



ROCKCASTLE

GLOBAL REAL ESTATE COMPANY LIMITED



Karolinka Shopping Centre – Opole, Poland

Interim results presentation

December 2015

Agenda



01

6-month highlights & financial results

02

Listed security portfolio update

03

Funding & hedging

04

Direct property portfolio update

05

Conclusion and Q&A

Spiro Noussis - CEO

Highlights to 31 December 2015



Distribution growth

+8.2%

Capital invested/committed in Poland to date

USD440 million

Direct property as a percent of total assets

17%

Two developments completing in Q4 2016

40 500m² GLA

New long-term senior debt facilities

EUR34.8 million

Disposal of Kafubu Mall & Mukuba Mall (Zambia)

Central European focus



Headline results underpinning our growth targets



	31 Dec 2015	30 Jun 2015	31 Dec 2014	30 Jun 2014
Net rental income (USD'ooo equivalent)	6 029	2 633	22	-
Direct property assets (USD'ooo equivalent) ⁽¹⁾	383 021	108 286 ⁽²⁾	15 324	5 192
Dividend per share	4.631 USD cents	4.42 USD cents	4.28 USD cents	4.18 USD cents
Dividend growth over prior comparable period	8.2%	5.7%	5.2%	4.4%
Net asset value per share	USD 1.56	USD 1.46	USD 1.50	USD 1.39
Total shares in issue (millions)	912.5	847.9	769.7	705.5
Loan to value % ⁽³⁾	40.2%	46.4%	37.5%	38.3%

⁽¹⁾ Including investment property under development

⁽²⁾ Includes effective Zambian interest

⁽³⁾ The loan to value ratio is calculated by dividing total interest-bearing borrowings by total assets

02

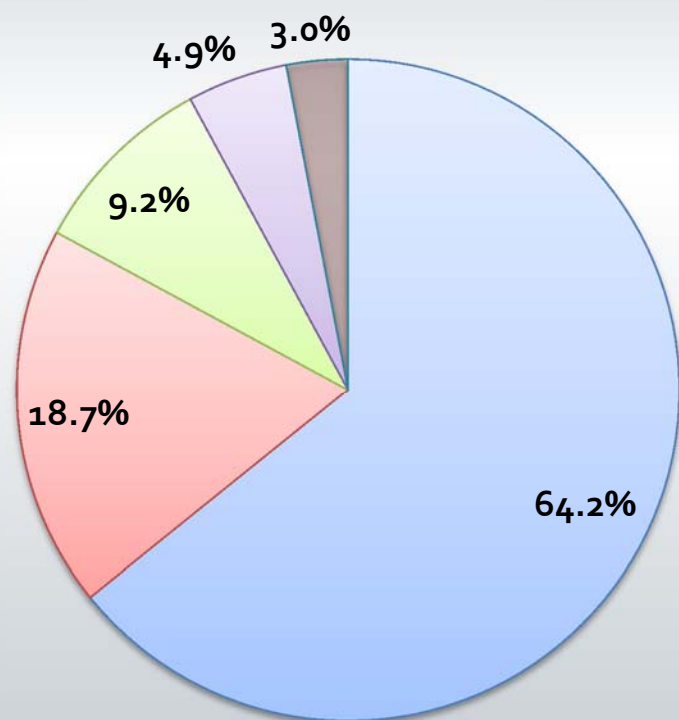
Listed security portfolio update

- Portfolio composition by jurisdiction
- Portfolio composition by sector
- Top 10 holdings
- Portfolio performance & strategy

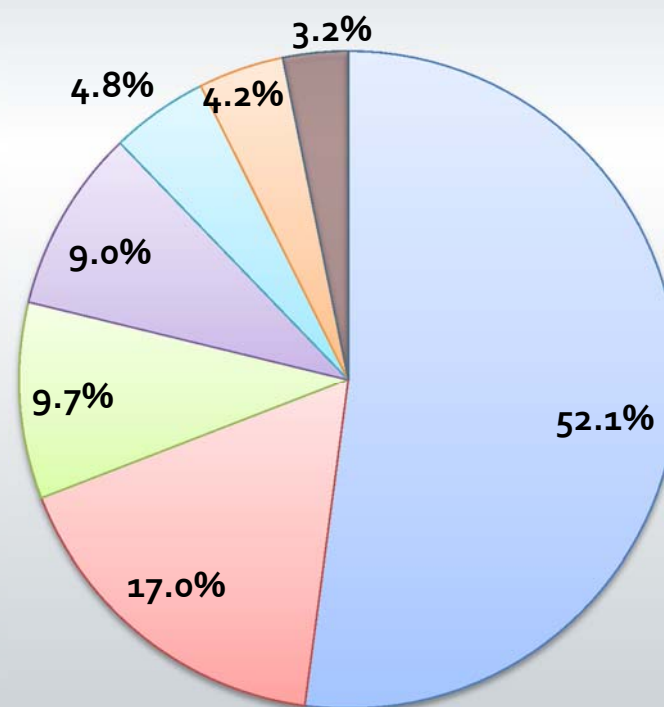
Portfolio composition by jurisdiction

Geographic spread

December 2015



June 2015

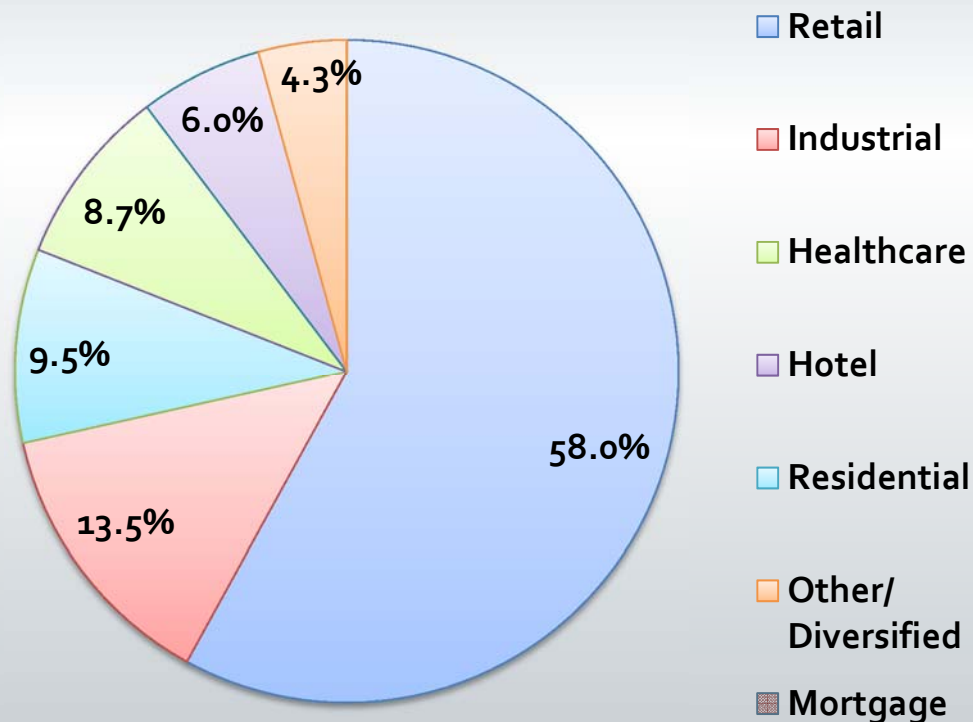


Portfolio composition by sector

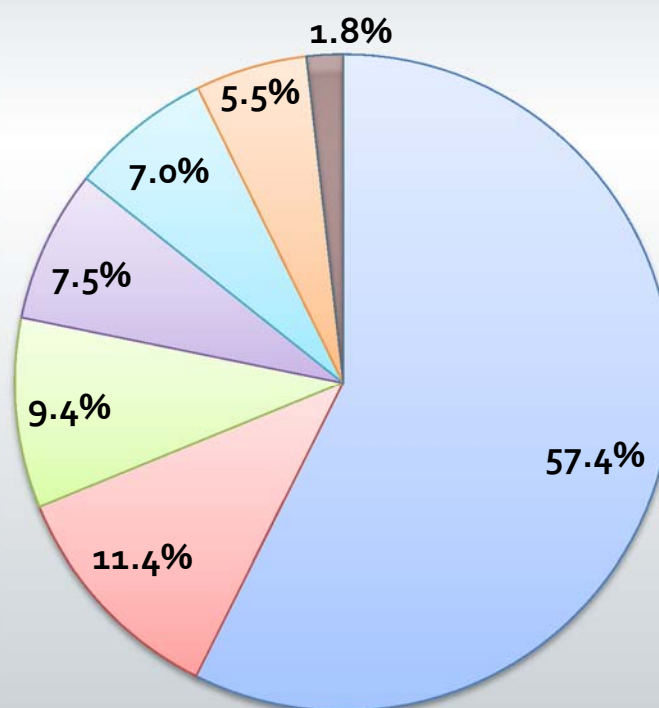


Sectoral spread

December 2015



June 2015



Top 10 real estate holdings



Name	Sector	Jurisdiction	Market value at 31 Dec 2015 (USD Million)	Market value at 30 Jun 2015 (USD Million)
Simon Property	Retail	USA	359.7	288.9
Hammerson	Retail	UK	349.1	367.7
Prologis Inc	Industrial	USA	214.6	161.4
Avalonbay Communities Inc	Residential	USA	176.8	153.5
Unibail Rodamco	Retail	Europe	172.6	166.0

Top 10 real estate holdings (continued)



Name	Sector	Jurisdiction	Market value at 31 Dec 2015 (USD Million)	Market value at 30 June 2015 (USD Million)
Ventas Inc	Healthcare	USA	149.5	158.3
Host Hotels and Resorts	Hotel	USA	112.9	108.1
Kimco	Retail	USA	84.7	47.3
Digital Realty	Other/ diversified	USA	81.3	71.7
Westfield Group	Retail	Australia	56.2	69.8

- Focused on liquid counters in developed markets offering growth prospects
- Strategic emphasis on companies with prospects of underlying rental growth and cost containment which will drive future returns
- A prudent risk management framework for the listed portfolio has ensured defensiveness in times of extreme volatility
- Rockcastle's underlying holdings performed ahead of their respective forecasts during the period
- Complete exit from Hong Kong and Canada and significant divestment from Singapore
- Continued bias toward developed markets particularly the retail sector in the US and UK
- No formal currency hedging of capital positions, however underlying gearing in base currencies continues to mitigate the effects of currency movements on the capital base
- Continued analysis of physical property of the listed portfolio counters – site inspections and interactions with management

03

Funding & hedging

- Gearing
- Hedging strategy
- Financing developments during the period
- Counterparty composition
- Swap profile

Gearing

- Gearing for the company is targeted between 35% and 50% - intention to remain towards the lower end of the range
- Cost of borrowings for listed securities portfolio – broadly consistent with the prior period
- Introduction of asset level funding for direct properties in Poland

Hedging strategy

- Interest rate swaps:
 - Listed security portfolio over 50% effectively hedged with medium term objective to further increase this percentage
 - Direct property facilities currently 100% hedged
- Distributions for next 12 months are hedged

■ Funding developments during the period

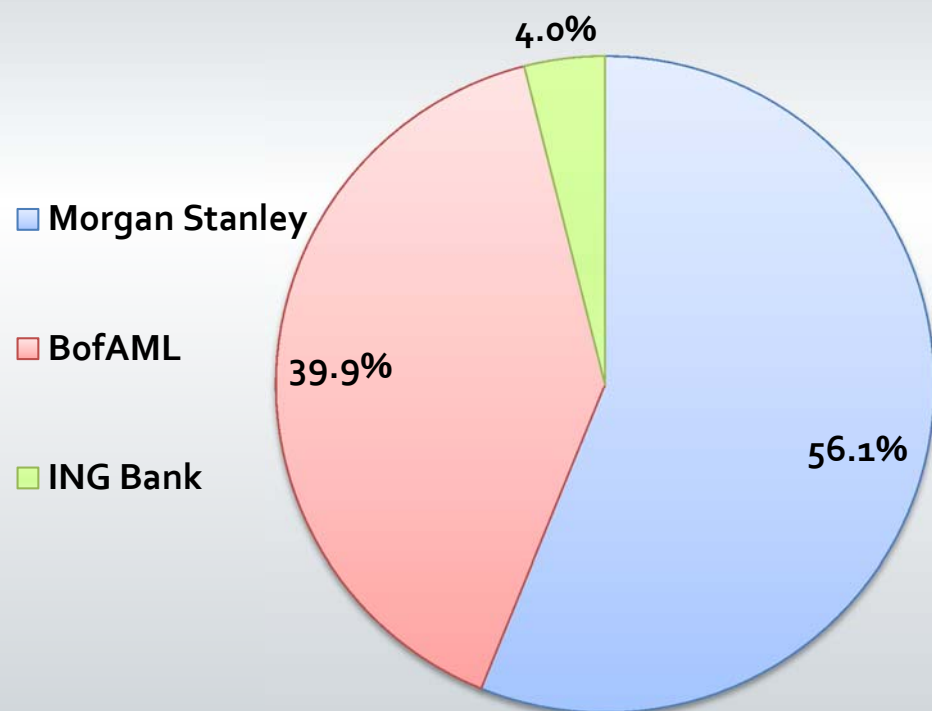
- Listed security portfolio gearing reduced – short-term in nature – continued trend
- Increase in long-term funding during the period by way of the introduction of direct property senior debt
- Considerable debt market liquidity in Poland – both local and other European banks active in the market
- New 5-year, non-recourse, interest-only facility with ING Bank (Poland) signed and fully drawn down
- Facility proceeds EUR34.8 million secured against Solaris Shopping Centre
- Fully swapped at all-in cost of 1.71%



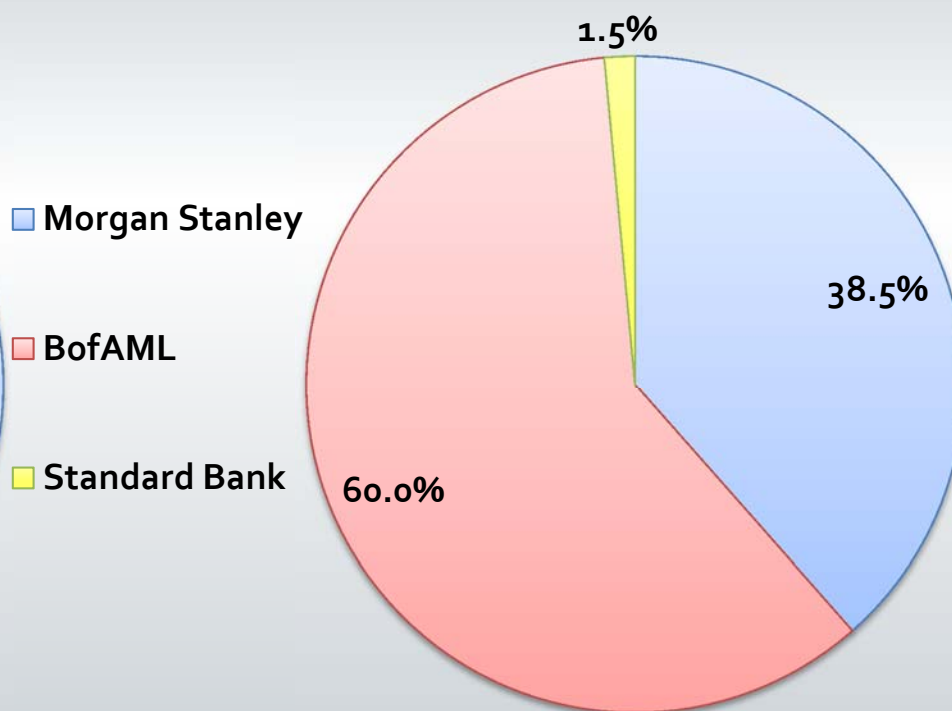
■ Negotiations in progress for refinancing of new acquisitions

Facilities by counterparty

December 2015



June 2015



Swap profile – listed security portfolio



Expiry	Nominal USD equivalent (USD'000)	Average rate
2020	61 098	0.83%
2021	43 676	0.53%
2022	54 595	0.57%
2025	283 627	1.79%
	442 996	1.38%

04

Direct property portfolio update

- **Zambian disposals**
- **Cosmopolitan Mall**
- **Poland economic and political developments**

Spiro Noussis – CEO

- **Polish retail market update**

Marek Noetzel – Retail Director

- **Concluded acquisitions & extension opportunities**
- **Existing portfolio update**

Spiro Noussis – CEO

- Transaction concluded in December 2015 for the disposal of Kafubu Mall and Mukuba Mall (Zambia) to Delta Africa Property Holdings Limited (“Delta”) realising an equity profit
- Transaction proceeds of USD21.6 million received with USD2.5 million currently outstanding by way of a vendor loan to Delta
- Rockcastle retains the view that the assets are fundamentally sound and the assets traded on budget with low vacancies during the course of Rockcastle’s ownership
- Sale further realises strategic focus on Central Europe where an operational team is based
- Assets sold to an African specialist fund

Cosmopolitan Mall – Lusaka, Zambia



Cosmopolitan Mall – Lusaka, Zambia



- Scheduled opening in March 2016
- GLA of 26 000m²
- Right to purchase 50%
- Anchored by Shoprite and Game
- Tenants include:
 - Foschini
 - Mr Price
 - Truworths
 - Woolworths
- Acquisition yield of 9.5%
- Discussions currently in progress for disposal of Rockcastle's interest



Poland – economic and investment data



Polish political and
legislative developments

Opportunities

Polish GDP growth
(2016 forecast)

+3.6%

Declining unemployment

6.8% (2016 forecast)

ECONOMIC SUMMARY

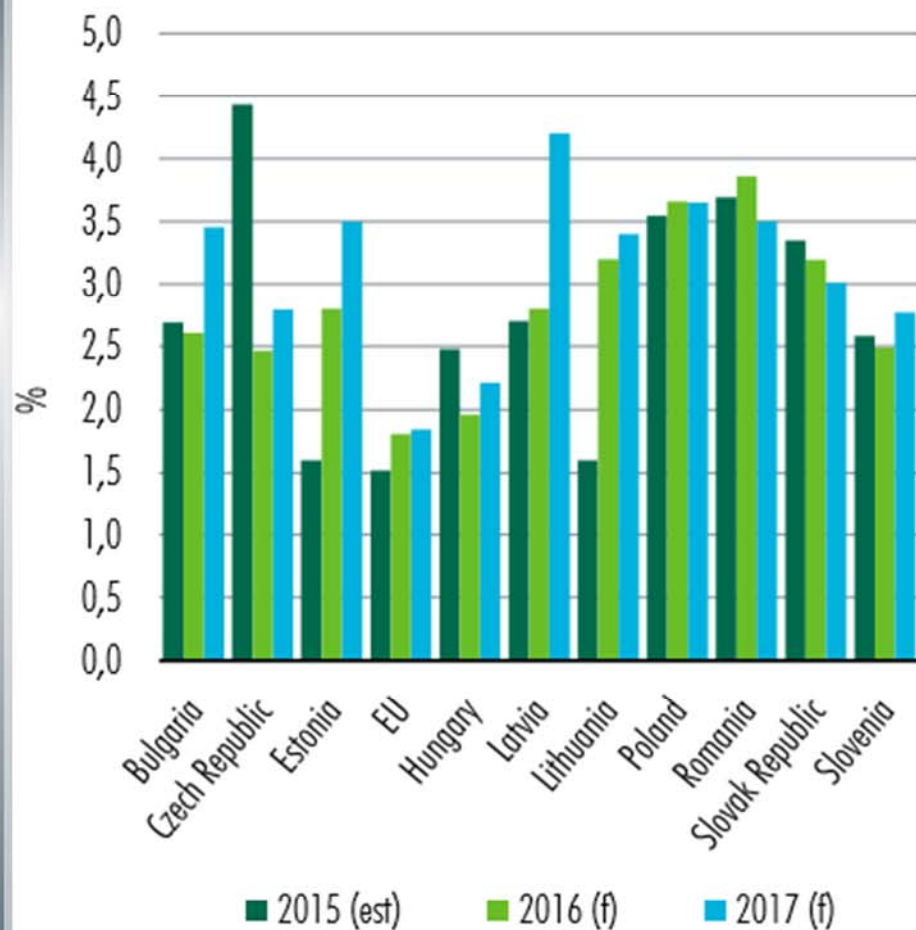
ECONOMIC INDICATORS	2012	2013	2014	2015F	2016F
GDP growth	1.9	1.7	3.4	3.6	3.6
Consumer spending	1.0	1.2	3.1	4.0	3.8
Industrial production	1.5	2.4	3.2	5.5	5.6
Investment	-1.3	1.1	9.4	7.3	6.3
Unemployment rate (%)	10.1	10.4	9.0	7.4	6.8
Inflation	3.7	1.2	0.2	-0.3	2.1
EUR/PLN (average)	4.19	4.20	4.18	4.10	4.03
US\$/PLN (average)	3.26	3.16	3.15	3.71	3.79
Interest rates: 3-month (%)	3.9	2.5	1.9	1.8	3.1
Interest rates: 10-year (%)	3.7	4.3	2.5	2.9	3.2

*ANNUAL % GROWTH RATE UNLESS OTHERWISE INDICATED, F FORECAST

SOURCE: OXFORD ECONOMICS LTD. AND CONSENSUS ECONOMICS INC

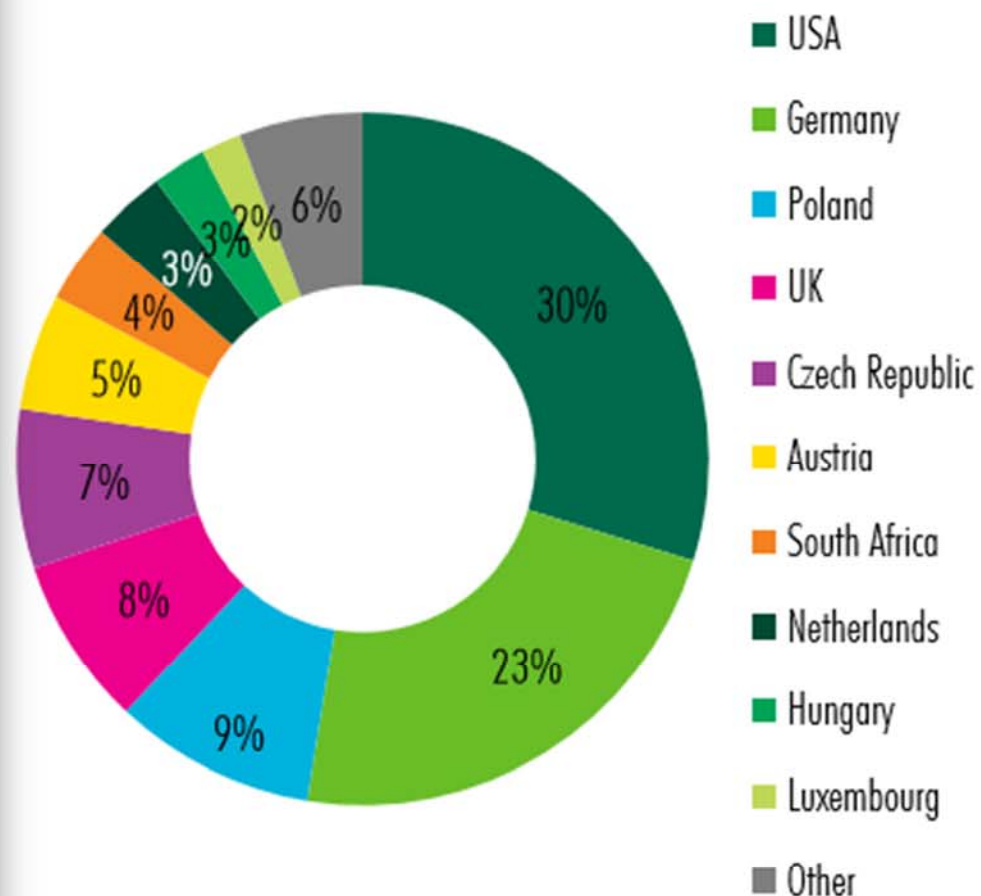
Poland – economic and investment data

GDP Growth per country 2015 - 2017



Source: CBRE Research based on Oxford Economics

Investment volume by country of origin in 2015



Source: CBRE Research

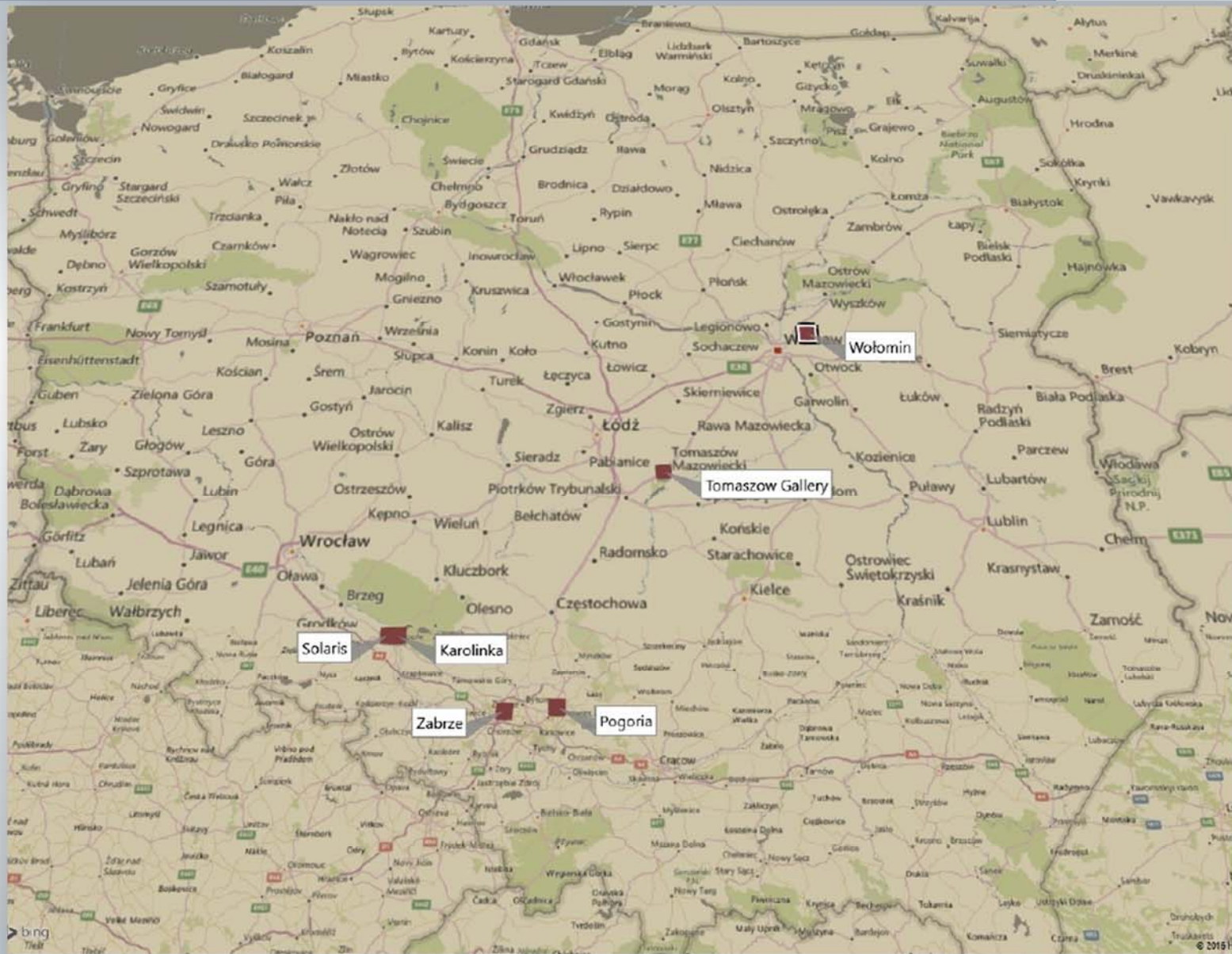
Poland – competitive advantage



- Successful recruitment of top local skills comprising our core retail & asset management, finance, capital market and development teams
- Opportunities to extract asset management and leasing enhancements to existing assets given the strength of the core Polish team and group IP
- Rockcastle's reputation as an entity that can successfully execute on transactions has resulted in several off-market opportunities being offered
- Local presence and credible track record over a two year period provides a formidable competitive advantage over new entrants
- Focus on the acquisition of additional existing shopping centres as well as the expansion of the current development pipeline
- Polish political developments
- Marek Noetzel introduction



Poland – current portfolio





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**Acquisitions & extension
opportunities**

Platan Shopping Centre – Zabrze, Poland



Platan Shopping Centre – Zabrze, Poland



- Transaction concluded in December 2015
- GLA of 25 336m²
- Ownership 100%
- Anchored by Auchan hypermarket
- Tenants include:
 - CCC
 - Cropp
 - Deichmann
 - KFC
 - House
 - Reserved
 - Rossmann
- Acquired at a yield of approximately 6.9%
- Agreement signed to acquire adjoining retail park with a GLA 3 277m² on a site of 11 000m² which will facilitate future expansion of the main gallery



Platan Shopping Centre – Zabrze, Poland



Platan Shopping Centre – Zabrze, Poland



level 0



PLATAN CENTER, ZABRZE, POLAND

EXISTING	GLA	PARKING PLACES
	25 335,56 sqm	1000 PP
RATIO	3,94PP/100sqm	
REBUILD	GLA	
with existing	2 531 sqm	
REBUILD	GLA	
with extension	3 680 sqm	
NEW	GLA	PARKING PLACES
	6 954 sqm	
TOTAL	GLA	PARKING PLACES
	35 989,56 sqm	1000 PP
RATIO	2,78PP/100sqm	
TOTAL LAND AREA		98 273sqm

Platan Shopping Centre – Zabrze, Poland



level 0



level 1



COMMUNICATION



TECHNICAL



PARKING AREA



EXISTING RETAIL AREA



EXISTING RETAIL AREA TO REBUILD



NEW RETAIL AREA

PLATAN CENTER, ZABRZE, POLAND

EXISTING	GLA	PARKING PLACES
	25 335,56 sqm	1000 PP
RATIO	3,84PP/100sqm	
REBUILD with existing	GLA	
	2 531 sqm	
NEW	GLA	PARKING PLACES
	24 382 sqm	812 PP
RATIO	2,51PP/100sqm	
TOTAL	GLA	PARKING PLACES
	49 997,56 sqm	1812 PP
RATIO	3,24PP/100sqm	
TOTAL LAND AREA		56 273sqm

Karolinka Shopping Centre – Opole, Poland



Acquisition details

- Transaction concluded in December 2015
- GLA of 69 997m²
- Ownership 100%
- Anchored by Auchan hypermarket, Leroy Merlin and Decathlon
- Tenants include:
 - Carry
 - CCC
 - Deichmann
 - H&M
 - NewYorker
 - Pepco
 - Reserved
- Acquired at a yield of 6.46%



Currently envisaged expansion strategy

- Karolinka is the region's dominant shopping centre – largest and most diverse retail offering within a 1-hour radius
- Significant opportunity to upgrade and enhance the retail by:
 - the introduction of additional LPP & Inditex brands
 - right-sizing of existing tenants trading in sub-optimal formats
 - expansion of food court tenants
 - developing leading entertainment offering
 - accommodating all major big box retailers in the node
 - reconfigure and refresh tenant mix in line with latest trends
- This expansion will cement Karolinka's dominance with an resultant improvement in footfall and trading densities

Karolinka Shopping Centre – Opole, Poland



01 Karolinka Shopping Gallery

02 Karolinka Retail Park

Karolinka Shopping Centre – Opole, Poland



C.H. KAROLINKA CENTER, OPOLE, POLAND - ground level

Karolinka Shopping Centre – Opole, Poland



C.H. KAROLINKA CENTER, OPOLE, POLAND - LEVEL +1

EXISTING	GLA	PARKING PLACES
	69 963.89 sqm	2580 PP
RATIO	3,7PP/100sqm	
REBUILD	GLA	
Shopping	5 000 sqm	
NEW	GLA	PARKING PLACES
	22 295 sqm	
TOTAL	GLA	PARKING PLACES
	92 268.89 sqm	2580 PP
RATIO	2,78PP/100sqm	
TOTAL LAND AREA		183 819 sqm
LAND AREA FOR EXPANSION		APPROX. 31 000 sqm

Karolinka Shopping Centre – Opole, Poland



C.H. KAROLINKA CENTER, OPOLÉ, POLAND



Pogoria Shopping Centre – Dabrowa Gornicza, Poland



Pogoria Shopping Centre – Dabrowa Gornicza, Poland



- Transaction concluded in December 2015
- GLA of 36 705m²
- Ownership 100%
- Anchored by Auchan hypermarket
- Tenants include:
 - Bershka
 - Carry
 - CCC
 - Deichmann
 - H&M
 - Reserved
 - Pull&Bear
- Acquired at a yield of 6.76%



Currently envisaged expansion strategy

- Pogoria is the town's strongest retail centre with arguably the best anchor grocer in the region. However it competes with several regional centres within a 30 min drive.
- The opportunity exists to position it as a local centre with the most compelling and suitable fashion and entertainment offering by:
 - expanding the GLA by 8 000-10 000m²
 - introducing extended LPP & Inditex brands
 - reconfiguring and refreshing tenant mix in line with latest trends
 - right-sizing of existing tenants trading in sub-optimal formats
 - expansion of food court tenants
 - upgrading and reconfiguring the entertainment offering and
 - Improving the access and traffic flows
- This expansion will ensure Pogoria's future growth potential is realised and its market position is defensible

Pogoria Shopping Centre – Dabrowa Gornicza, Poland



Pogoria Shopping Centre – Dabrowa Gornicza, Poland





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Existing portfolio updates

Solaris Shopping Centre – Opole, Poland



Solaris Shopping Centre – Opole, Poland



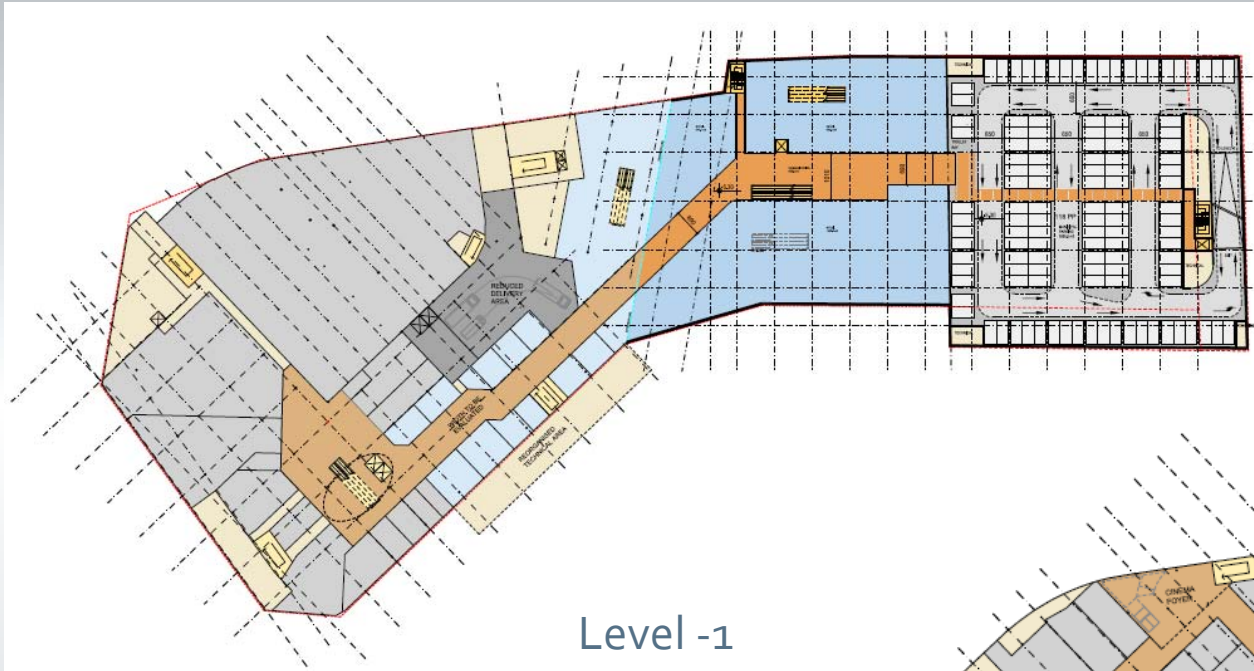
- Acquired March 2015
- GLA of 18 000m² and 99.8% let
- Trading on budget
- Footfall increase for the year of 5.3%
- PPP agreement concluded in October 2015 for acquisition of adjoining site
 - Extension of 8 000m² retail GLA planned
 - Construction of 300 vehicle underground basement parking
 - Architectural design and permitting process in progress
 - Strong tenant interest



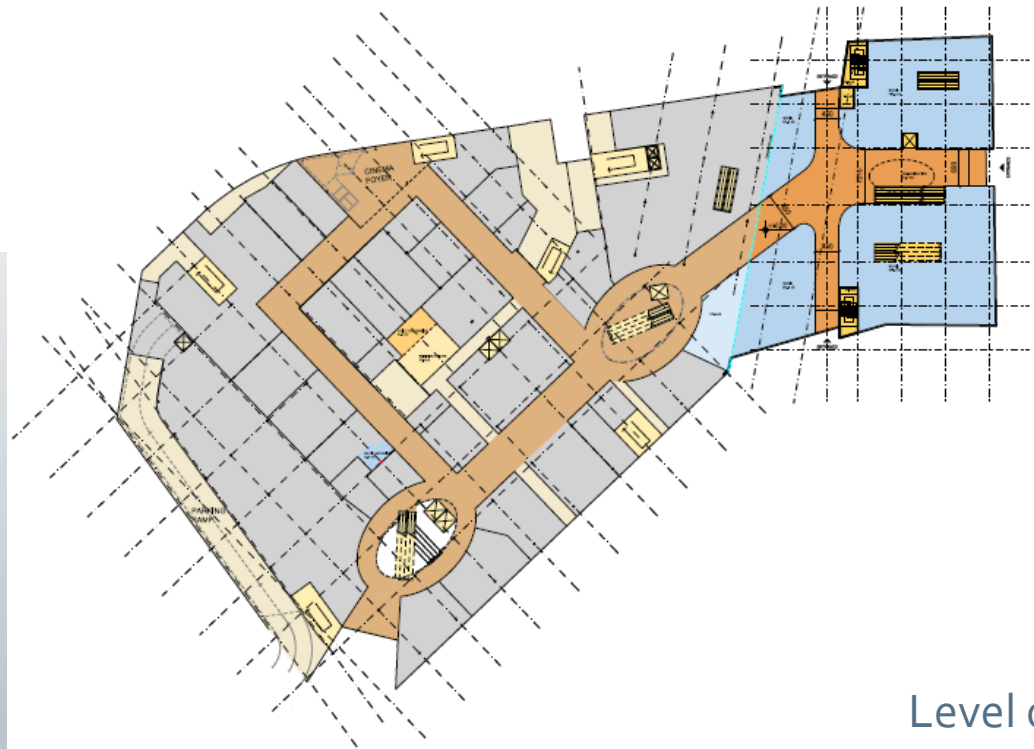
Solaris Shopping Centre – Opole, Poland



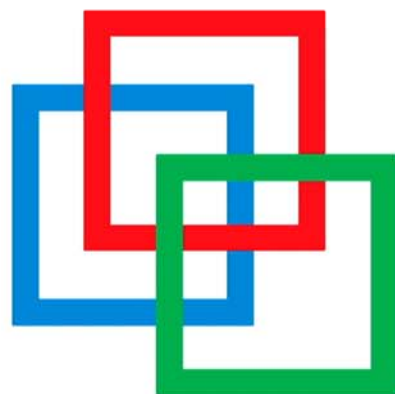
Solaris Shopping Centre – Opole, Poland



Level -1



Level 0



GALERIA WOŁOMIN



Galeria Wolomin – Warsaw, Poland



- Redesign complete, construction underway, opening scheduled for October 2016
- GLA of 23 500m², ownership 90%
- Anchored by Carrefour hypermarket
- Tenants to include:
 - CCC
 - Cropp
 - H&M
 - KFC
 - Martes Sport
 - Reserved
- Budgeted yield of 7.6% & completed development cost – EUR46.6 million

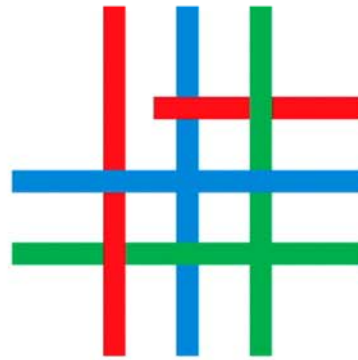


Galeria Wolomin – Warsaw, Poland



Galeria Wolomin – Warsaw, Poland





GALERIA TOMASZÓW

Galeria Tomaszow – Tomaszow Mazowieki , Poland



- Under construction, scheduled opening October 2016
- GLA increased to 17 000m²
- Ownership 85%
- Anchored by Intermarche
- Tenants include:
 - CCC
 - Cropp
 - Deichmann
 - H&M
 - Pepco
 - Reserved
 - Rossman
- Redesigned to accommodate cinema operator
- Total development cost EUR29 million representing an initial yield of 9.3%



Galeria Tomaszow – Tomaszow Mazowieki , Poland



05

Conclusion and Q&A

- Summary & conclusion
- Q&A

- Migration to direct property progressing well – currently 17% of total assets
- Further acquisitions targeted in Czech Republic, Hungary and Poland
- Value creation targeted via development, extension and refurbishments
- Operational platform established in CEE
- Listed securities portfolio consolidated further towards core holdings in developed markets
- Continued engagement with management of core listed security holdings and asset inspections
- Lower gearing in the listed security portfolio to mitigate the effects of market volatility may result in our forecast growth in dividends being at the lower end of the guidance range of 8% to 10% to June 2016



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Questions & Answers