermore, after reviewing a report from the external auditors on all their relationships with the company that might reasonably have a bearing on the external auditors' independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the committee has concluded that the external auditors' independence was not impaired. The audit committee approved the external auditors' terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The committee determined that the 2014 audit was completed without any restriction on its scope.

The audit committee has satisfied itself as to the suitability of the external auditors for re-appointment for the ensuing year.

INTERNAL AUDIT

The company does not have a formalised internal audit department. The audit committee continually examines the appropriateness of utilising independent internal auditors to periodically review activities of the company.

ETHICAL PERFORMANCE

The board of directors forms the core of the values and ethics subscribed to by the company through its various committees. These values and ethics are sustained by the directors' standing and reputation in the business community and their belief in free and fair dealings in utmost good faith and respect for laws and regulations.

Rockcastle has a code of ethics communicated to all staff. The code of ethics stipulates, among other things, that all stakeholders are expected to act in good faith, that bribery in any form is not tolerated, all conflicts of interest need to be declared and that compliance with all legislation is of utmost importance. The code of ethics is reviewed by the social and ethics committee on an annual basis.

The board is not aware of any transgressions of the code of ethics during the period.

No issues of non-compliance, fines or prosecutions have been levied against Rockcastle.

INTERNAL FINANCIAL AND OPERATING CONTROLS

A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to accurate and timely reporting of business information, safeguarding of company assets, compliance with laws and regulations, financial information and general operation. The board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the company.

INVESTMENT COMMITTEE

All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to pre-set limits.

As at the end of the financial year, the investment committee comprised: Andre van der Veer (chairman), Mark Olivier and Spiro Noussis.

The investment committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2014. The committee met five times during 2014.

NOMINATION COMMITTEE

The nomination committee is mandated by the board to identify suitable candidates to be appointed to the board, identify suitable board candidates in order to fill vacancies, ensure there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board subcommittees. The nomination committee recommends the individuals to the board for appointment.

As at the end of the financial year, the nomination committee comprised: Mark Olivier (chairman), Andries de Lange and Rory Kirk.

The nomination committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2014. The committee met twice during 2014.

REMUNERATION COMMITTEE

The remuneration committee is mandated by the board to set the remuneration and incentivisation of all employees, including executive directors. In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board subcommittees. Further details are provided in the remuneration report on pages 15 to 16.

As at the end of the financial year, the remuneration committee comprised: Rory Kirk (chairman), Andries de Lange and Mark Olivier.

The remuneration committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2014. The committee met three times during 2014.

RISK COMMITTEE

The risk committee is mandated by the board to ensure that a sound risk management system is maintained, to assist the board in discharging its duties relating to the safeguarding of assets and to ensure that the company has implemented an effective plan for risk management that will enhance the company's ability to achieve its strategic objectives.

As at the end of the financial year, the risk committee comprised: Andre van der Veer (chairman), Spiro Noussis, Yan Ng and Rory Kirk.

The risk committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2014. The committee met once during 2014.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is a statutory committee whose focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship.

As at the end of the financial year, the social and ethics committee comprised: Rory Kirk (chairman), Yan Ng and Paul Pretorius.

The social and ethics committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2014. The committee met once during 2014.

COMPANY SECRETARY

The board considered the competence, qualifications and experience of the company secretary, Intercontinental Trust Limited ("ITL"), and deemed it fit to continue in the role as company secretary for Rockcastle. ITL is independent of Rockcastle and the relationship with the board has been assessed and is considered to be at arm's length.

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The board is ultimately responsible for IT governance. The Rockcastle IT function is outsourced to a third party service provider and is governed by a service level agreement.

The risks and controls over IT assets and data are considered by the risk committee.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the company's securities by directors and company officials is regulated and monitored as required by the SEM Listing Rules. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules. All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and require written authorisation from the board of directors. Rockcastle maintains a closed period from the end of a financial period to the date of publication of the financial results.

MATERIAL CLAUSES OF THE CONSTITUTION

There are no clauses of the constitution deemed material enough for separate disclosure.

SHAREHOLDERS AGREEMENTS

There is currently no shareholders agreement affecting the governance of Rockcastle by the board.

SPECIAL RESOLUTIONS PASSED

No special resolutions were passed during the current financial year.

COMMUNICATIONS WITH STAKEHOLDERS

Rockcastle is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders as set out below:

Stakeholder	Communication
Shareholders	Rockcastle is committed to providing shareholders with timely access to applicable information. Communication with its shareholders is open, honest and transparent. Shareholders are provided with information via circulars and integrated and interim reports. Additional information is provided on Rockcastle's website, via SENS announcements and press releases.
Analysts	Rockcastle holds semi-annual results presentations in Johannesburg and Cape Town.
Financiers	Rockcastle meets with its financiers on a regular basis to discuss its requirements and theirs. Information is provided through analyst presentations, road shows, integrated reports and interim reporting.
Tenants	Rockcastle strives to form mutually beneficial business relationships with its tenants. Rockcastle's asset managers and property managers meet with the tenants on a regular basis and conduct regular site visits to Rockcastle's property.
Government	Rockcastle endeavours to have mutually beneficial relationships with government, its departments and parastatals. Rockcastle engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.
Business partners	Rockcastle maintains professional working relationships with its business partners at the same time as fostering a culture of teamwork. Rockcastle ensures that all of its business partners fully understand its performance standards and requirements. Rockcastle's business partners include the property managers and both Rockcastle's asset managers and senior management meet with the property managers on a regular basis.
Communities and environment	Rockcastle is committed to being a good corporate citizen and frequently evaluates the impact of its projects and developments on society and the environment.
Suppliers	Rockcastle maintains professional working relationships with all of its suppliers and ensures that its suppliers understand Rockcastle's performance standards and requirements. Where possible, Rockcastle will have service level agreements or terms of reference for its relationships with suppliers, which include performance expectations.

SUSTAINABILITY

Rockcastle considers the sustainability policies of its underlying investments including those dealing with social, ethical, safety, health and environmental issues. Rockcastle will develop detailed sustainability policies dealing with these issues when it holds direct property investments.

DIVIDEND POLICY

The company has a semi-annual distribution policy as set out in the initial listing particulars.

MISCELLANEOUS ITEMS

The company does not have an employee share option scheme.

The company made no charitable or political donations during the period.

Related party transactions are set out in note 25 to the financial statements.

There is no third party management agreement between third parties and the company in the period under review besides those property management agreements that relate to the day-to-day property management of Rockcastle's property.

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

CONTENTS


kafubumall

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

The directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards ("IFRS"); and

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) IFRS has been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified; and

(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

The annual financial statements of the group and company were approved by the board of directors on 12 August 2014 and signed on its behalf by:

Mark Olivier
Chairman

Spiro Noussis
Chief executive officer

STATEMENT OF COMPLIANCE

We, the directors of Rockcastle, confirm to the best of our knowledge that the company has complied with all of its obligations and requirements under the Code of Corporate Governance.

Mark Olivier
Chairman
12 August 2014

Spiro Noussis
Chief executive officer

COMPANY SECRETARY'S CERTIFICATE

for the year ended 30 June 2014

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

Intercontinental Trust Limited
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Tel: +230 202 3000
Fax: +230 202 9993
www.bdo.mu

BDO & Co Ltd
10, Frère Félix de Valois Street
Port Louis, Mauritius
PO Box 799

This report is made solely to the members of Rockcastle Real Estate Company Limited, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Rockcastle Real Estate Company Limited and its subsidiary (the "group") and the company's separate financial statements on pages 35 to 69 which comprise the statements of financial position at 30 June 2014 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements on pages 35 to 69 give a true and fair view of the financial position of the group and of the company at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with, or interests in, the company or its subsidiary, other than in our capacity as the auditor and business adviser and dealings in the ordinary course of business. We have obtained all information and explanations we have required. In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance ("the Code") as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & Co
Chartered Accountants
Port Louis, Mauritius

Per **Georges Chung Ming Kan**
F.C.C.A
Licensed by FRC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2014

		GROUP		COMPANY	
	Notes	Audited 2014 USD'000	Audited 2013 USD'000	Audited 2014 USD'000	Audited 2013 USD'000
ASSETS					
Non-current assets		**1 587 451**	693 644	**1 587 416**	693 644
Listed security investments	3	**1 565 259**	689 257	**1 565 259**	689 257
Investment in subsidiary	5	**-**	-	**5 157**	-
Rockcastle management incentive loans	6	**17 000**	4 387	**17 000**	4 387
Investment in associate company	4	**5 192**	-	**-**	-
Current assets		**19 125**	3 322	**19 125**	3 322
Investment income receivable	8	**6 934**	3 127	**6 934**	3 127
Cash and cash equivalents	7	**486**	195	**486**	195
Trade and other receivables	9	**3**	-	**3**	-
Loans to development partners	10	**11 702**	-	**11 702**	-
Total assets		**1 606 576**	696 966	**1 606 541**	696 966
EQUITY AND LIABILITIES					
Total equity attributable to equity holders		**983 184**	401 361	**983 149**	401 361
Stated capital	11	**871 154**	409 771	**871 154**	409 771
Retained income/(loss)		**131 714**	(8 410)	**131 679**	(8 410)
Non-distributable reserves		**(19 684)**	-	**(19 684)**	-
Total liabilities		**623 392**	295 605	**623 392**	295 605
Non-current liabilities		**340 057**	66 970	**340 057**	66 970
Interest-bearing borrowings	12	**340 057**	66 970	**340 057**	66 970
Current liabilities		**283 335**	228 635	**283 335**	228 635
Trade and other payables	13	**6 832**	52	**6 832**	52
Interest-bearing borrowings	12	**275 896**	228 385	**275 896**	228 385
Income tax payable		**607**	198	**607**	198
Total equity and liabilities		**1 606 576**	696 966	**1 606 541**	696 966

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		GROUP		COMPANY	
	Notes	Audited for the year ended 30 June 2014 USD'000	Audited for the 15 months ended 30 June 2013 USD'000	Audited for the year ended 30 June 2014 USD'000	Audited for the 15 months ended 30 June 2013 USD'000
Dividends received from listed security investments	14	**54 088**	17 736	**54 088**	17 736
Income from associate	4	**35**	-	**-**	-
Fair value gain/(loss) on listed security investments		**105 081**	(11 056)	**105 081**	(11 056)
Foreign exchange gain/(loss)		**6 915**	(8 103)	**6 915**	(8 103)
Operating expenses		**(1 327)**	(553)	**(1 327)**	(553)
Listing expenses		**-**	(525)	**-**	(525)
Profit/(loss) before net finance income		**164 792**	(2 501)	**164 757**	(2 501)
Net finance (costs)/income		**(22 174)**	673	**(22 174)**	673
Finance income		**753**	2 638	**753**	2 638
Interest on Rockcastle management incentive loans		**441**	22	**441**	22
Unrealised fair value gain on bond shorts		**-**	2 616	**-**	2 616
Interest on development partner loan		**312**	-	**312**	-
Finance costs		**(22 927)**	(1 965)	**(22 927)**	(1 965)
Interest on borrowings		**(9 667)**	(1 965)	**(9 667)**	(1 965)
Unrealised fair value loss on interest rate derivatives		**(4 667)**	-	**(4 667)**	-
Unrealised fair value loss on bond shorts		**(8 593)**	-	**(8 593)**	-
Profit/(loss) before income tax expense	15	**142 618**	(1 828)	**142 583**	(1 828)
Income tax expense	16	**(607)**	(198)	**(607)**	(198)
Profit/(loss) for the year/period attributable to equity holders		**142 011**	(2 026)	**141 976**	(2 026)
Total comprehensive income/(loss) for the year/period		**142 011**	(2 026)	**141 976**	(2 026)
Weighted average number of shares in issue	20	**478 682 693**	113 956 558	**478 682 693**	113 956 558
Basic earnings/(loss) per share from continuing operations (USD cents)	20	**29,67**	(1,78)	**29,66**	(1,78)
Headline earnings/(loss) per share from continuing operations (USD cents)	21	**29,67**	(1,78)	**29,66**	(1,78)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	GROUP AUDITED				
	Notes	Stated capital USD'000	Retained income/(loss) USD'000	Non-distributable reserves USD'000	Total USD'000
Balance at 30 March 2012		-	-	-	-
Transactions with equity holders		409 771	(6 384)	-	403 387
Issue of shares		409 771			409 771
Dividend declared (interim)	17.2		(6 384)		(6 384)
Total comprehensive loss for the period		-	(2 026)	-	(2 026)
Balance at 30 June 2013		409 771	(8 410)	-	401 361
Transactions with equity holders		**461 383**	**(21 571)**	**-**	**439 812**
Issue of 90 million shares on 15 October 2013		**118 232**			**118 232**
Issue of 90 million shares on 10 December 2013		**116 975**			**116 975**
Issue of 175.5 million shares on 30 May 2014		**240 176**			**240 176**
Reclassification of stated capital		**(14 000)**	**14 000**		**-**
Distributions declared			**(14 000)**		**(14 000)**
Dividends declared	17.2		**(21 571)**		**(21 571)**
Total comprehensive income for the year		**-**	**142 011**	**-**	**142 011**
Total profit for the year			**142 011**		**142 011**
Total other comprehensive income for the year			**-**		**-**
Transfer to non-distributable reserves			**19 684**	**(19 684)**	**-**
Balance at 30 June 2014		**871 154**	**131 714**	**(19 684)**	**983 184**

	COMPANY AUDITED				
	Note	Stated capital USD'000	Retained income/(loss) USD'000	Non-distributable reserves USD'000	Total USD'000
Balance at 30 March 2012		-	-	-	-
Transactions with equity holders		409 771	(6 384)	-	403 387
Issue of shares		409 771			409 771
Dividend declared (interim)	17.2		(6 384)		(6 384)
Total comprehensive income for the period		-	(2 026)	-	(2 026)
Balance at 30 June 2013		409 771	(8 410)	-	401 361
Transactions with equity holders		**461 383**	**(21 571)**	**-**	**439 812**
Issue of 90 million shares on 15 October 2013		**118 232**			**118 232**
Issue of 90 million shares on 10 December 2013		**116 975**			**116 975**
Issue of 175.5 million shares on 30 May 2014		**240 176**			**240 176**
Reclassification of stated capital		**(14 000)**	**14 000**		**-**
Distributions declared			**(14 000)**		**(14 000)**
Dividends declared	17.2		**(21 571)**		**(21 571)**
Total comprehensive income for the year		**-**	**141 976**	-	**141 976**
Total profit for the year			**141 976**		**141 976**
Total other comprehensive income for the year			**-**		**-**
Transfer to non-distributable reserves			**19 684**	**(19 684)**	**-**
Balance at 30 June 2014		**871 154**	**131 679**	**(19 684)**	**983 149**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	GROUP Audited for the year ended 30 June 2014 USD'000	GROUP Audited for the 15 months ended 30 June 2013 USD'000	COMPANY Audited for the year ended 30 June 2014 USD'000	COMPANY Audited for the 15 months ended 30 June 2013 USD'000
Operating activities					
Cash generated from operations	17.1	**44 262**	13 585	**44 262**	13 585
Interest received on management incentive loans advanced		**441**	22	**441**	22
Interest paid on borrowings		**(2 553)**	(1 966)	**(2 553)**	(1 966)
Income tax paid	17.3	**(198)**	-	**(198)**	-
Cash inflow from operating activities		**41 952**	11 641	**41 952**	11 641
Investing activities					
Rockcastle management incentive loans advanced		**(12 613)**	(4 387)	**(12 613)**	(4 387)
Investment in associate acquired		**(5 157)**	-	**-**	-
Development partner loans advanced		**(11 702)**	-	**(11 702)**	-
Acquisition of investments		**(764 006)**	(708 417)	**(769 163)**	(708 417)
Cash outflow from investing activities		**(793 478)**	(712 804)	**(793 478)**	(712 804)
Financing activities					
Increase in interest-bearing borrowings		**312 005**	297 971	**312 005**	297 971
Proceeds from share issuances		**475 383**	409 771	**475 383**	409 771
Distributions paid to shareholders	17.2	**(14 000)**	-	**(14 000)**	-
Dividends paid to shareholders	17.2	**(21 571)**	(6 384)	**(21 571)**	(6 384)
Cash inflow from financing activities		**751 817**	701 358	**751 817**	701 358
Increase in cash and cash equivalents		**291**	195	**291**	195
Cash and cash equivalents at the beginning of the year/period		**195**	-	**195**	-
Cash and cash equivalents at the end of the year/period		**486**	195	**486**	195
Cash and cash equivalents consist of:					
Current accounts		**486**	195	**486**	195

Reporting entity

Rockcastle is a public company limited by shares incorporated in Mauritius on 30 March 2012. The company holds a Category One Global Business Licence issued by the Financial Services Commission. The company is listed on the the SEM and the AltX of the JSE Limited.

The group's main activity is to invest globally in listed real estate assets and direct property in developed and developing markets. Its registered office is Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius. These financial statements will be submitted for consideration and approval at the forthcoming AGM.

Basis of preparation

Basis of measurement

The financial statements are prepared on the historical-cost basis, except for derivative financial instruments and financial instruments designated as financial instruments at fair value through profit or loss, which are measured at fair value or carried at amortised cost, as appropriate.

Statement of compliance

The statutory financial statements of the group are prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and with the Mauritian Companies Act 2001.

This report was compiled under the supervision of Nick Matulovich CA(SA), the chief financial officer.

Functional and presentation currency

The functional currency of Rockcastle is the United States Dollar ("USD"), and the group has elected to present its financial statements in USD, being the denomination of the issued stated capital of the group.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are set out in note 24.

1 ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014.

1.1 Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporate the annual financial statements of the company and entities controlled by the company and its subsidiaries.

Control is achieved when the company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

1 ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of consolidation (continued)

The company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company may have the current ability to direct the relevant activities at the time that decisions need to be made.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. The purchase method of accounting has been adopted to account for the cost of the acquisition of the investments. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued and excludes transaction costs.

Investments in subsidiaries of the company are reflected at cost less accumulated impairment losses.

Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated in the preparation of the consolidated annual financial statements.

The accounting policies of the subsidiaries are consistent with those of the company.

Associates

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

Associates are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate.

The consolidated financial statements include the group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the group and associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment in the investment in the associates. The investments in associates are accounted for at cost less accumulated impairment in the company.

1.2 Financial instruments

Financial assets and liabilities are recognised in the group's statements of financial position when the group has become party to the contractual provisions of the instrument. Financial instruments acquired for trading purposes and derivative instruments are stated at fair value. Resulting gains or losses are recognised directly in profit or loss. Financial instruments presented in the financial statements include cash and cash equivalents, investments in listed property securities, derivatives, loans, trade and other receivables, trade and other payables and interest-bearing borrowings. Financial instruments are initially recognised at fair value including transaction costs.

Subsequent to initial recognition, these instruments are measured as follows:

1.2.1 Financial assets

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition.

Financial investments at fair value through profit or loss - Financial investments at fair value through profit or loss are financial assets held-for-trading and those designated at fair value through profit or loss at inception. These assets are carried at fair value being the quoted closing price at the statement of financial position date. Realised and unrealised gains and losses arising from changes in the fair value of these investments are recognised in profit or loss in the period in which they arise. Attributable transaction costs are recognised in the statement of comprehensive income as incurred.

Trade receivables - Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents - Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of the statements of cash flows. Cash and cash equivalents are carried at amortised cost.

Impairment of financial assets - Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

For trade receivables and investment income receivable, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised and the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised.

Derecognition of financial assets - A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired, the group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement or the group has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards from the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

1.2.2 Financial liabilities

Classification as debt or equity - Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables - Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities - All other financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Where an existing liability from a lender is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is recognised directly in profit or loss.

Effective interest method - The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, a shorter period.

Offset - Where a legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the assets simultaneously, all related financial effects are offset.

1.3 Derivative financial instruments

The group enters into a variety of derivative financial instruments to gain exposure to property securities and to manage interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to the fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. The group designates certain derivatives as either hedges of the fair value of recognised assets and liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than twelve months and as a current asset or current liability if the remaining maturity of the hedge relationship is less than twelve months.

Derivatives not designated into an effective hedge relationship or that do not qualify in terms of hedge accounting rules, are classified as a current asset or current liability. The fair value of derivatives is the estimated amount that the group would receive or pay to terminate the derivative at the reporting date, taking into account current interest and exchange rates and the current creditworthiness of the swap counter parties.

1.4 Provisions and contingent liabilities

Provisions are recognised when a present legal or constructive obligation exists as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market "assessments of the time value of money and where appropriate, the risks specific to the obligation."

The group discloses a contingent liability when it has a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

1.5 Stated capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

1.6 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

1.7 Revenue and investment income

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the entity. Revenue is recognised at the fair value of the consideration received or receivable.

Revenues earned by the group are recognised on the following bases:

- Dividend income - when the shareholder's right to receive payment is established.
- Interest income - on a time-proportion basis using the effective interest method.

1.8 Finance income and finance costs

Finance income comprises interest receivable and is recognised as it accrues, taking into account the effective yield on the asset. Finance costs comprise interest payable on borrowings calculated using the effective interest rate method.

1.9 Tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years. Deferred tax is recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
    at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the statements of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

1 ACCOUNTING POLICIES (CONTINUED)

1.10 Translation of foreign currencies

The functional currency of Rockcastle is USD. Accordingly, transactions denominated in currencies other than USD are translated at the average rate of exchange during the month in which the transaction occurs.The prevailing rate of exchange on the date of a significant transaction is however utilised where significant fluctuations in the rate of exchange occur during the month in which the transaction occurs.

Monetary assets and liabilities denominated in foreign currencies (other than monetary items that form part of the net investment in a foreign operation) are translated at the rates of exchange ruling at the reporting date, with gains and losses recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost and are translated using the rates of exchange ruling at the date of the transaction.

1.11 Dividends to shareholders

A dividend to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividend is declared.

1.12 Operating segments

A segment is a distinguishable component of the group that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The group's primary segment is based on geographic segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board. The board reviews the group's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.13 Significant judgements and areas of estimation

The preparation of the financial statements in conformity with IFRS requires the use of estimates, assumptions and judgements that affect the amounts reported in the statements of financial position and statements of comprehensive income of the group. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Although the estimates are based on management's best knowledge and judgements of current facts as at the reporting date, the actual outcome may differ from those estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods.

1.14 Related parties

Related parties in the case of the group include any shareholder who is able to exert a significant influence on the operating policies of the group. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the group are also considered to be related parties.

1.15 Earnings per share

The group presents basic and diluted earnings per share. It also presents headline and diluted headline earnings per share.

Basic earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares in issue during the year. Headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue during the year.

Diluted earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options.

Diluted headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options acquired.

1.16 Non-distributable reserves

All realised/unrealised losses of a capital nature are transferred to non-distributable reserves.

2 FINANCIAL RISK MANAGEMENT

The group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including currency risk, interest rate risk and price risk).

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements (refer to notes 23.1 to 23.3).

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has delegated the responsibility for developing and monitoring the group's risk management policies to the risk committee. The committee reports to the board of directors on its activities. The risk committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's investment securities, loans, receivables and cash and cash equivalents.

Investments
The group invests in listed securities by means of direct investments and by utilising equity swaps with recognised financial institutions. The group limits its exposure to credit risk in its direct investments by only investing in liquid securities listed on a recognised stock exchange. The group has policies and procedures in place to mitigate the credit risk associated with equity swaps. The group ensures that more than one reputable counterparty is used and that new investments are split on an equitable basis between counterparties in order to spread the credit exposure. In addition, counterparty credit risk is monitored and any changes thereto are analysed and policies are in place to mitigate any risks associated with increased counterparty credit risk.

Trade and other receivables and investment income receivable
Trade and other receivables relate mainly to dividends from investments accrued by the group as at the end of the period but which have not yet been received. The credit risk associated with these receivables is monitored as part of the group's greater investment strategy. The group ensures that the companies in which it invests are listed on a recognised stock exchange, are liquid and solvent and appear to be trading as a going concern for the foreseeable future.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Rockcastle management incentive loans
The group's exposure to credit risk is influenced by the security provided for the loan and also the characteristics of each borrower, who is an employee of the group.

The group establishes an allowance for impairment that represents its estimate of specific losses to be incurred in the event of the borrowers' inability to meet their commitments.

Loans to development partners
In reducing credit risk attributable to loans to development partners, the group takes a pledge over the shares in the group in which the development is undertaken.

Cash and cash equivalents
The group's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash handling purposes.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations, comprising interest-bearing borrowings and trade and other payables, as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. In this respect, the group prepares cash flow analyses and forecasts which enable the directors to assess the level of financing required in future periods.

The interest-bearing borrowings relate to the borrowings associated with the equity swaps utilised by the group. The board of directors agree on gearing parameters for the group and the gearing levels are consistently monitored, taking into account the fluctuations in the underlying investments.

Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. The group generates a significant amount of cash from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group buys derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the audit committee.

Currency risk
The group is exposed to foreign currency risk on investments denominated in Euro, Great British Pound, Singapore Dollar, Hong Kong Dollar, Australian Dollar and the Canadian Dollar. The group mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment.

Interest rate risk
The group is exposed to interest rate risk on its interest-bearing borrowings and cash and cash equivalents.

Interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to the base lending rate in the jurisdiction to which they relate. However, the group utilises the short selling of government bonds to hedge a portion of the interest rate risk.

Equity price risk
The group is exposed to equity price risk on its investments. It limits its exposure to equity price risk by only investing in liquid securities that are listed on a recognised stock exchange and where the directors are in agreement with the business strategy implemented by such companies. The group also makes use of short-selling of government bonds which provides a form of natural hedge against equity price fluctuations.

Fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments; or
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Capital management

The group considers the equity attributable to equity holders as the permanent capital of the group. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board also monitors the level of dividends to shareholders. The board seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The board's objectives when managing capital are:

- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

3 LISTED SECURITY INVESTMENTS

Listed security investments are categorised as financial assets measured at fair value through profit or loss. The fair values of the listed security investments are determined based on quoted prices in active markets. The list of investments is provided in the Schedule of Investments from page 71 to 72 of this report.

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Cumulative historical cost	**1 460 178**	700 313
Increase/(decrease) in fair value	**105 081**	(11 056)
Total investment balance	**1 565 259**	689 257
Non-current (level 1)	**1 565 259**	689 257

The currency profile of listed security investments is disclosed in note 19. Changes in fair values are recorded in the statement of comprehensive income and none of the financial assets are impaired.

4 INVESTMENT IN ASSOCIATE COMPANY

	GROUP 2014 USD'000
Interest in associate company Kafubu Mall Limited	
Investment at cost	5 157
Share of post-acquisition reserves	35
Carrying value	5 192
Holding	50%
Condensed consolidated statement of financial position at 30 June 2014	
Non-current assets	20 341
Current assets	70
Equity	(10 384)
Current liabilities	(10 027)
Condensed consolidated statement of comprehensive income for the period ended 30 June 2014	
Net income	360
Net finance costs	(290)
Income for the period	70

Rockcastle holds a 100% interest in Ndola Kafubu Limited (a Category Two Global Business License Company in Mauritius). Ndola Kafubu Limited holds 50% of the equity and voting rights in Kafubu Mall Limited (Zambia).

Kafubu Mall Limited owns Kafubu Mall which is a 12 500m² mall situated in Ndola, Zambia.

5 INVESTMENT IN SUBSIDIARY

	COMPANY			
	Effective interest		Investment	
	2014	2013	2014 USD'000	2013 USD'000
Subsidiary				
Ndola Kafubu Limited	100%	-	5 157	-

The interest in Ndola Kafubu Limited was purchased during the 2014 financial year and accordingly no interest was held in 2013.

6 ROCKCASTLE MANAGEMENT INCENTIVE LOANS

The movements in the Rockcastle management incentive loans ("MIL") were approved by the board during the financial year. The purpose of the incentive is to provide employees with an incentive linked to the growth of the company's long-term value as measured by the share price. This form of long-term incentivisation is designed to provide an incentive programme that will contribute to the achievement of the company's objectives and enhance shareholder value.

Employees are provided with a 10 year loan to facilitate the purchase of Rockcastle shares which are pledged as security for the aforesaid loan. Dividends received on these shares are applied to settle the interest payable on the loans and any excess is then utilised to reduce the outstanding liability balance.

	GROUP AND COMPANY		
	2014 % of issued shares	2014 Number of shares	2014 Loan balance USD'000
Shares issued to directors and employees in terms of the MIL	**1,87%**	**13 215 000**	**17 000**

	GROUP AND COMPANY		
	2013 % of issued shares	2013 Number of shares	2013 Loan balance USD'000
Shares issued to directors and employees in terms of the MIL	1,03%	3 600 000	4 387

The participants in the MIL carry the risk associated with the shares issued to them.

This disclosure includes all shares issued since incorporation.

The MIL loans bear interest at 5% for the year ended 30 June 2014 (2013: weighted average cost of capital). The loans are secured by 13,215 million (2013: 3,6 million) shares in Rockcastle with a fair value of USD19.82 million (2013: USD4.86 million). The value of security held for each individual loan exceeds the amount of the related loan. The loans are repayble on the tenth anniversary of the loans being granted.

Details of the shares issued to directors in terms of the Rockcastle MIL as at 30 June 2014 are as follows:

	Number of shares issued	Date of issue	Issue price - USD per share (excluding costs)	Employee asset as recorded in financial statements USD'000
Spiro Noussis	4 615 000	18 Feb 2014	1.33	6 138
Nick Matulovich	1 000 000	18 Dec 2013	1.30	1 300
	100 000	14 Jun 2013	1.35	135
Paul Pretorius	1 000 000	18 Dec 2013	1.30	1 300
	500 000	14 Jun 2013	1.35	675

7 CASH AND CASH EQUIVALENTS

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Cash and cash equivalents comprise the following:		
Cash at bank - current accounts	**486**	195

8 INVESTMENT INCOME RECEIVABLE

Investment income receivable pertains to income which has met the revenue recognition requirements of IAS 18 *Revenue* as set out in note 1.7 and has accordingly been recognised as income during the current financial year but has not yet been received as at the end of the financial year. The geographical breakdown of this receivable is disclosed in the segmental reporting in note 19.

As at 30 June 2014, none of the receivables were past due or impaired. In addition, no provision for impairment has been made as at 30 June 2014. The maximum exposure to credit risk at the reporting date pertaining to these receivables is the fair value of the receivables. The company does not hold any collateral as security.

9 TRADE AND OTHER RECEIVABLES

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Trade and other receivables include the following:		
Prepaid expenses	**3**	-
	3	-

10 LOANS TO DEVELOPMENT PARTNERS

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Loan to Kitwe Mukuba Investments	**11 702**	-
Current portion included in current assets	**(11 702)**	-
Non-current portion	-	-

The amount owing by the development partner is secured by a pledge of the shares in the company in which the property is held. The loan bears interest at the rate of 9,5%.

The loan is repayable on completion of the development which is expected to be in April 2015.

11 STATED CAPITAL

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Authorised		
880 001 000 (2013: 440 001 000) ordinary shares of no par value		
Issued		
705 500 000 (2013: 350 000 000) ordinary shares at an average of approximately USD1.24 (2013: USD1.17) per share	**871 154**	409 771

	GROUP AND COMPANY	
	2014 shares	2013 shares
Reconciliation of movement in issued shares		
Balance at beginning of period	**350 000 000**	-
Shares issued for cash consideration during the period	**355 500 000**	350 000 000
	705 500 000	350 000 000

12 INTEREST-BEARING BORROWINGS

The company's interest-bearing borrowings comprise short-selling of government bond positions as well as short-term interest-bearing borrowings. The borrowing facilities, together with shareholder stated capital, are used to fund the company's investment activities. The company's investment mandate allows the company to have borrowings of up to 60% of the total asset value.

Short-term interest-bearing borrowings are measured at amortised cost. Interest-bearing borrowings pertaining to government bond positions are measured at fair value which is calculated using quoted market prices at the reporting period. The company's exposure to interest rate, foreign currency and liquidity risk is discussed in note 23.

	GROUP AND COMPANY			
Bond shorts – 2014	Yield to maturity	Date of maturity	Fair value USD'000	Carrying amount USD'000
Europe	0,28%	October 2017	6 918	**6 918**
USA	0,84%	November 2017	4 923	**4 923**
Canada	1,94%	June 2022	9 900	**9 900**
UK	2,18%	September 2022	32 100	**32 100**
USA	2,11%	November 2022	28 322	**28 322**
Europe	1,56%	February 2023	14 182	**14 182**
Australia	3,84%	April 2023	21 784	**21 784**
USA	2,53%	May 2023	56 766	**56 766**
Europe	2,17%	May 2023	28 162	**28 162**
Europe	1,61%	May 2023	70 730	**70 730**
Canada	2,49%	June 2023	35 628	**35 628**
USA	2,60%	February 2024	30 642	**30 642**
			340 057	**340 057**

12 INTEREST-BEARING BORROWINGS (CONTINUED)

Interest-bearing borrowings (short-term) – 2014	GROUP AND COMPANY Nominal interest rate	Maturity	Fair value USD'000	Carrying amount USD'000
USA	Federal Funds Effective Rate + 0,575%	Less than one year	341 152	**341 152**
USA	Federal Funds Effective Rate + 0,65%	Less than one year	280 396	**280 396**
Singapore	1-month Association of Banks in Singapore Swap + 0,5%	Less than one year	202 553	**202 553**
Canada	CABROVER + 0,05%	Less than one year	110 942	**110 942**
Canada	1-month CDOR + 0,6%	Less than one year	97 357	**97 357**
Europe	EONIA + 0,625%	Less than one year	83 627	**83 627**
UK	Overnight SONIA + 0,625%	Less than one year	73 544	**73 544**
UK	1-month LIBOR + 0,35%	Less than one year	72 625	**72 625**
Europe	1-month Euribor + 0,35%	Less than one year	66 597	**66 597**
Australia	RBA overnight rate + 0,05%	Less than one year	57 141	**57 141**
Australia	1-month Australia Bank Bill + 0,5%	Less than one year	15 623	**15 623**
			1 401 557	**1 401 557**
Cumulative cash collateral held with prime brokers used to offset short-term borrowings balance			(1 125 661)	**(1 125 661)**
Net short-term borrowings			275 896	**275 896**

Bond shorts – 2013	GROUP AND COMPANY Yield to maturity	Date of maturity	Fair value USD'000	Carrying amount USD'000
Europe	0,36%	October 2017	6 481	6 481
USA	0,84%	November 2017	4 872	4 872
Canada	1,94%	June 2022	9 810	9 810
UK	2,00%	September 2022	14 353	14 353
USA	1,90%	November 2022	18 656	18 656
Europe	1,33%	February 2023	12 798	12 798
			66 970	66 970

GROUP AND COMPANY

Interest-bearing borrowings (short-term) – 2013	Nominal interest rate	Maturity	Fair value USD'000	Carrying amount USD'000
USA	Federal Funds Effective Rate + 0,575%	Less than one year	268 115	268 115
Europe	EONIA + 0,675%	Less than one year	117 194	117 194
Canada	CABROVER + 0,3%	Less than one year	78 330	78 330
Singapore	1-month SIBOR + 0,675%	Less than one year	64 709	64 709
Australia	1-month Australia Bank Bill + 0,65%	Less than one year	54 035	54 035
UK	Overnight SONIA + 0,675%	Less than one year	44 296	44 296
Europe	1-month Euribor + 0,35%	Less than one year	29 830	29 830
Canada	1-month CDOR + 0,65%	Less than one year	18 456	18 456
Singapore	1-month Association of Banks in Singapore Swap + 0,5%	Less than one year	16 853	16 853
UK	1-month LIBOR + 0,35%	Less than one year	16 374	16 374
			708 192	708 192
Cumulative cash collateral held with prime brokers used to offset short-term borrowings balance			(479 807)	(479 807)
Net short-term borrowings			228 385	228 385

	2014 Fair value USD'000	2014 Carrying amount USD'000	2013 Fair value USD'000	2013 Carrying amount USD'000
Interest-bearing borrowings (short-term)	**1 401 557**	**1 401 557**	708 192	708 192
Equity swap cash collateral	**(1 125 661)**	**(1 125 661)**	(479 807)	(479 807)
Bond shorts	**340 057**	**340 057**	66 970	66 970
Net interest-bearing borrowings	**615 953**	**615 953**	295 355	295 355
Portion included in current liabilities	**275 896**	**275 896**	228 385	228 385
Portion included in non-current liabilities	**340 057**	**340 057**	66 970	66 970
Total interest-bearing borrowings	**615 953**	**615 953**	295 355	295 355

	2014 Investments USD'000	2014 Total USD'000	2013 Investments USD'000	2013 Total USD'000
Interest-bearing borrowings are secured by the following:				
Listed security investments	**1 565 259**	**1 565 259**	689 257	689 257
	1 565 259	**1 565 259**	689 257	689 257

Short-term interest-bearing borrowings are repayable on the settlement of the respective equity swap position.

13 TRADE AND OTHER PAYABLES

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Trade and other payables include the following:		
Fair value of interest rate derivatives	**6 070**	-
Accrued expenses	**762**	52
	6 832	52

14 DIVIDENDS RECEIVED FROM LISTED SECURITY INVESTMENTS

Dividends received from listed securities investments relates to dividend income recognised by the company during the period in accordance with the recognition and measurement criteria in IAS 18 *Revenue* and the accounting policy in note 1.7. The geographical spread of this amount is provided in the segmental reporting provided in note 19.

15 PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Profit/(loss) before income tax expense is stated after charging:		
Auditor's remuneration		
• audit fee	**(7)**	(6)
• other services	**-**	(5)
Directors' remuneration		
• services as director (non-executive)	**(80)**	(70)
Salaries	**(574)**	(269)
Travel and accommodation	**(287)**	(41)

16 INCOME TAX EXPENSE

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Mauritian normal tax	**(607)**	(198)
Current tax	**(607)**	(198)

Reconciliation of tax rate

The tax on the company's loss before taxation differs from the theoretical amount that would arise using the basic rate of the company as follows:

	2014 %	2013 %
Standard tax rate	**15,00%**	15,00%
Foreign tax credit*	**(12,00%)**	(12,00%)
Permanent differences	**(2,57%)**	(13,85%)
Effective tax rate	**0,43%**	(10,85%)

*The company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995 as amended. As the company holds a Category One Global Business License, the Income Tax (Foreign Tax Credit) Regulations 1996 provides for the setting off of any underlying tax, withholding tax or tax sparing credit by the company against the 15% tax or a deemed 80% foreign tax credit on the company's foreign source income where written evidence of foreign tax charged is not presented to the tax authorities in Mauritius. Gains on sale of securities are exempted from tax in Mauritius.

17 NOTES TO THE STATEMENTS OF CASH FLOWS

17.1 Cash generated from operations

	GROUP		COMPANY	
	2014 USD'000	2013 USD'000	2014 USD'000	2013 USD'000
Profit/(loss) before income tax expense	**142 618**	(1 828)	**142 583**	(1 828)
Adjusted for:				
Fair value (gain)/loss on listed security investments	**(105 081)**	11 056	**(105 081)**	11 056
Income from associate	**(35)**	-	**-**	-
Unrealised fair value loss/(gain) on bond shorts	**8 593**	(2 616)	**8 593**	(2 616)
Fair value adjustment on interest rate derivatives	**4 667**	-	**4 667**	-
Interest received on the Rockcastle management incentive loans	**(441)**	(22)	**(441)**	(22)
Interest paid on borrowings	**2 553**	1 965	**2 553**	1 966
Foreign exchange (gain)/loss	**(6 915)**	8 103	**(6 915)**	8 103
	45 959	16 658	**45 959**	16 659
Changes in working capital:				
Increase in trade and other receivables	**(3 810)**	(3 126)	**(3 810)**	(3 126)
Increase in trade and other payables	**2 113**	53	**2 113**	52
	44 262	13 585	**44 262**	13 585

17 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

17.2 Dividends/distributions paid to shareholders

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Dividends payable at the beginning of the year	**-**	-
Distributions paid during the year*	**(14 000)**	-
Dividends paid during the year*	**(21 571)**	(6 384)
Dividends payable at the end of the year	**-**	-
	(35 571)	(6 384)

* The distribution/dividend paid during the year relates to:

- the 2013 financial period final distribution of 4.00 USD cents per share paid in October 2013. There were 350 000 000 shares in issue that received the distribution.
- the 2014 financial year interim dividend of 4.07 USD cents per share paid in March 2014. There were 530 000 000 shares in issue that received the dividend.

17.3 Income tax paid

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Income tax payable at the beginning of the year/period	**(198)**	-
Charged to the statement of comprehensive income during the year/period	**(607)**	(198)
Income tax payable at the end of the year/period	**607**	198
	(198)	-

18 CONTINGENT LIABILITIES

There are no contingent liabilities.

19 SEGMENTAL REPORTING

Segmental statements of financial position at 30 June 2014

Geographical segment	GROUP AND COMPANY					
	Direct property investments* USD'000	Listed security investments USD'000	Investment income receivable USD'000	Cash and cash equivalents USD'000	Other assets USD'000	Total USD'000
Australia	-	122 911	2 263	-	-	125 174
Canada	-	208 589	870	-	-	209 459
Europe	-	193 272	-	3	-	193 275
UK	-	143 045	-	-	-	143 045
Hong Kong	-	78 008	1 584	-	-	79 592
Singapore	-	192 218	-	-	-	192 218
USA	-	627 216	2 217	483	-	629 916
Zambia	5 192	-	-	-	-	5 192
Corporate	-	-	-	-	28 705	28 705
Total assets	5 192	1 565 259	6 934	486	28 705	1 606 576

* Direct property investments relate to the 50% indirect interest held in Kafubu Mall Limited. This entity owns 100% of Kafubu Mall in Ndola, Zambia. The investment is accounted for as an associate in terms of IFRS and is presented as such in the statements of financial position.

Geographical segment	GROUP AND COMPANY				
	Total equity attributable to equity holders USD'000	Interest-bearing borrowings USD'000	Trade and other payables USD'000	Income tax payable USD'000	Total USD'000
Australia	-	-	-	-	-
Canada	-	99 821	-	-	99 821
Europe	-	103 004	-	-	103 004
UK	-	114 632	-	-	114 632
Hong Kong	-	(1 360)	-	-	(1 360)
Singapore	-	187 084	-	-	187 084
USA	-	112 772	-	-	112 772
Zambia	-	-	-	-	-
Corporate	983 184	-	6 832	607	990 623
Total liabilities	983 184	615 953	6 832	607	1 606 576

19 SEGMENTAL REPORTING (CONTINUED)

Segmental statements of comprehensive income for the year ended 30 June 2014

	GROUP AND COMPANY					
Geographical segment	Direct property income USD'000	Dividends received from listed security investments USD'000	Fair value gain/(loss) on listed security investments USD'000	Foreign exchange gain and other expenses USD'000	Net finance (costs)/ income USD'000	Profit/(loss) before income tax expense USD'000
Australia	-	**6 452**	**3 429**	-	**(1 036)**	**8 845**
Canada	-	**7 798**	**6 609**	-	**(2 819)**	**11 588**
Europe	-	**8 657**	**33 860**	-	**(12 198)**	**30 319**
UK	-	**3 028**	**19 338**	-	**(822)**	**21 544**
Hong Kong	-	**2 578**	**6 545**	-	**(92)**	**9 031**
Singapore	-	**6 345**	**872**	-	**(846)**	**6 371**
USA	-	**19 230**	**34 428**	-	**(5 114)**	**48 544**
Zambia	**35**	-	-	-	-	**35**
Corporate	-	-	-	**5 588**	**753**	**6 341**
Total segment result	**35**	**54 088**	**105 081**	**5 588**	**(22 174)**	**142 618**

Segmental statements of financial position at 30 June 2013

	GROUP AND COMPANY				
Geographical segment	Listed security investments USD'000	Investment income receivable USD'000	Cash and cash equivalents USD'000	Other assets USD'000	Total USD'000
Australia	51 898	926	-	-	52 824
Canada	89 594	531	-	-	90 125
Europe	135 866	-	3	-	135 869
UK	58 105	-	2	-	58 107
Hong Kong	33 361	505	-	-	33 866
Singapore	72 900	-	-	-	72 900
USA	247 533	1 165	190	-	248 888
Zambia	-	-	-	-	-
Corporate	-	-	-	4 387	4 387
Total assets	689 257	3 127	195	4 387	696 966

ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED

Geographical segment	GROUP AND COMPANY Total equity attributable to equity holders USD'000	Interest-bearing borrowings USD'000	Trade and other payables USD'000	Income tax payable USD'000	Total USD'000
Australia	-	70	-	-	70
Canada	-	28 413	-	-	28 413
Europe	-	107 512	-	-	107 512
UK	-	51 108	-	-	51 108
Hong Kong	-	-	-	-	-
Singapore	-	48 660	-	-	48 660
USA	-	59 592	-	-	59 592
Corporate	401 361	-	52	198	401 611
Total liabilities	401 361	295 355	52	198	696 966

Segmental statements of comprehensive income for the 15 month period from 30 March 2012 (date of incorporation) to 30 June 2013

Geographical segment	GROUP AND COMPANY Direct property income USD'000	Dividends received from listed security investments USD'000	Fair value gain/(loss) on listed security investments USD'000	Foreign exchange gain and other expenses USD'000	Net finance (costs)/ income USD'000	Profit/(loss) before income tax expense USD'000
Australia	-	1 810	2 234	-	(52)	3 992
Canada	-	2 043	(5 793)	-	141	(3 609)
Europe	-	4 481	(2 463)	-	197	2 215
UK	-	590	157	-	470	1 217
Hong Kong	-	737	(409)	-	-	328
Singapore	-	1 102	(1 713)	-	(245)	(856)
USA	-	6 973	(3 069)	-	140	4 044
Zambia	-	-	-	-	-	-
Corporate	-	-	-	(9 181)	22	(9 159)
Total segment result	-	17 736	(11 056)	(9 181)	673	(1 828)

20 EARNINGS AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings/(loss) per share for the period ended 30 June 2014 is based on the income/(loss) attributable to ordinary equity holders of USD142.01 million (2013: loss of USD2.03 million) and the weighted average of 478 682 693 (2013: 113 956 558) ordinary shares in issue during the year/period. The company has no dilutionary instruments in issue.

The weighted average number of shares for the purpose of calculating the basic and diluted earnings per share is presented below:

2014	Event	Number of shares	% of period	Weighted average number of shares in issue
01/07/2013	Opening balance	**350 000 000**	100.00	**350 000 000**
15/10/2013	Private placement	**90 000 000**	70.88	**63 791 209**
10/12/2013	Private placement	**90 000 000**	55.49	**49 945 055**
30/05/2014	Private placement	**175 500 000**	8.52	**14 946 429**
30/06/2014	Year end	**705 500 000**		**478 682 693**

2013	Event	Number of shares	% of period	Weighted average number of shares in issue
30/03/2012	Company incorporation	1 000	100.00	1 000
05/06/2012	Private placement	6 200 000	85.34	5 291 028
26/07/2012	Private placement	10 000 000	74.18	7 417 943
24/08/2012	Private placement	101 799 000	67.83	69 054 026
06/12/2012	Private placement	22 000 000	45.08	9 916 849
11/03/2013	Private placement	80 000 000	24.29	19 431 072
20/06/2013	Private placement	130 000 000	2.19	2 844 640
30/06/2013	Period end	350 000 000		113 956 558

21 HEADLINE EARNINGS/(LOSS) AND DILUTED EARNINGS/(LOSS) PER SHARE

The calculation of basic headline earnings per share for the period ended 30 June 2014 is based on headline earnings of USD142.01 million (2013: loss of USD2.03 million) and the weighted average of 478 682 693 (2013: 113 956 558) ordinary shares in issue during the year/period. The company has no dilutionary instruments in issue. There were no reconciling items to the income for the year/period attributable to equity holders to reach the headline earnings.

22 SUBSEQUENT EVENTS

The directors are not aware of any other events besides the declaration of the dividend as noted in the directors' report, subsequent to 30 June 2014, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

23 FINANCIAL INSTRUMENTS

23.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Listed security investments	**1 399 580**	689 257
Rockcastle management incentive loans	**17 000**	4 387
Loans to development partners	**11 702**	-
Receivables	**6 937**	3 127
Cash and cash equivalents	**486**	195
	1 435 705	696 966

The maximum exposure to credit risk for loans at the reporting date was:

	2014	2013
Rockcastle management incentive loans	**17 000**	4 387
Shares pledged as security	**(19 823)**	(4 860)
Loans to development partners	**11 702**	-
Net exposure	**11 702**	-

None of the borrowers to whom loans were granted were in breach of their obligations. No impairment allowance is necessary in respect of loans as the fair value of the security provided exceeds the value of the loans. The maximum exposure to credit risk for receivables at the reporting date by segment was:

	GROUP AND COMPANY	
Geographical segment	2014 USD'000	2013 USD'000
Australia	**2 263**	926
Canada	**870**	531
Europe	**-**	-
UK	**-**	-
Hong Kong	**1 584**	505
Singapore	**-**	-
USA	**2 217**	1 165
Zambia	**-**	-
Corporate	**3**	-
Total receivables	**6 937**	3 127

23 FINANCIAL INSTRUMENTS (CONTINUED)

23.1 Credit risk (continued)

The ageing of all receivables at the reporting date was less than 90 days. The company believes that no impairment allowance is necessary in respect of trade receivables as a comprehensive analysis of outstanding amounts are performed on a regular basis and impairment losses are accounted for timeously. The company believes that the respective companies to which these amounts relate are liquid and solvent and will be able to pay the distribution declared on the prescribed payment date.

There are no significant concentrations of credit risk.

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Gross receivables	**6 937**	3 127
Not past due	**6 937**	3 127
Past due not impaired	**-**	-

23.2 Liquidity risk

The following are the contractual maturities of financial liabilities, excluding interest payments:

	GROUP AND COMPANY				
	Carrying value USD'000	Contractual outflows USD'000	1-12 months USD'000	2-5 years USD'000	More than 5 years USD'000
2014					
Interest-bearing borrowings	**615 953**	**615 953**	**275 896**	**11 841**	**328 216**
Trade and other payables	**6 832**	**6 832**	**6 832**	**-**	**-**
2013					
Interest-bearing borrowings	295 355	295 355	228 385	11 352	55 618
Trade and other payables	52	52	52	-	-

Cash flows are monitored on a regular basis to ensure that cash resources are adequate to meet funding requirements.

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
Permitted borrowings for the company:		
Total assets	**1 606 576**	696 966
60% of total assets	**963 946**	418 180
Total borrowings	**(615 953)**	(295 355)
Unutilised borrowing capacity	**347 993**	122 825

23.3 Market risk

23.3.1 Interest rate risk

	GROUP AND COMPANY	
	2014 USD'000	**2013 USD'000**
Interest-bearing instruments comprise:		
Variable rate instruments		
Cash and cash equivalents	**486**	195
Interest-bearing borrowings	**(275 896)**	(228 385)
	(275 410)	(228 190)

The exposure of the company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	GROUP AND COMPANY			
	1-12 months USD'000	**2-5 years USD'000**	**More than 5 years USD'000**	**Total USD'000**
2014 Total borrowings	**275 896**	**-**	**-**	**275 896**
2013 Total borrowings	228 385	-	-	228 385

Details of existing interest rate derivatives at 30 June 2014 are:

GROUP AND COMPANY			
Swap maturity	**Nominal amount USD'000**	**Average swap rate**	**Fair value USD'000**
Jun 2021	**34 130**	**1,52%**	**(1 858)**
Jun 2022	**-**	**-**	**-**
Jun 2023	**-**	**-**	**-**
Jun 2024	**120 956**	**2,69%**	**(4 165)**
Jun 2025	**40 478**	**2,35%**	**(37)**
	195 564	**2,20%**	**(6 060)**

23 FINANCIAL INSTRUMENTS (CONTINUED)

23.3 Market risk (continued)

23.3.1 Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit/(loss) before income tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP AND COMPANY	
	Increase USD'000	Decrease USD'000
Profit or loss before income tax		
2014		
Cash and cash equivalents	**5**	**(5)**
Interest-bearing borrowings	**(2 759)**	**2 759**
Cash flow sensitivity (net)	**(2 754)**	**2 754**
2013		
Cash and cash equivalents	2	(2)
Interest-bearing borrowings	(2 284)	2 284
Cash flow sensitivity (net)	(2 282)	2 282

23.3.2 Equity price risk

	GROUP AND COMPANY	
	2014 USD'000	2013 USD'000
The carrying amount of financial assets represents the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:		
Listed security investments	**1 565 259**	689 257

A one percent change in the market value of investments would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP AND COMPANY	
	1% Increase USD'000	1% Decrease USD'000
Profit or loss before income tax		
2014		
Listed security investments	**15 653**	**(15 653)**
2013		
Listed security investments	6 893	(6 893)

23.3.3 Currency risk

The company has assets and liabilities in currencies other than the US Dollar, its reporting currency. The company is mainly exposed to foreign exchange risk arising due to fluctuations of the US Dollar *vis-a-vis* other currencies. The company does not have any currency hedging transactions.

At 30 June 2014 if the US Dollar had weakened/strengthened by 1% against the other currencies with all variables constant, profit/(loss) before income tax for the period would have been impacted as follows:

	GROUP AND COMPANY	
	weakened 1% USD'000	strengthened 1% USD '000
Profit or loss before income tax		
2014		
Investments at fair value through profit/(loss)	**9 380**	**(9 380)**
Receivables	**47**	**(47)**
Cash and cash equivalents	-	-
	9 427	**(9 427)**
2013		
Investments at fair value through profit/(loss)	4 417	(4 417)
Receivables	20	(20)
Cash and cash equivalents	42	(42)
	4 479	4 479

The currency profile of the company's assets and liabilities is disclosed in note 19.

23 FINANCIAL INSTRUMENTS (CONTINUED)

23.4 Fair values

The fair values of all financial instruments are substantially the same as the carrying amounts reflected on the statements of financial position.

	GROUP AND COMPANY				
	Designated at fair value USD'000	Loans and receivables USD'000	Amortised cost USD'000	Total carrying amount USD'000	Fair value USD'000
2014					
Financial investments at fair value through profit/(loss)	**1 565 259**			**1 565 259**	**1 565 259**
Rockcastle management incentive loans		**17 000**		**17 000**	**17 000**
Investment income receivable		**6 934**		**6 934**	**6 934**
Trade and other receivables		**3**		**3**	**3**
Interest rate derivative creditor - level 2	**(6 070)**			**(6 070)**	**(6 070)**
Loans to development partners		**11 702**		**11 702**	**11 702**
Cash and cash equivalents			**486**	**486**	**486**
Interest-bearing borrowings	**(340 057)**		**(275 896)**	**(615 953)**	**(615 953)**
Trade and other payables			**(762)**	**(762)**	**(762)**
	1 219 132	**35 639**	**(276 172)**	**978 599**	**978 599**
2013					
Financial investments at fair value through profit/(loss)	689 257			689 257	689 257
Rockcastle management incentive loans		4 387		4 387	4 387
Investment income receivable		3 127		3 127	3 127
Cash and cash equivalents			195	195	195
Interest-bearing borrowings	(66 970)		(228 385)	(295 355)	(295 355)
Trade and other payables			(52)	(52)	(52)
	622 287	7 514	(228 242)	401 559	401 559

Level 1 financial instruments are investments in listed securities and bond shorts.

24 ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the audit committee the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the company's view of possible near-term market changes that cannot be predicted with any certainty.

25 RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred
The directors are related parties. The directors are set out on pages 3 to 4.

Material related party transactions
Remuneration paid to directors is set out on pages 15 to 16 and in note 15.
Rockcastle management incentive loans to directors are set out in note 6.
Interest paid by directors to the Rockcastle share incentive scheme amounts to USD0.441 million.

26 STANDARDS AND INTERPRETATIONS

Statement of compliance with International Financial Reporting Standards
The company applies all applicable IFRSs as issued by the International Accounting Standards Board ("IASB") in preparation of the financial statements.

26.1 Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Standard is not expected to have any impact on the financial statements.

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised Standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. The Standard has been applied in the financial statements but has no impact on prior period comparatives.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other Standards within IFRS. The Standard has been applied in the financial statements but has no impact on prior period comparatives.

26.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain Standards, amendments to published Standards and Interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2014 or later periods, but which the group and company have not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9: Financial Instruments
IAS 32: Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21: Levies
Recoverable Amount Disclosures for Non- financial Assets (Amendments to IAS 36)
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IFRS 9: Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Annual Improvements to IFRSs 2010-2012 cycle
Annual Improvements to IFRSs 2011-2013 cycle
IFRS 14: Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 15: Revenue from contracts with customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Where relevant, the group and company are still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of their financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree if judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 24.

27 DISTRIBUTABLE EARNINGS PER SHARE

The calculation of distributable earnings per share was based on the profit/(loss) after tax, adjusted as shown in the table below, to arrive at the distributable earnings and the number of shares in issue at 30 June 2014.

	GROUP	
	Unaudited 2014 USD'000	**Unaudited 2013 USD'000**
Profit/(loss) for the year/period attributable to equity holders	**142 011**	(2 026)
Basic profit/(loss) for the year/period and headline earnings/(loss) for the year/period	**142 011**	(2 026)
Foreign exchange (gain)/loss	**(6 915)**	8 103
Unrealised fair value loss/(gain) on bond shorts	**8 593**	(2 616)
Fair value (gain)/loss on listed security investments	**(105 081)**	11 056
Unrealised fair value loss on interest rate derivatives	**4 667**	-
Dividends received from listed security investments	**(54 088)**	(17 736)
Accrued income from listed securities investments	**50 399**	15 452
Adjustment to taxation for accrued income	**56**	95
Shares issued *cum* dividend	**11 419**	8 996
Listing expenses	**-**	525
Distributable earnings for the year/period	**51 061**	21 849
Less:	**(51 061)**	(20 384)
Interim dividend declared	**(21 571)**	(6 384)
Final dividend/distribution declared	**(29 490)**	(14 000)
Earnings not distributed	**-**	1 465
Number of shares entitled to dividend/distribution	**705 500 000**	350 000 000
Distributable earnings per share (USD cents)	**8.25**	8.98
Less (USD cents per share):	**(8.25)**	(8.56)
Interim dividend per share (USD cents) - declared	**(4.07)**	(4.56)
Final dividend per share (USD cents) - declared	**(4.18)**	(4.00)
Distributable earnings per share not distributed (USD cents)	**-**	0.42

The 2014 distributable earnings figure is arrived at by adjusting the accounting profit of USD142.011 million as follows:

a. Reversing the non-cash flow items recognised in the statement of comprehensive income below:
- A foreign exchange gain of USD6.915 million, which resulted from the conversion of the assets and liabilities in foreign currency during the course of the financial period at the prevailing closing spot rate at the end of the period.
- A negative net fair value adjustment of USD4.667 million indicating the movement in the market value of the company's interest rate derivatives.
- A negative net fair value adjustment of USD8.593 million indicating the movement in the market value of the company's bond shorts.
- A positive fair value adjustment of USD105.081 million to reflect a net increase in the fair value of listed security investments at fair value through profit and loss.
- A positive impact of USD54.088 million representing dividends actually received from listed securities investments. Distributable earnings is calculated with reference to dividends accrued on a daily basis from investments.

b. Recognising:
- Accrued dividends from equity investments of USD50.399 million.
- An amount of USD11.419 million in respect of the shares that were issued *cum* distribution during the financial period.
- An adjustment to the tax expense of USD0.056 million as a result of the difference between the tax impact of the actual dividends received and the dividends accrued.

SCHEDULE OF LISTED SECURITY INVESTMENTS

Counter	Primary sector	Valuation as at 30 June 2014 USD'000	Valuation as at 30 June 2013 USD'000
Australia			
Westfield Group	Retail	**48 257**	23 616
CFS Retail Property Trust	Retail	**39 669**	20 772
Growthpoint Properties Australia Limited	Other/Diversified	**8 075**	7 510
Scentre Group	Retail	**26 910**	-
		122 911	51 898
Canada			
RioCan Real Estate Investment Trust	Retail	**66 604**	27 637
First Capital Realty Incorporated	Retail	**40 169**	24 463
H & R Real Estate Investment Trust	Other/Diversified	**56 484**	17 125
Dream Office Real Estate Investment Trust	Office	**45 332**	15 478
Calloway Real Estate Investment Trust	Retail	**-**	4 890
		208 589	89 593
Europe			
Unibail-Rodamco	Retail	**131 967**	50 036
Corio	Retail	**38 190**	28 039
Eurocommercial Shopping Centres	Retail	**-**	25 029
Klepierre	Retail	**23 115**	19 110
Mercialys	Retail	**-**	11 569
Warehouses de Pauw	Industrial	**-**	2 083
		193 272	135 866
United Kingdom			
Hammerson plc	Retail	**71 189**	29 659
British Land Company plc	Other/Diversified	**71 856**	28 446
		143 045	58 105
Hong Kong			
The Link Real Estate Investment Trust	Retail	**78 008**	33 361
		78 008	33 361
Singapore			
CapitaMall Trust	Retail	**107 517**	43 985
Ascendas Real Estate Investment Trust	Industrial	**84 701**	28 915
		192 218	72 900

Counter	Primary sector	Valuation as at 30 June 2014 USD'000	Valuation as at 30 June 2013 USD'000
United States of America			
Simon Property Group Incorporated	Retail	**146 327**	48 187
Avalonbay Communities Incorporated	Residential	**99 533**	37 792
Digital Realty Data Center Solutions	Other/Diversified	**58 320**	25 315
Senior Housing Properties Trust	Healthcare	**55 867**	25 142
Hospitality Properties Trust	Hotel	**66 879**	24 976
MFA Financial Incorporated	Mortgage	**50 902**	24 476
Annaly Capital Management Incorporated	Mortgage	**-**	23 883
Kimco Realty Corporation	Retail	**48 257**	20 894
Boston Properties Incorporated	Office	**-**	16 869
Host Hotels & Resorts Incorporated	Hotel	**24 211**	-
Ventas Incorporated	Healthcare	**76 920**	-
		627 216	247 534
Total investment balance		**1 565 259**	**689 257**

CORPORATE INFORMATION

COMPANY DETAILS

Rockcastle Global Real Estate Company Limited

(Registration number: 108869 C1/GBL)

SEM code: Rock.N0000

JSE code: ROC

ISIN: MU0364N00003

Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius

BANKERS

The Standard Bank (Mauritius) Limited

Level 9, Tower A, 1 Cybercity

Ebene

Mauritius

Afrasia Bank Limited

Bowen Square, 10 Dr Ferriere St

Port Louis

Mauritius

TRANSFER SECRETARY IN SOUTH AFRICA

Link Market Services South Africa Proprietary Limited

(Registration number: 2000/007239/07)

13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

(PO Box 4844, Johannesburg, 2000)

COMPANY SECRETARY

Intercontinental Trust Limited

Level 3, Alexander House

35 Cybercity, Ebene

Mauritius

MAURITIAN MANAGEMENT COMPANY

Intercontinental Trust Limited

Level 3, Alexander House

35 Cybercity, Ebene

Mauritius

AUDITORS

BDO & Co

10 Frére Félix de Valois Street

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Mauritius

SEM SPONSOR

Capital Market Brokers Limited

Suite 1004, Level 1, Alexander House

35 Cybercity, Ebene

Mauritius

JSE SPONSOR

Java Capital

(Registration number 2006/005780/07)

2 Arnold Road, Rosebank, 2196

(PO Box 2087 Parklands 2121)

CORPORATE ADVISOR AND LEGAL ADVISOR AS TO MAURITIAN LAW

C&A Law (Registered as a Law Firm in Mauritius)

Suite 1005, Level 1, Alexander House

35 Cybercity, Ebene

Mauritius

CORPORATE DIARY

FINAL 2014

Financial year-end	Monday	30 June 2014
Publication of abridged results: SENS	Tuesday	12 August 2014
Press	Wednesday	13 August 2014
Last day to trade units inclusive of distribution (*cum* distribution) - JSE	Friday	29 August 2014
Last day to trade units inclusive of distribution (*cum* distribution) - SEM	Tuesday	2 September 2014
Shares trade *ex* distribution - JSE	Monday	1 September 2014
Shares trade *ex* distribution - SEM	Wednesday	3 September 2014
Record date - JSE and SEM	Friday	5 September 2014
Distribution payment date	Monday	8 September 2014
Integrated report and notice of Annual General Meeting posted on	Tuesday	30 September 2014
Annual General Meeting	Friday	31 October 2014

FIRST QUARTER 2015

Quarter ends	Tuesday	30 September 2014
Announcement of quarterly results (provisional)	Tuesday	11 November 2014

Kafubu Mall, Ndola, Zambia

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS ("SHAREHOLDERS" OR "MEMBERS")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Rockcastle Global Real Estate Company Limited
(Incorporated in the Republic of Mauritius)
(Registration number: 108869 C1/GBL)
ISIN: MU0364N00003
Primary listing: SEM Secondary listing: JSE
SEM share code: Rock.N0000 JSE share code: ROC
("Rockcastle" or "the company")

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional advisor immediately. Rockcastle has its primary listing on the Stock Exchange of Mauritius Limited ("SEM") and a secondary listing on the Alternative Exchange of the JSE Limited ("JSE").

Notice is given of the Annual General Meeting of shareholders of Rockcastle at the company's registered office, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius, on Friday, 31 October 2014 at 10h00 Mauritian time (08h00 South African time) for the purpose of presenting the audited company and group financial statements for the year ended 30 June 2014 together with the reports of the directors and the auditor and transacting the following business:

1. Receiving and adopting the audited company and group financial statements for the year ended 30 June 2014.
2. Re-electing the following directors, who were previously appointed by the board and who accordingly retire and offer themselves for re-election, all in terms of section 12.4.2 of the company's Constitution:

2.1. **Mark Olivier (45)**
Independent non-executive chairman
(British - residing in Mauritius)
CA(SA)
Date of appointment: 30 March 2012

Mark has over 20 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London based, boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was the management buy-out of Natwest Markets' corporate finance business. Mark worked for BoE Limited where he served on the executive committee of the Group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairman of Trellidor, the largest physical barrier security business in South Africa, and is a non-executive director of the Dynasty Group of companies, which is managed by Macquarie and was the first-ever wholesale international vehicle established to invest in retail properties in China. Mark also is a director of the financing arm of one of the largest independent providers of care to adults with acute learning disabilities in the United Kingdom.

2.2. **Spiro Noussis (43)**
Chief executive officer
(South African - residing in the United Kingdom)
CA(SA)
Date of appointment: 14 May 2014

Spiro has experience in private equity and investment management. He has been involved in property since 2005 and was most recently a founding shareholder and managing director of Lodestone Properties Limited, an unlisted property fund focusing on retail and industrial property. He has been a non-executive director of Resilient Property Income Fund Limited since August 2012.

2.3. **Andries de Lange (41)**
Non-independent non-executive director
(South African)
CA(SA), CFA
Date of appointment: 8 May 2013

After completing his articles, Andries joined the Industrial Development Corporation of South Africa Limited and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He then joined the Resilient group in 2004 and is an executive director of Capital Property Fund Limited ("Capital") and Resilient Property Income Fund Limited ("Resilient").

2.4. **Nick Matulovich (27)**
Chief financial officer
(South African - residing in the United Kingdom)
CA(SA), MCom (Taxation) (Cum laude), BAccSci (Honours - Taxation)
Date of appointment: 14 May 2014

Nick has been working for the Resilient group for 3 years where he has been actively involved in the group's new initiatives such as Resilient Africa in Nigeria and Rockcastle as well as overseeing the group's structuring considerations. He has been actively involved in the management of Rockcastle from its initial listing and continues to have direct oversight over the financial function.

Nick previously worked for Ernst & Young and spent time in both audit as well as the Transaction Tax division, a division that was one of the most successful and active M&A advisory businesses in Africa.

2.5. **Rory Kirk (58)**
Independent non-executive director
(Mauritian)
Bachelor of Social Science and Diploma in Business Management
Date of appointment: 30 March 2012

Rory is the founder and managing director of Frontière Finance, a Mauritian financial services business. Rory has many years of financial service, insurance and banking experience having been in this field since the early 1980s in a number of roles at a variety of institutions.

2.6. **Yan Ng (39)**
Non-independent non-executive director
(Mauritian)
BSc (Hons), MSc, ACA, TEP
Date of appointment: 30 March 2012

Yan is an executive director of Intercontinental Trust Limited. He oversees the Fund Administration operations and advises clients on all Fund related aspects including tax, regulatory matters, structuring, listings and their establishment in Mauritius. He is a board member of a number of Mauritian funds. He was previously employed by Baker Tilly Mauritius and Deloitte Luxembourg. He trained as a chartered accountant in London.

Yan graduated from the University of Mauritius with a degree in Management and achieved a Masters degree in Finance (MSc) from Lancaster University. He is a member of the Institute of Chartered Accountants in England and Wales and of the Society of Trust and Estate Practitioners. He is an executive committee member of the Association of Trust and Management companies of Mauritius and the past treasurer of the International Fiscal Association (Mauritius branch).

2.7. **Paul Pretorius (48)**
Chief operating officer
(South African - residing in Mauritius)
Bsc (QS)
Date of appointment: 8 May 2013

Paul has in excess of 15 years' experience in direct property having worked both as an asset manager as well as a property manager for various JSE listed property funds including the bulking up of Capital and the turnaround of Pangbourne Properties. Paul was previously a professional quantity surveyor for Macintosh Latilla Carrier and Lang, one of the large South African practices, as well as for his own practice.

2.8. **Andre van der Veer (46)**
Independent non-executive director
(South African)
BPL(Hons), MPL (Economics and Banking)
Date of appointment: 14 May 2014

After completing a Masters degree in Banking and Economics during 1991, Andre joined Merchant Bank and later Rand Merchant Bank where he founded the agricultural commodities and derivatives trading group in 1995. He headed the trading, derivatives structuring and proprietary trading teams. Since 2003 he had been with the RMB Equity Global Markets team and gained experience in the UK, North America, Western European, Scandinavian as well as most markets in the Far East and Australia. He became Head of RMB Equity proprietary trading desk in 2009 with a mandate to invest in debt and equity instruments globally. Andre founded Foxhole Capital during 2012 as a family office specialising in global real estate securities in the listed and private equity markets.

3. Re-appointing BDO & Co as the auditor of the company with Mr Georges Chung Ming Kan currently being the designated audit partner.

4. Authorising the directors to determine the remuneration of the company's auditor.

5. Consider as ordinary resolution number 5
"**Resolved that**, fees to be paid by the company to the non-executive directors for their services as directors be and are hereby approved as USD21 000 per non-executive director per annum."

6. Consider as ordinary resolution number 6: Control over unissued shares
"**Resolved that**, subject to the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements, the authorised but unissued shares of the company be and are hereby placed under the control of the directors of the company, with the authority to allot or issue all or part thereof at their discretion."

7. Consider as ordinary resolution number 7: General authority to issue shares for cash
"**Resolved that**, subject to the restrictions set out below, the directors be and are hereby authorised, pursuant, *inter alia*, to the company's Constitution and subject to the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements, until this authority lapses which shall be at the next Annual General Meeting or 15 months from the date hereof, whichever is the earliest, to allot and issue shares of the company for cash on the following basis:

7.1. the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;

7.2. the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

7.3. the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 400 000 000 shares. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 400 000 000 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;

7.4. in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

7.5. the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and

7.6. after the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and the effect of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and if applicable, diluted earnings per share and diluted headline earnings per share."

In terms of the JSE Listings Requirements, in order for ordinary resolution number 7 to be adopted, the support of at least 75% of the total number of members, present in person or by proxy, is required to pass this resolution.

Unless otherwise stated, in order for ordinary resolutions to be adopted, the support of more than 50% of the total number of votes exercisable by members, present in person or by proxy, is required.

8. Consider as special resolution number 1: share repurchases
"**Resolved that,** the company or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire shares issued by the company, subject to the SEM Listing Rules, the Securities (Purchase of Own Shares) Rules 2007, the JSE Listings Requirements or the requirements of any other exchange on which the company is listed and subject to the following provisions of the JSE Listings Requirements:

8.1. any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement;

8.2. this general authority shall be valid until the company's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;

8.3. the company (or any subsidiary) is duly authorised by its Constitution to do so;

8.4. acquisitions of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued ordinary share capital as at the date of passing this special resolution;

8.5. in determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;

8.6. at any point in time the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;

8.7. repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and full details thereof have been announced on SENS and on the SEM's website prior to commencement of the prohibited period;

8.8. an announcement will be published as soon as the company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such repurchases;

8.9. the board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test and since that test was performed, there have been no material changes to the financial position of the group; and

8.10. if applicable, the company's sponsor will confirm the adequacy of the company's working capital for the purpose of undertaking the repurchase, in writing prior to the repurchase of any shares."

In accordance with the JSE Listings Requirements and the SEM Listing Rules, the directors record that although there is no immediate intention to effect a repurchase of the shares of the company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the general authority, for a period of 12 months after the date of notice of this Annual General Meeting:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group fairly valued in accordance with International Financial Reporting Standards; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

Directors and management - pages 3 to 4;
Major beneficial shareholders - pages 5 to 6;
Directors' interests in shares - pages 5 to 6; and
Capital structure of the company - pages 12 to 13.

The reason for and effect of special resolution number 1:

The reason for special resolution number 1 is to afford the company, a general authority to effect a repurchase of the company's shares on the SEM and the JSE.

The effect of the resolution will be that the directors will have the authority, subject to the SEM Listing Rules, the JSE Listings Requirements, the Companies Act 2001 and the company's Constitution, to effect repurchases of the company's shares.

Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, save as disclosed in the integrated report of which this notice forms part, the directors, whose names appear on pages 3 to 4 of the integrated report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on the company's financial position.

Directors' responsibility statement

The directors whose names appear on pages 3 to 4 of the integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements and the SEM Listing Rules.

Material changes

Other than the facts and developments reported on in the integrated report of which this notice forms part, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 30 June 2014 and up to the date of this notice.

In order for special resolution number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

The salient dates and times in relation to the Annual General Meeting are set out below:

Notice of Annual General Meeting posted to shareholders	Tuesday, 30 September 2014
Record date to be recorded in the register in order to be entitled to vote at the Annual General Meeting	Friday, 24 October 2014
Last day to lodge forms of proxy for the Annual General Meeting by 10h00 Mauritian time (08h00 South African time)	Thursday, 30 October 2014
Annual General Meeting held at 10h00 Mauritian time (08h00 South African time)	Friday, 31 October 2014

Members holding shares in dematerialised form in "own name":

- may attend and vote at the Annual General Meeting; alternatively
- may appoint an individual as a proxy (who need not also be a member of the company) to attend, participate in and speak and vote in your place at the Annual General Meeting by completing the attached form of proxy and returning it to the company secretary, by no later than 10h00 Mauritian time (08h00 South African time) on Thursday, 30 October 2014. Alternatively, the form of proxy may be handed to the chairman of the Annual General Meeting at the Annual General Meeting or at any time prior to the commencement of the Annual General Meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the company secretary or handed to the chairman of the Annual General Meeting, before your proxy may exercise any of your rights as a member of the company at the Annual General Meeting.

Please note that any member of the company that is a company may authorise any person to act as its representative at the Annual General Meeting.

Please note that if you are the owner of dematerialised shares held through a Central Securities Depository Participant ("CSDP"), the Central Depository and Settlement Company Limited ("CDS") or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder, then you are not a registered shareholder of the company, but your CSDP, CDS or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP, CDS or broker as the case may be:

- if you wish to attend the Annual General Meeting you must contact your CSDP, CDS or broker, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the Annual General Meeting but wish to be represented at the Annual General Meeting, you must contact your CSDP, CDS or broker, and furnish it with your voting instructions in respect of the Annual General Meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP, CDS or broker, within the time period required by your CSDP, CDS or broker.
- CSDP's, CDS' or brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy (blue) in accordance with the instructions thereon and return it to the company secretary, by no later than 10h00 Mauritian time (08h00 South African time) on Thursday, 30 October 2014. Alternatively, the form of proxy may be handed to the chairman of the Annual General Meeting at the Annual General Meeting at any time prior to the commencement of the Annual General Meeting.

Voting at the Annual General Meeting

In order to more effectively record the votes and give effect to the intentions of members, voting on all resolutions will be conducted by way of a poll.

By order of the board

Intercontinental Trust Limited
Company secretary
Mauritius
30 September 2014

Address of registered office
Level 3, Alexander House, 35 Cybercity
Ebene, Mauritius

Address of transfer secretaries
Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844 Johannesburg 2000)

FORM OF PROXY

Rockcastle Global Real Estate Company Limited
(Incorporated in the Republic of Mauritius)
(Registration number: 108869 C1/GBL
ISIN: MU0364N00003
Primary listing: SEM Secondary listing: JSE
SEM share code : Rock.N0000 JSE share code : ROC
("Rockcastle" or "the company")

For use by the holders of the company's dematerialised shares held through a Central Securities Depository Participant ("CSDP"), broker or the Central Depository and Settlement Company Limited ("CDS") who have selected "own name" registration ("own-name dematerialised shareholders"), at the Annual General Meeting of members of the company to be held at the company's registered office, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius, on Friday, 31 October 2014 at 10h00 Mauritian time (08h00 South African time), or at any adjournment thereof if required. Additional forms of proxy are available from the company's registered office.

Not for use by dematerialised shareholders who have not selected "own name" registration. Such shareholders must contact their CSDP, CDS or broker timeously if they wish to attend and vote at the Annual General Meeting and request that they be issued with the necessary Letter of Representation to do so, or provide the CSDP, CDS or broker timeously with their voting instructions should they not wish to attend the Annual General Meeting in order for the CSDP, CDS or broker to vote in accordance with their instructions at the Annual General Meeting.

I/We (name/s in block letters) ______________________________

of (address) ______________________________

being the holder(s) of [   ] shares in the capital of the company do hereby appoint:

1 ______________________________ or failing him/her,

2 ______________________________ or failing him/her,

3 the chairman of the Annual General Meeting

as my/our proxy to act for me/us on my/our behalf at the Annual General Meeting to be held on Friday, 31 October 2014 at 10h00 Mauritian time (08h00 South African time) or any adjournment thereof, which will be held for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat as detailed in the notice of Annual General Meeting; and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
Ordinary resolution number 1 (Receiving and adopting the audited company and group financial statements)			
Ordinary resolution number 2.1 (re-election of Mark Olivier as director)			
Ordinary resolution number 2.2 (re-election of Spiro Noussis as director)			
Ordinary resolution number 2.3 (re-election of Andries de Lange as director)			
Ordinary resolution number 2.4 (re-election of Nick Matulovich as director)			
Ordinary resolution number 2.5 (re-election of Rory Kirk as director)			
Ordinary resolution number 2.6 (re-election of Yan Ng as director)			
Ordinary resolution number 2.7 (re-election of Paul Pretorius as director)			
Ordinary resolution number 2.8 (re-election of Andre van der Veer as director)			
Ordinary resolution number 3 (reappointment of auditor)			
Ordinary resolution number 4 (authorising directors to determine auditor's remuneration)			
Ordinary resolution number 5 (approving non-executive directors' fees)			
Ordinary resolution number 6 (control over unissued shares)			
Ordinary resolution number 7 (general authority to issue shares for cash)			
Special resolution number 8 (share repurchases)			

Signed at ______________________ on ______________________ 2014

Signature ______________________________

Assisted by (where applicable) ______________________________

(Indicate instructions to proxy in the spaces provided above). Unless otherwise instructed, my proxy may vote as he/she thinks fit.
Please read the notes on the reverse side hereof.

FORM OF PROXY (CONTINUED)

Notes to the proxy form:

1. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
2. Members that are own name dematerialised shareholders entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairperson of the Annual General Meeting", but any such deletion must be initialled by the shareholder(s). Such proxy(ies) may participate in, speak and vote at the Annual General Meeting in the place of that shareholder at the Annual General Meeting. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A member or his/her proxy is not obliged to use all the votes exercisable by the member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the member.
5. A shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death of the person granting it or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the company secretary not less than 48 hours before the commencement of the Annual General Meeting.
7. The chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received otherwise than in compliance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the member concerned wishes to vote.
8. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or the company secretary or waived by the chairperson of the Annual General Meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company or the company secretary.
11. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted and only that holder whose name appears first in the register in respect of such shares need to sign this form of proxy.

Forms of proxy must be deposited at, posted, faxed or emailed to:

The Company Secretary
Rockcastle Global Real Estate Company Limited
Level 3, Alexander House
35 Cybercity, Ebene, Mauritius
Tel: (230) 403 0800
Fax: (230) 403 0801
Email: rgrecl@intercontinentaltrust.com

to be received by no later than 10h00 Mauritian time (08h00 South African time) on Thursday, 30 October 2014.

FACT SHEET

Company name	Rockcastle Global Real Estate Company Limited (Registration number 2002/016851/06)		
Registered address	Level 3, Alexander House 35 Cybercity, Ebene Mauritius		
Website address	www.rockcastleglobalre.mu		
Year-end	30 June 2014		
Chairman of the board	Mark Olivier		
Board of directors	Mark Olivier (chairman); Spiro Noussis; Rory Kirk; Yan Ng; Nick Matulovich; Paul Pretorius; Andre Van der Veer; Andries de Lange		
	Independent non-executive		3
	Non-independent non-executive		2
	Executive		3
			8
Chief executive officer	Spiro Noussis		
Company secretary	Intercontinental Trust Limited		
Corporate advisors	Java Capital		
External auditors	BDO & Co		
Date of listing SEM	5 June 2012		
Date of listing JSE	26 July 2012		
Shares in issue	705 500 000		
Gearing ratio	38,3%		
Investment portfolio	**Listed property securities**	USD1 565.3 million	
	Direct property investments	USD5.2 million	
Share price (USD cents per share)		**2014**	**2013**
	High	160	151
	Low	126	100
	Closing	159	135
Distributions (USD cents)		**2014**	**2013**
	Interim	4.07	4.56
	Final	4.18	4.00
		8.25	8.56
Volume traded	55.0 million shares		
Value traded	USD72.5 million		
Annual General Meeting	31 October 2014		
	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius		

Level 3, Alexander House
35 Cybercity, Ebene
Mauritius
WWW.ROCKCASTLEGLOBALRE.MU

ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED