

ROCKCASTLE GLOBAL REAL ESTATE COMPANY LIMITED

ABRIDGED UNAUDITED FINANCIAL STATEMENTS
for the quarter ended 30 September 2014

Incorporated in the Republic of Mauritius
Reg no 108869 C1/GBL
ISIN MU0364N00003
Primary listing SEM
SEM code Rock.N0000
Secondary listing JSE
JSE code ROC
("Rockcastle" or "the Group")

DIRECTORS' COMMENTARY

NATURE OF THE BUSINESS

Rockcastle Global Real Estate Company Limited ("the Company") was established on 30 March 2012 in Mauritius as a Category One Global Business License Company. Rockcastle has a primary listing on the Stock Exchange of Mauritius ("SEM") and a secondary listing on the Alternative Exchange ("Altx") of the Johannesburg Stock Exchange ("JSE"). The Group has the primary objective of investing globally in listed real estate securities and direct property. Following the quarter ended 30 September 2014, Rockcastle successfully raised USD115.5 million by the issue of 64.2 million shares through a private placement. The application to migrate Rockcastle's listing on the Altx to the Main Board of the JSE is pending.

REVIEW

LISTED SECURITIES

In line with world markets, the listed property portfolio experienced a correction in the third quarter resulting in a reduction in NAV per share from USD1.39 to USD1.27 which includes payment of the semi-annual distribution of USD4.18 cents per share. The NAV per share as at 31 October 2014 increased to USD1.44. This performance was achieved despite the strength of the US dollar against the Euro, Canadian and Australian dollar. As a global company, Rockcastle has exposure in all these currencies and does not hedge its currency positions. Rockcastle benefitted from investing the new capital raised at the bottom of the correction. The loan to value as at 30 September 2014 was 43%.

POLAND

The Group has continued to identify retail centres in Poland. Rockcastle will not proceed with one of the two acquisitions previously targeted due to concerns that emerged from the due diligence. The second acquisition is proceeding well and the final purchase agreement is due to be signed shortly. This mall is situated in a medium sized city in the south of Poland. Tenants include international and Polish retailers such as Zara, New Yorker, C&A, Alma, Reserved and CCC. The mall has significant yield enhancing expansion potential.

In addition to the above acquisition, Rockcastle has entered into a joint venture with a local development partner. The joint venture's first project will be a 16 000m² retail centre in a town located south of Warsaw.

AFRICAN DEVELOPMENTS

Kafubu Mall in Ndola, Zambia, opened in April 2014 and is trading well. The Group's second investment in Zambia, Mukuba Mall in Kitwe is still on programme to open in April 2015. Construction of the 26 000m² Cosmopolitan Mall, in Lusaka, has commenced and is expected to be completed in November 2015. The mall is situated in the South Western part of the city and will be the dominant mall in the area.

OUTLOOK

The Board remains confident that the forecast dividend growth of 5% will be met for the year ending 30 June 2015.

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

By order of the Board
Intercontinental Trust Limited
Company Secretary
13 November 2014

STATEMENT OF FINANCIAL POSITION

	GROUP		
	Unaudited as at	Audited as at	Unaudited as at
	30 Sep 2014	30 Jun 2014	30 Sep 2013
	USD'000	USD'000	USD'000
ASSETS			
Non-current assets	1 574 726	1 587 451	669 887
Listed security investments	1 552 419	1 565 259	665 477
Rockcastle management incentive loans	16 706	17 000	4 410
Investment in associate company	5 601	5 192	-
Current assets	15 884	19 125	173
Investment income receivable	-	6 934	-
Cash and cash equivalents	841	486	91
Trade and other receivables	198	3	82
Loans to development partners	14 845	11 702	-
Total assets	1 590 610	1 606 576	670 060
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	896 228	983 184	396 690
Stated capital	871 154	871 154	409 771
Non-distributable reserves	(81 456)	(19 684)	-
Retained income/(loss)	106 530	131 714	(13 081)
Total liabilities	694 382	623 392	273 370
Non-current liabilities	243 243	340 057	179 541
Interest-bearing borrowings	243 243	340 057	179 541
Current liabilities	451 139	283 335	93 829

Trade and other payables	9 027	6 832	1 247
Interest-bearing borrowings	441 389	275 896	92 165
Income tax payable	723	607	417
Total equity and liabilities	1 590 610	1 606 576	670 060
Total number of shares in issue	705 500 000	705 500 000	350 000 000
Net asset value per share (USD)	1,27	1,39	1,13

STATEMENT OF COMPREHENSIVE INCOME

	GROUP	
	Unaudited for the quarter ended 30 Sep 2014 USD'000	Unaudited for the quarter ended 30 Sep 2013 USD'000
Dividends received from listed security investments	9 872	6 164
Income from associate	71	-
Fair value loss on listed security investments	(38 478)	(13 100)
Foreign exchange (loss)/gain	(18 264)	4 380
Operating expenses	(343)	(196)
Loss before net finance costs	(47 142)	(2 752)
Net finance costs	(10 207)	(1 700)
Finance income	539	1 290
Interest on Rockcastle management incentive loans	214	22
Interest on development partner loan	325	-
Unrealised fair value gain on interest rate derivatives	-	76
Unrealised fair value gain on bond shorts	-	1 192
Finance costs	(10 746)	(2 990)
Interest on borrowings	(5 716)	(2 373)
Unrealised fair value loss on interest rate derivatives	(1 892)	(459)
Unrealised fair value loss on bond shorts	(3 138)	(158)
Loss before income tax expense	(57 349)	(4 452)
Income tax expense	(117)	(219)
Loss for the period attributable to equity holders	(57 466)	(4 671)
Total comprehensive loss for the period	(57 466)	(4 671)
Weighted average number of shares in issue	705 500 000	350 000 000
Basic loss per share and headline loss per share (USD cents)	(8,15)	(1,33)
Basic loss per share and headline loss per share are based on the weighted average of 705 500 000 shares in issue for the quarter ended 30 September 2014 (quarter ended 30 September 2013: 350 000 000 shares).		

There are no reconciling items between basic earnings and headline earnings.

Rockcastle has no dilutionary instruments in issue.

STATEMENT OF CHANGES IN EQUITY

	GROUP			
	Stated capital USD'000	Retained income/(loss) USD'000	Non-distributable reserves USD'000	Total USD'000
Unaudited for the quarter ended 30 September 2013				
Opening balance	409 771	(8 410)	-	401 361
Total comprehensive loss for the period		(4 671)		(4 671)
Balance at 30 September 2013	409 771	(13 081)	-	396 690
Audited for the nine months ended 30 June 2014				
Opening balance	409 771	(13 081)	-	396 690
Issue of shares	475 383			475 383
Reclassification of stated capital	(14 000)	14 000		-
Distribution declared		(14 000)		(14 000)
Dividends declared		(21 571)		(21 571)
Total comprehensive income for the period		146 682		146 682
Transfer to non-distributable reserves		19 684	(19 684)	-
Balance at 30 June 2014	871 154	131 714	(19 684)	983 184
Unaudited for the quarter ended 30 September 2014				
Opening balance	871 154	131 714	(19 684)	983 184
Total comprehensive loss for the period		(57 466)		(57 466)
Dividend paid		(29 490)		(29 490)
Transfer to non-distributable reserves		61 772	(61 772)	-
Balance at 30 September 2014	871 154	106 530	(81 456)	896 228

STATEMENT OF CASH FLOWS

	GROUP	
	Unaudited for the quarter ended 30 Sep 2014 USD'000	Unaudited for the quarter ended 30 Sep 2013 USD'000
Cash inflow from operating activities	11 464	7 475
Cash (outflow)/inflow from investing activities	(50 298)	16 072
Cash inflow/(outflow) from		

financing activities	39 189	(23 651)
Increase/(decrease) in cash and cash equivalents	355	(104)
Cash and cash equivalents at beginning of period	486	195
Cash and cash equivalents at end of period	841	91
Current accounts	841	91

SEGMENTAL REPORTING

	Unaudited for the quarter ended 30 Sep 2014 USD'000	Unaudited for the quarter ended 30 Sep 2013 USD'000
Loss before income tax expense		
Australia	2 535	623
Canada	(10 117)	(4 017)
Europe	(12 213)	4 318
UK	(791)	1 815
Hong Kong	3 761	110
Singapore	(3 438)	809
USA	(19 089)	(12 316)
Zambia	71	-
Corporate	(18 068)	4 206
	(57 349)	(4 452)

	Unaudited as at 30 Sep 2014 USD'000	Audited as at 30 Jun 2014 USD'000	Unaudited as at 30 Sep 2013 USD'000
Total assets			
Australia	107 903	125 174	54 406
Canada	187 790	209 459	92 428
Europe	157 465	193 275	123 658
UK	149 262	143 045	61 028
Hong Kong	83 029	79 592	37 758
Singapore	185 748	192 218	73 553
USA	682 078	629 916	222 815
Zambia	5 601	5 192	-
Corporate	31 734	28 705	4 414
	1 590 610	1 606 576	670 060

NOTES

The Group is required to publish financial results for the quarter ended 30 September 2014 in terms of the Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the financial results of the Group in respect of the 3 month period from 1 July 2014 to 30 September 2014 as well as the comparative results from the prior period.

The accounting policies which have been applied are consistent with those used in the preparation of the audited financial statements for the year ended 30 June 2014. Non-distributable reserves arise from any accumulated losses pertaining to changes in the fair value of the assets and liabilities in the Group on a US Dollar basis. The Group does not consider such reserves to be distributable.

The abridged unaudited financial statements ("financial statements") for the quarter ended 30 September 2014 have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the JSE Listings Requirements, the SEM Listing Rules and the Securities Act of Mauritius 2005.

The financial statements have not been reviewed or reported on by the Group's external auditors.

These financial statements were approved by the Board on 13 November 2014.

Copies of the financial statements and the Statement of direct and indirect interests of each officer of the Group, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules of Mauritius 2007, are available free of charge, upon request at Rockcastle's registered address.

Contact person: Mr Kesaven Moothoosamy

This communiqué is issued pursuant to SEM Listing Rule 12.20 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in these financial statements. The directors are not aware of any matters or circumstances arising subsequent to the period ended 30 September 2014 that require any additional disclosure or adjustment to the financial statements.

Directors

Mark Olivier (chairman); Spiro Noussis (CEO)*; Nick Matulovich*; Andries de Lange; Rory Kirk; Andre van der Veer; Yan Ng; Paul Pretorius*
(*executive director)

Company secretary

Intercontinental Trust Limited

Registered address

Level 3, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius

Transfer secretary in South Africa

Link Market Services South Africa Proprietary Limited

JSE sponsor

Java Capital

SEM sponsor

Capital Markets Brokers Limited

www.rockcastleglobalre.mu