



ROCKCASTLE

GLOBAL REAL ESTATE COMPANY LIMITED



Final results presentation

June 2014

- **Dual-listed hybrid real estate company**
 - SEM on 5 June 2012
 - AltX on 26 July 2012 (migration to the main board)
- **Listed real estate securities**
- **Direct acquisitions**
 - Kafubu Mall, Ndola, Zambia
 - Mukuba Mall, Kitwe, Zambia
 - Poland

Summary of financial performance



	Jun 2014	Dec 2013	Jun 2013	Dec 2012
Dividend 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	USD 1.39	USD 1.16	USD 1.15	USD 1.09
Loan to value ratio*	38.3%	42.3%	42.4%	35.9%

* The loan to value ratio is calculated by dividing net interest-bearing borrowings by total assets.

** For the 7 month period to Dec 2012.

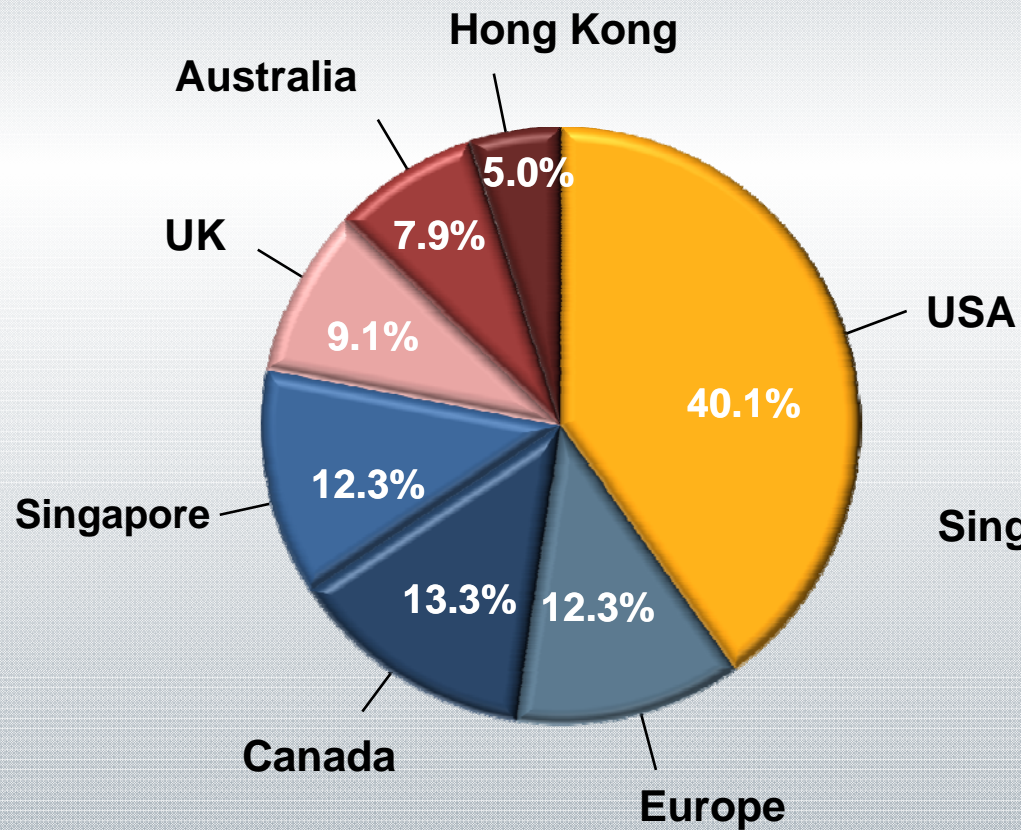


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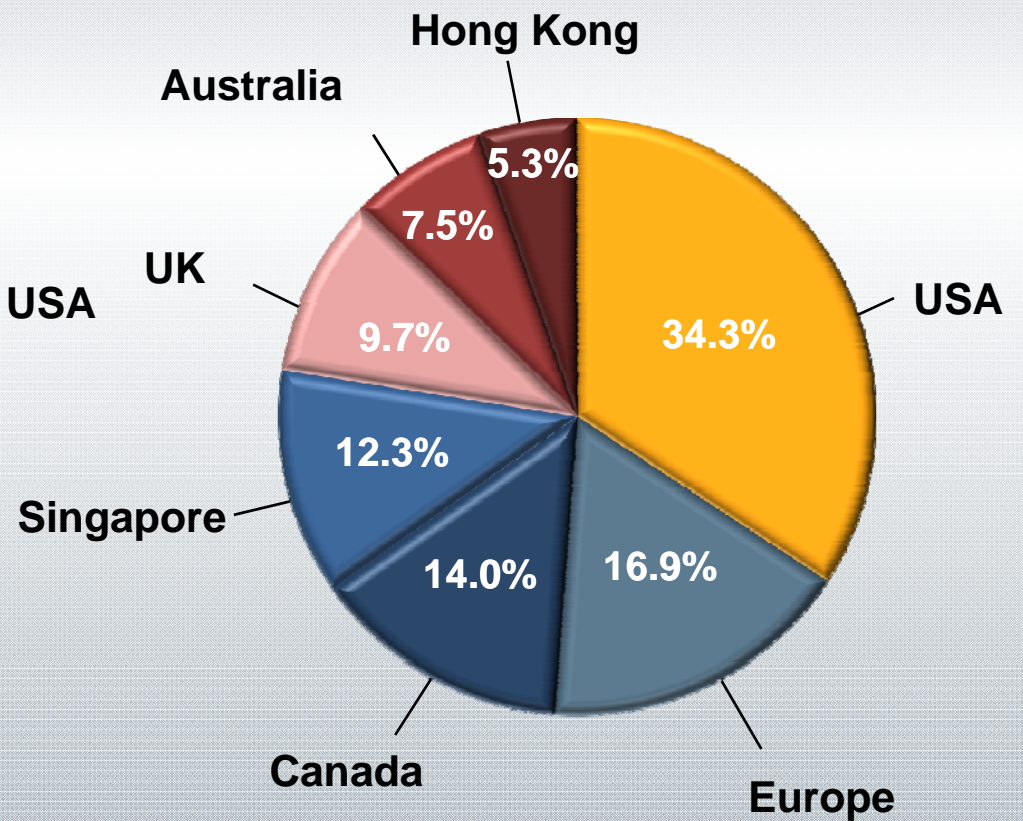
Listed Equity Portfolio

Geographical spread

Jun 2014

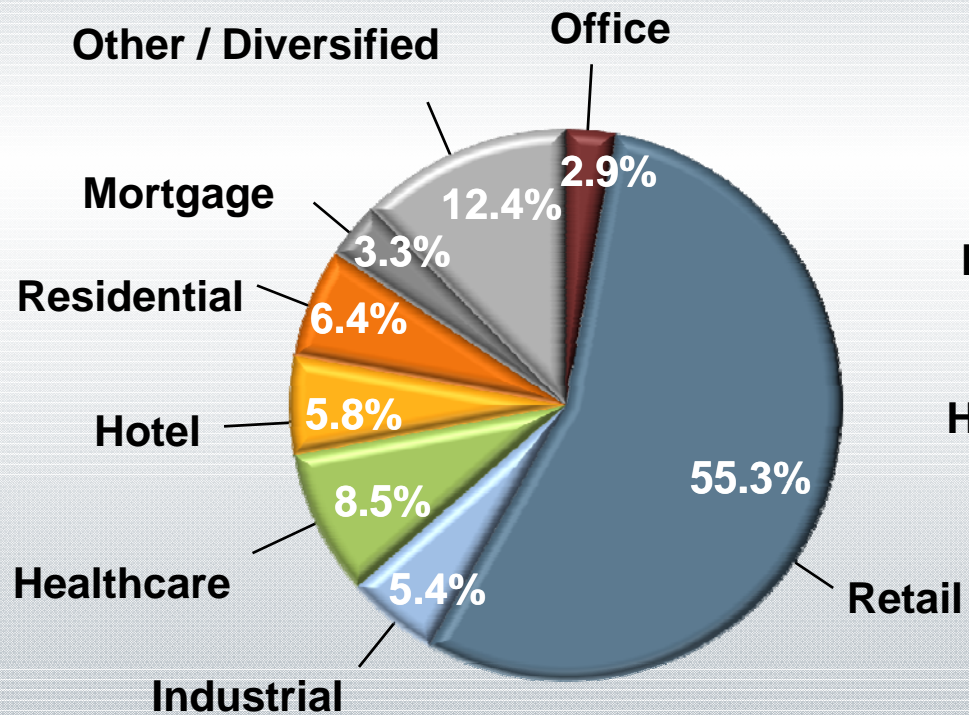


Dec 2013

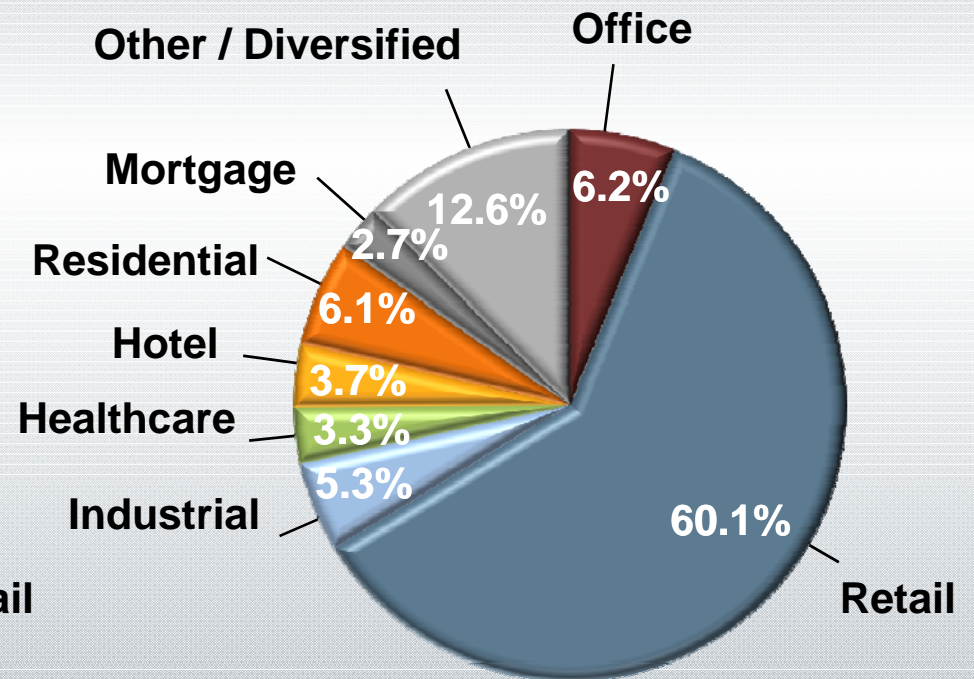


Sectoral split

Jun 2014



Dec 2013



- **Continued shift from yield to growth**
- **Retail bias**
- **No formal currency hedging**
- **Distribution growth ahead of forecasts**
- **Discounts to NAV have become premiums, particularly in Europe**
- **Analysis of physical property of listed portfolio counters**
 - **site inspections**

Top 10 real estate holdings



Counter	Sector	Jurisdiction	Market value at 30 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

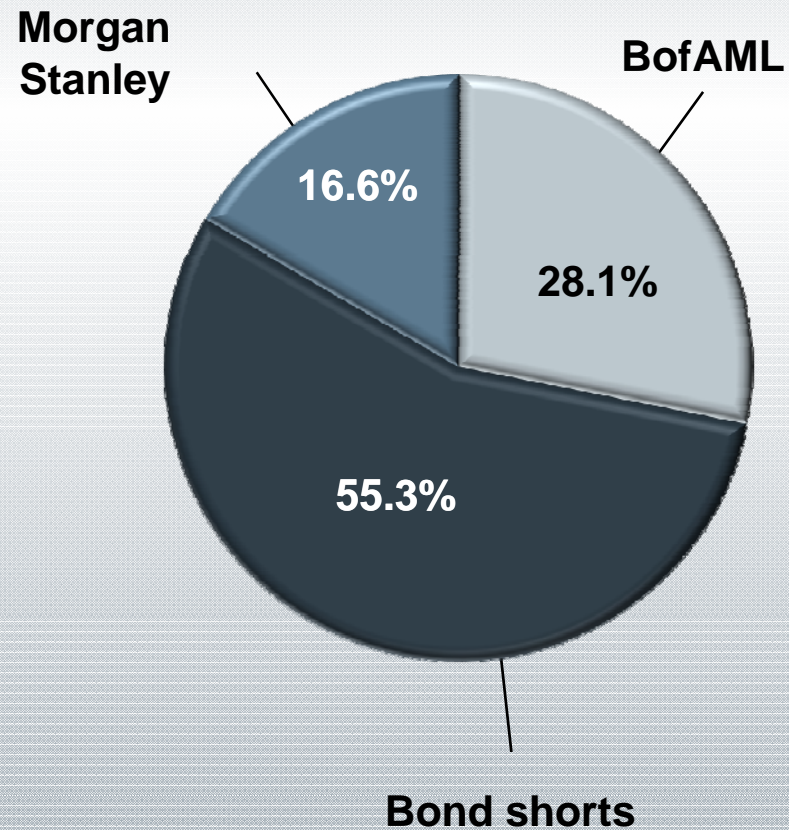
Top 10 real estate holdings (continued)



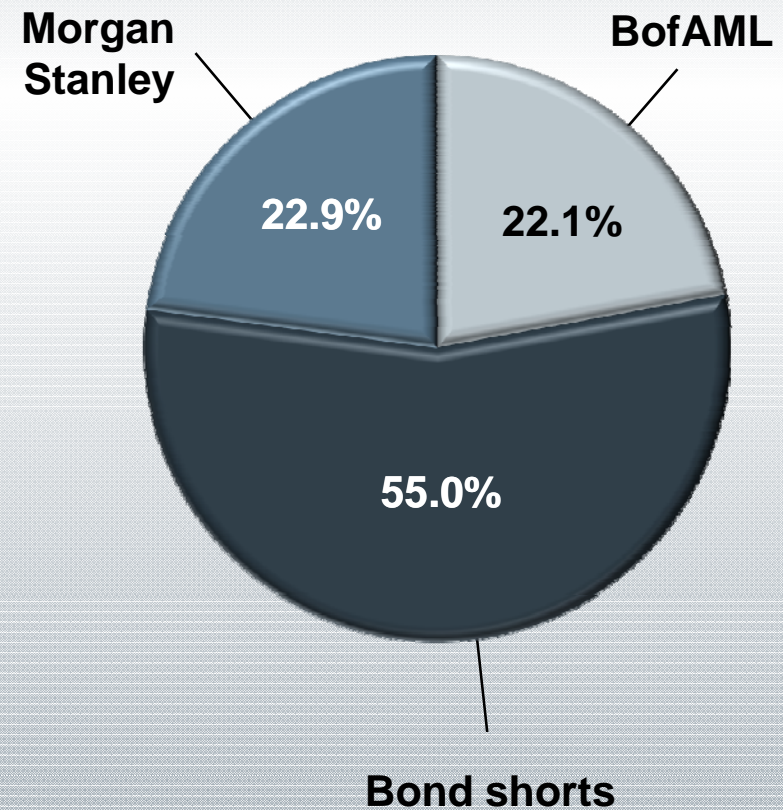
Counter	Sector	Jurisdiction	Market value at 30 Jun 2014 (USD million)
The Link REIT	Retail	Hong Kong	78.0
Ventas Inc	Healthcare	USA	76.9
British Land	Other/Diversified	UK	71.9
Hammerson	Retail	UK	71.2
Hospitality Properties	Hotel	USA	66.9

- **Gearing**
 - 35 - 50% in the company
 - Cost of borrowings – consistent with prior period
- **Change in hedging strategy**
 - Bond shorts
 - Interest rate swaps
- **Direct property funding**
 - Polish funding
 - Dollar funding for Zambian investments

Jun 2014



Dec 2013



Swap profile



Swap	Expiry (Financial year)	Nominal USD equivalent (million)	Swap rate
Euro 7-year	Jun 2021	34.13	2.08%
US 10-year	Jun 2024	50.00	2.77%
Euro 10-year	Jun 2024	40.95	1.77%
US 10-year	Jun 2024	30.00	2.84%
Euro 10-year	Jun 2025	20.48	1.45%
US 10-year	Jun 2025	20.00	2.62%
		195.56	2.20%



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Direct Property Portfolio

Kafubu Mall – Ndola, Zambia



Kafubu Mall – Ndola, Zambia



Kafubu Mall – Ndola, Zambia

- Opened on schedule in April 2014
- GLA of 12 500m² (100% let)
- Ownership 50%
- Anchored by Shoprite
- Tenants include:
 - Foschini
 - Edcon
 - Pepkor
- Acquired at a yield of 9.5% in US Dollars



Mukuba Mall – Kitwe, Zambia



Mukuba Mall – Kitwe, Zambia



- **Scheduled to open in early 2015**
- **Proposed GLA of 29 000m²**
- **Ownership 50%**
- **Anchored by Shoprite**
- **Tenants include:**
 - Woolworths
 - Pick 'n Pay
 - Game
- **Acquired at a yield of 9.5%**



Mukuba Mall – Kitwe, Zambia



Mukuba Mall – Kitwe, Zambia



Poland



- **Operational office to be based in Warsaw**
- **Targeting and assembling top retail specialists in Poland**
- **Property opportunities**
 - Many strategic assets currently owned by private equity and developers
 - Indiscriminate pricing differentials
 - Attractive Euro yields with significant positive carry
 - Polish economy growing at 3%, 2015 forecast 4%
 - Retail sales growing faster than the economy
 - Switch between informal and formal retail – increase in discretionary spending

Targeting retail centres that are and will remain dominant

Large cities

- **Strategic assets**
 - Critical mass > 50 000m²
 - Differentiated tenant mix
 - Unique accessibility for consumers

Smaller cities

- **The dominant retail centre**
 - Size > 25 000m²
 - Potential expansion opportunities
 - Fashion, entertainment and grocer offering

Management of development risk

- Leveraging off group skills base
- JVs with local developers
- Extensions to acquisitions
- Brownfield redevelopments

Targeted opportunities



Targeted opportunities



First shopping mall under due diligence

- **Dominant retail offering**
- **Mall completed in 2013**
- **Catchment area of 240 000**
- **30 000m² anchored by Tesco (5,900m²), Nomi (5,500m²), H&M (1,400m²)**
- **75% national and international retailers including**
 - Inditex group, LPP group, Rossmann, New Yorker, Deichmann, CCC
- **Acquisition yield approximately 8%**
- **Average lease term over 4 years**

Current transactions





Prospective acquisitions



Type	Size	Tenancy	Approximate value
Strategic	60 000m ²	75% national and international retailers	EUR220 million
Strategic	58 000m ²	80% national and international retailers	EUR200 million
Dominant	36 000m ²	70% national and international retailers	EUR85 million
Dominant	65 000m ²	80% national and international retailers	EUR180 million

- **Migration to direct property – target of >50%**
- **Main board listing on JSE**
- **Distribution growth**



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Questions & Answers