

DIRECTORS' COMMENTARY
STRUCTURE AND LISTING

The merger of New Europe Property Investments plc (NEPI) and Rockcastle Global Real Estate Company Limited (Rockcastle) was successfully concluded with effect from 11 July 2017. The new holding company, NEPI Rockcastle plc, acquired the businesses of NEPI and Rockcastle (including all properties and listed shares portfolios) thereby becoming the largest listed real estate player in Central and Eastern Europe (CEE) and one of the top ten listed real estate companies in Continental Europe by market capitalisation.

Following the merger, NEPI Rockcastle shares were listed and started trading on the Johannesburg Stock Exchange (JSE) and Euronext Amsterdam, while the individual companies ceased trading on their respective stock markets. As the merger implementation date was after the reporting date, the condensed consolidated financial results for the six months ended 30 June 2017 are reported on a stand-alone basis for each of the two former groups, in accordance with International Financial Reporting Standards.

HALF-YEAR DISTRIBUTION AND OPTION TO RECEIVE CAPITAL RETURN

NEPI achieved 23.02 euro cents in distributable earnings per share for the six-months ended 30 June 2017, and Rockcastle achieved 5.775 USD cents in distributable earnings per share for the same period. The resulting combined distribution declared by NEPI Rockcastle is 23.46 euro cents per share. This distribution is calculated by dividing the aggregated NEPI and Rockcastle distributable earnings (€126.4 million, using an exchange rate of 1.1229 USD / 1 EUR) by the NEPI Rockcastle shares in issue (538,953,794).

This distribution will be paid by NEPI Rockcastle to shareholders on behalf of NEPI and Rockcastle. Shareholders can elect to receive this distribution in cash or as a return of capital by way of an issue of fully paid shares, the number of which will be determined based on a ratio between distribution declared and the reference price. The reference price will be calculated using a maximum 7% discount to the five-day volume weighted average traded price, less distribution, of NEPI Rockcastle shares on the JSE.

A circular containing full details of the election being offered to shareholders, accompanied by announcements on the Stock Exchange News Service (SENS) of the JSE and Euronext Amsterdam (Euronext), will be issued in due course.

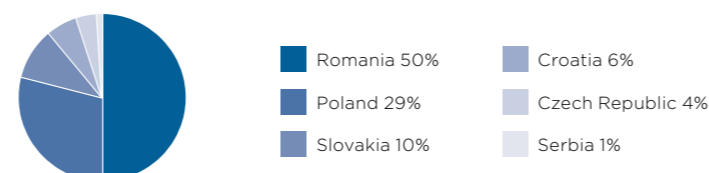
STRATEGY

NEPI Rockcastle focuses on investments in dominant retail real estate assets in high-growth CEE markets, with leading positions in Romania, Poland and Slovakia and a strong presence in Croatia, Czech Republic and Serbia. The Group owns, and manages, 50 income-producing assets mainly located in the previously mentioned countries with a total value (based on pro-forma accounts as at 30 June 2017) of approximately €3.8 billion, with six additional assets under development. The Group has just entered its seventh CEE market, Bulgaria, through the acquisition of Serdika Center and Office in Sofia.

NEPI Rockcastle holds a portfolio of highly liquid listed securities of large companies which dominate their markets and consistently outperform their competitors, operating primarily in the US, UK, and Continental Europe. Going forward, in line with Company strategy of migrating from listed investments to direct property, this portfolio is envisaged to be converted into new strategic direct property acquisitions. The listed security portfolio was valued at \$1.33 billion (equivalent of €1.16 billion) at 30 June 2017, representing 23% of the combined Group's investment assets based on pro-forma accounts, and is expected to reduce as the strategy is implemented.

Company	Sector	Jurisdiction	Market value as at 30 June 2017 (USD Million)	% of total portfolio
Hammerson	Retail	UK	185	16%
Unibail-Rodamco	Retail	Europe	141	12%
Simon Property Group	Retail	USA	125	11%
Ventas	Healthcare	USA	62	5%
Prologis	Industrial	USA	61	5%
			574	49%

NEPI and Rockcastle's combined direct property geographic profile as at 30 June 2017 by asset value was:


ACQUISITIONS OF INVESTMENT PROPERTY
Acquisition pipeline

NEPI and Rockcastle have been actively pursuing numerous investment opportunities during the first half of the year. This resulted in maintaining a significant investment pipeline, which, in addition to Serdika Center and Office, includes acquisitions:

- for which the due diligence has been completed and legal agreements are progressing, in excess of €350 million;
- in exclusivity and under due diligence, in excess of €600 million.

In total, these acquisitions, if successfully concluded, will add over 280,000m² of Gross Lettable Area (GLA) to NEPI Rockcastle's direct property portfolio.

NEPI Rockcastle will announce details of acquisitions when appropriate. In addition to its existing pipeline, NEPI Rockcastle is evaluating further significant direct retail property opportunities in the CEE region.

Serdika Center and Office (Bulgaria)

NEPI, and, following the merger, NEPI Rockcastle, acquired Serdika Center, a 51,500m² GLA modern shopping centre, and Serdika Office, a Class A office situated at the shopping centre with 28,500m² GLA. The acquisition received the approval of the Bulgarian Competition Authority in July 2017 and will become effective during August 2017.

DEVELOPMENTS AND EXTENSIONS
Development pipeline

The Group invests strategically in developments that significantly contribute to growth in distributable earnings per share. NEPI Rockcastle is pursuing a development pipeline which exceeds €1.3 billion (including redevelopments and extensions, estimated at cost), of which €175 million were spent in aggregate by NEPI and Rockcastle by 30 June 2017.

During the period, NEPI completed the development of Victoriei Office in Bucharest and the third phase of The Office, Cluj-Napoca. Additionally, NEPI and Rockcastle commenced construction on several projects in Romania, Serbia and Poland, including developments located in Galati, Novi Sad, Ramnicu Valcea, Wolomin and Zabrze, while zoning has been received for a shopping centre in Satu Mare, Romania. No substantial progress has been made with zoning and permitting for the Promenada Mall extension.

The Office Cluj-Napoca third phase (Romania, 30 June 2017)

NEPI completed the 20,200m² GLA third phase of The Office, Cluj-Napoca, bringing the total GLA of the office complex to 63,600m². The third phase is 96% leased with tenants gradually taking possession of their premises by October 2017. Tenants include international corporations, such as Betfair, Digital Velocity, Magnet Marelli, Telenav, Thomsons and Transtics.

Victoriei Office Bucharest (Romania, 30 June 2017)

NEPI received the outstanding permits for internal fit-out of this 7,800m² GLA landmark office located in central Bucharest, and completed the development. The building is 98% let, with tenants gradually taking possession of their premises by October 2017. Tenants include renowned companies, such as Fitbit, General Electric and Philip Morris.

Shopping City Galati extension (Romania)

Construction of the 21,000m² GLA extension to Shopping City Galati, currently a 27,500m² GLA regional mall continues, and is scheduled to be completed during the fourth quarter of 2017.

Ramnicu Valcea Mall (Romania)

The building permit has been received and construction commenced for the 27,900m² GLA regional mall, which is scheduled to open by the end of 2017. Currently, 89% of the centre is leased or subject to advanced negotiations. Tenants include Carrefour, Cinema City, Hervis, Jysk, NewYorker, Orsay and Textil Market.

Platan Shopping Centre extension (Poland)

Extension and refurbishment works increasing the shopping centre's GLA to 40,300m², and including construction of a multi-level car park, commenced in June 2017. The extension is scheduled to open in November 2018.

Solaris Shopping Centre extension (Poland)

The building permit for the extension of the shopping centre by approximately 9,200m² has been received and construction started. The project includes the development of multi-level basement parking and a new town square in front of the centre's main entrance. Tenant demand is strong and the extension area is scheduled to be completed in October 2018.

Galeria Wolomin extension (Poland)

The retail park adjoining Galeria Wolomin will open for trading on 31 August 2017, increasing the total GLA of the shopping centre to approximately 30,700m².

Promenada Novi Sad (Serbia)

Construction has commenced on the shopping mall's first phase of 48,400m² GLA. Tenant demand is strong and various international brands are interested.

LISTED SECURITY PORTFOLIO

NEPI Rockcastle invests in listed securities whose portfolios consist predominantly of quality assets, which outperform competitors and reduce the impact of negative market fluctuations. There is an increasing focus on positioning the portfolio to facilitate the efficient deployment of capital into direct property assets. Various changes have been implemented in this respect:

- during the first six months of 2017 the portfolio has been focused on Continental Europe, as economic prospects in the region are improving, and this bias will continue as long as applicable;
- the portfolio has been diversified further, and exposure increased to highly liquid assets;
- exposure to the USD has been reduced since third quarter of 2016; and
- following the merger of NEPI and Rockcastle, the functional currency of the listed portfolio was changed from USD to EUR.

As indicated, the Company's current pipeline of acquisitions and developments expected to be completed this year is substantial and will necessitate a reduction in the quantum of the listed portfolio.

CASH MANAGEMENT AND DEBT

As of 30 June 2017, NEPI and Rockcastle had in aggregate €63.6 million in cash and undrawn unsecured revolving facilities of €305 million. NEPI Rockcastle's pro-forma gearing ratio (interest bearing debt less cash divided by investment property and listed property shares) was 24%.

The average interest rate for NEPI, including hedging costs was 3.3%. As of 30 June 2017, fixed-coupon bonds, represented 61% of NEPI's outstanding debt, and out of the remaining debt exposed to Euribor, 92% was hedged with interest rate caps and 8% with interest rate swaps (including joint ventures).

The average interest rate for Rockcastle, including hedging costs was 1.8%. As of 30 June 2017, the outstanding debt exposed to Euribor was 93.1% hedged.

PROSPECTS AND EARNINGS GUIDANCE

Distributable earnings per share for the year 2017 are expected to be approximately 17% higher than the 2016 pro-forma distribution of 41.21 euro cents per share published in the *NEPI Rockcastle Prospectus*, in line with guidance previously announced by NEPI and Rockcastle. This guidance is based on the assumptions that a stable macroeconomic environment prevails, no major corporate failures occur, planned developments remain on schedule, and is sensitive to the impact of acquisitions currently in the pipeline. This forecast has not been audited or reviewed by NEPI Rockcastle's auditors and is the responsibility of the Board.

By order of the Board of Directors,

Alex Morar
Co-Chief Executive Officer
Mirela Covasa
Chief Financial Officer
22 August 2017

Spiro Noussis
Co-Chief Executive Officer

All amounts in €'000 unless otherwise stated

NEPI CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 Jun 2017	31 Dec 2016	30 Jun 2016
ASSETS			
Non-current assets	2 847 257	2 674 176	2 150 727
Investment property	2 708 396	2 546 772	2 043 175
Investment property in use	2 501 001	2 370 760	1 845 324
Investment property under development	181 395	176 012	197 851
Advances for investment property	26 000	-	-
Goodwill	58 390	58 390	39 010
Investments in joint ventures	38 475	22 023	18 556
Long-term loans granted to joint ventures	30 556	31 015	31 955
Other long-term assets	10 844	15 299	17 315
Financial assets at fair value through profit or loss	596	677	716
Current assets	81 814	107 538	123 358
Trade and other receivables	34 871	40 539	53 039
Financial investments at fair value through profit or loss	6 721	18 979	19 556
Cash and cash equivalents	40 222	48 020	50 763
Investment property held for sale	11 780	15 525	21 479
Total assets	2 940 851	2 797 239	2 295 564
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	2 025 675	1 814 552	1 548 555
Share capital	3 340	3 215	3 027
Share premium	1 439 703	1 368 171	1 213 293
Share-based payment reserve	4 797	4 797	4 797
Currency translation reserve	(1 229)	(1 229)	(1 229)
Accumulated profit	579 064	439 598	329 354
Non-controlling interest	-	-	(687)
Total liabilities	915 176	982 687	747 009
Non-current liabilities	768 773	831 995	661 667
Bank loans	171 165	260 593	139 111
Bonds	395 628	394 819	394 042
Deferred tax liabilities	184 072	158 864	110 589
Other long-term liabilities	17 908	17 403	16 619
Financial liabilities at fair value through profit or loss	-	316	1 306
Current liabilities	146 403	150 692	85 342
Trade and other payables	60 272	71 536	7 829
Bank loans	82 738	17 999	3 476
Bonds	3 393	61 157	74 037
Total equity and liabilities	2 940 851	2 797 239	2 295 564

NEPI CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 Jun 2017	30 Jun 2016
Net rental and related income	90 981	64 403
Revenues from rent and expense recoveries	128 911	93 292
Property operating expenses	(37 930)	(28 889)
Administrative expenses	(7 300)	(4 676)
EBITDA	83 681	59 727
Acquisition fees	(1 523)	(1 542)
Fair value adjustments of investment property	92 171	15 839
Fair value (loss)/gain on financial investments at fair value through profit or loss	(104)	484
Dividends received from financial investments	363	393
Net result on sale of financial investments	193	(630)
Foreign exchange loss	(13)	(51)
Gain/(Loss) on disposal of investment property	695	(235)
Profit before net finance expense	175 463	73 985
Net finance expense	(8 179)	(5 805)
Finance income	1 411	2 802
Finance expense	(9 590)	(8 607)
Changes in fair value of financial instruments	236	(724)
Share of profit of joint ventures	13 686	2 916
Profit before tax	181 206	70 372
Income tax	(26 315)	(5 792)
Current tax expense	(1 107)	(351)
Deferred tax expense	(25 208)	(5 441)
Profit after tax	154 891	64 580
Total comprehensive income for the period	154 891	64 580
Non-controlling interest	-	2 316
Profit for the period attributable to equity holders	154 891	66 896
Weighted average number of shares in issue	328 304 103	300 845 492
Diluted weighted average number of shares in issue	328 309 197	300 868 790
Basic earnings per share (euro cents)	47.18	22.24
Diluted earnings per share (euro cents)	47.18	22.23

All amounts in \$'000 unless otherwise stated

ROCKCASTLE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 Jun 2017	31 Dec 2016	30 Jun 2016
ASSETS			
Non-current assets	1 791 527	1 739 084	2 421 613
Investment property	1 376 864	1 258 786	466 982
Straight-lining of rental revenue adjustment	847	199	39
Investment property under development	12 360	5 611	55 328
Intangible assets	7 968	7 341	-
Goodwill	17 820	17 433	-
Listed security investments	345 924	383 994	1 841 226
Property, plant and equipment	1 447	499	159
Investment in and loans to joint ventures	-	37 000	31 619
Rockcastle management incentive loans	25 859	26 968	26 260
Deferred tax assets	2 438	1 253	-
Current assets	506 312	340 218	31 648
Investment income receivable	3 507	2 810	5 847
Cash and cash equivalents	26 756	24 090	16 355
Trade and other receivables	30 040	50 376	9 446
Equity derivative collateral	438 242	244 524	-
Financial assets at fair value through profit or loss	6 050	18 004	-
Income tax receivable	1 717	414	-
Total assets	2 297 839	2 079 302	2 453 261
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	1 668 184	1 556 106	1 578 817
Stated capital	1 423 989	1 383 676	1 351 387
Retained income	409 983	371 467	411 383
Non-distributable reserves	(202 961)	(168 723)	(186 429)
Currency translation reserve	37 173	(30 314)	2 476
Non-controlling interest	228	532	116
Total equity	1 668 412	1 556 638	1 578 933
Total liabilities	629 427	522 664	874 328
Non-current liabilities	603 325	450 552	55 266
Interest-bearing borrowings	570 308	425 230	55 266
Other long-term liabilities	2 484	-	-
Financial liabilities at fair value through profit or loss	420	-	-
Deferred tax liabilities	30 113	25 322	-
Current liabilities	26 102	72 112	819 062
Trade and other payables	16 765	63 872	37 813
Interest-bearing borrowings	1 601	1 538	780 878
Financial liabilities at fair value through profit or loss	4 891	6 633	-
Income tax payable	2 845	69	371
Total equity and liabilities	2 297 839	2 079 302	2 453 261
Total number of shares in issue	963 155 909	945 502 019	930 994 319
Net asset value per share (USD)	1.73	1.65	1.70

ROCKCASTLE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 Jun 2017	30 Jun 2016
Net rental and related revenue	38 806	11 973
Rental revenue	50 762	15 612
Recoveries and contractual rental revenue	50 226	16 198
Straight-lining of rental revenue adjustment	536	(586)
Property operating expenses	(11 956)	(3 639)
Income from derivatives and listed security investments	22 839	47 519
Income from joint ventures	1 493	755
Fair value adjustment on sale of interest in joint ventures	(27)	-
Fair value (loss)/gain on investment property listed security investments and derivatives	(10 177)	125 559
Adjustment resulting from straight-lining of rental revenue	(536)	586
Fair value gain on investment property	6 823	4 822
Fair value gain on financial instruments at fair value through profit or loss	181	-
Fair value (loss)/gain on listed security investments	(16 645)	120 151
Foreign exchange gain	7 833	11 744
Operating expenses	(1 613)	(1 407)
Profit before net finance costs	59 154	196 143</

NEPI CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Share-based payment reserve	Currency translation reserve	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2016	2 986	1 213 325	4 797	(1 229)	275 042	1 629	1 496 550
Transactions with owners	41	(32)	-	-	(12 584)	-	(12 575)
- Issue of shares	41	(60)	-	-	-	-	(19)
- Sale of shares issued under the Initial Share Scheme	-	28	-	-	-	-	28
- Earnings distribution	-	-	-	-	(12 584)	-	(12 584)
Total comprehensive income	-	-	-	-	66 896	(2 316)	64 580
- Profit for the period	-	-	-	-	66 896	(2 316)	64 580
Balance at 30 June 2016	3 027	1 213 293	4 797	(1 229)	329 354	(687)	1 548 555
Balance at 1 July 2016	3 027	1 213 293	4 797	(1 229)	329 354	(687)	1 548 555
Transactions with owners	188	154 878	-	-	(57 828)	687	97 925
- Issue of shares	188	154 860	-	-	-	-	155 048
- Sale of shares issued under the Initial Share Scheme	-	18	-	-	-	-	18
- Acquisition of non-controlling interest	-	-	-	-	(22 124)	687	(21 437)
- Earnings distribution	-	-	-	-	(35 704)	-	(35 704)
Total comprehensive income	-	-	-	-	168 072	-	168 072
- Profit for the period	-	-	-	-	168 072	-	168 072
Balance at 31 December 2016	3 215	1 368 171	4 797	(1 229)	439 598	-	1 814 552
Balance at 1 January 2017	3 215	1 368 171	4 797	(1 229)	439 598	-	1 814 552
Transactions with owners	125	71 532	-	-	(15 425)	-	56 232
- Issue of shares	125	71 514	-	-	-	-	71 639
- Sale of shares issued under the Initial Share Scheme	-	18	-	-	-	-	18
- Earnings distribution	-	-	-	-	(15 425)	-	(15 425)
Total comprehensive income	-	-	-	-	154 891	-	154 891
- Profit for the period	-	-	-	-	154 891	-	154 891
Balance at 30 June 2017	3 340	1 439 703	4 797	(1 229)	579 064	-	2 025 675

NEPI CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	30 Jun 2017	30 Jun 2016
Profit after tax	154 891	64 580
Adjustments	(59 047)	(3 479)
Interest and coupon paid	(18 202)	(4 066)
Changes in working capital	(10 422)	1 103
Cash flows from operating activities	67 220	58 138
Proceeds from issue of shares	71 657	9
Earnings distribution	(15 425)	(12 584)
Net movements in bank loans and bonds	(70 650)	(28 141)
Cash flows used in financing activities	(14 418)	(40 716)
Investments in acquisitions and developments	(69 778)	(273 959)
Net cash flow from/(used in) investments in financial assets	9 178	(19 310)
Cash flows used in investing activities	(60 600)	(293 269)
Net decrease in cash and cash equivalents	(7 798)	(275 847)
Cash and cash equivalents brought forward	48 020	326 610
Cash and cash equivalents carried forward	40 222	50 763

NEPI SEGMENTAL ANALYSIS	Retail	Office	Industrial	Corporate	Total
30 June 2017 (unaudited)					
Revenues from rent and expense recoveries	111 661	16 219	1 031	-	128 911
Profit before Net finance expense	157 897	17 955	739	(1 128)	175 463
Total Assets	2 486 407	404 506	15 944	33 994	2 940 851
Total Liabilities	378 854	56 650	2 476	477 196	915 176
30 June 2016 (unaudited)					
Revenues from rent and expense recoveries	77 855	14 405	1 032	-	93 292
Profit before Net finance expense	70 315	4 622	808	(1 760)	73 985
Total Assets	1 841 129	371 960	16 683	65 792	2 295 564
Total Liabilities	284 694	60 834	2 435	399 046	747 009

NEPI RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS	30 Jun 2017
Profit for the period	154 891
Reverse indirect result	(78 498)
Foreign exchange (gain)/loss	13
Acquisition fees	1 523
Fair value adjustments of investment property for controlled subsidiaries	(92 171)
(Profit)/Loss on disposal of investment property	(695)
Fair value loss of financial investments	104
Net result on sale of financial investments	(193)
Dividends and other income received from financial investments	(363)
Fair value adjustment of financial assets and liabilities for controlled subsidiaries	(236)
Deferred tax expense for controlled subsidiaries	25 208
Adjustments related to joint ventures	-
Fair value adjustment on sale of interest in joint ventures	-
Fair value adjustments of investment property for joint ventures	(13 875)
Fair value adjustment of financial assets and liabilities for joint ventures	(310)
Deferred tax expense for joint ventures	2 424
Foreign exchange loss/(gain) for joint ventures	73
Company specific adjustments	(778)
Amortisation of financial assets	(881)
Realised foreign exchange loss for controlled subsidiaries	(79)
Realised foreign exchange (loss)/gain for joint ventures	1
Accrued dividend for financial investments	181
Non-controlling interest	-
Antecedent dividend	1 277
Distributable earnings for the period	76 892
Less: Distribution declared	(76 892)
Interim distribution	(76 892)
Earnings not distributed	-
Number of shares entitled to distribution	334 027 068
Distributable earnings per share for the period (euro cents)	23.02
Less: Distribution declared per share (euro cents)	(23.02)
Interim distribution per share (euro cents)	(23.02)
Earnings not distributed (euro cents)	-

NEPI RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS	30 Jun 2017	30 Jun 2016
Profit for the period attributable to equity holders	154 891	66 896
Fair value adjustments of investment property for controlled subsidiaries	(92 171)	(15 839)
Loss on sale of investment property held for sale	(695)	235
Tax effects of adjustments for controlled subsidiaries	15 417	2 965
Fair value adjustments of investment property for joint ventures	(13 875)	(4 369)
Tax effects of adjustments for joint ventures	2 220	699
Headline earnings	65 787	50 587
Weighted average number of shares in issue	328 304 103	300 845 492
Diluted weighted average number of shares in issue	328 309 197	300 868 790
Headline earnings per share (euro cents)	20.04	16.81
Diluted headline earnings per share (euro cents)	20.04	16.81

NEPI RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE	30 Jun 2017	30 Jun 2016
Net Asset Value per the Statement of financial position	2 025 675	1 548 555
Loans in respect of the Initial Share Scheme	-	36
Deferred tax liabilities for controlled subsidiaries	184 072	110 589
Goodwill	(58 390)	(39 010)
Deferred tax liabilities for joint ventures	8 376	4 972
Adjusted Net Asset Value	2 159 733	1 625 142
Net Asset Value per share (euro)	6.06	5.12
Adjusted Net Asset Value per share (euro)	6.47	5.37
Number of shares for Net Asset Value per share	334 027 068	302 700 153
Number of shares for adjusted Net Asset Value per share	334 027 068	302 714 153

NEPI BASIS OF PREPARATION

These unaudited condensed consolidated financial results for the six months ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting and the JSE Listings Requirements. The accounting policies which have been applied are consistent with those used in the preparation of the financial statements for the year ended 31 December 2016. These unaudited condensed consolidated financial results have not been reviewed or reported on by the NEPI's external auditors.

ROCKCASTLE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Stated capital	Retained income	Non-controlling interest	Non-distributable reserves	Currency translation reserve	Total
Balance at 31 December 2015	1 312 080	251 232	-	(147 414)	3 877	1 419 775
Profit for the period	-	163 278	(179)	-	-	163 099
Shares issued and dividend paid	39 307	(42 142)	-	-	-	(2 835)
Equity contribution	-	-	295	-	-	295
Transfer to non-distributable reserves	-	39 015	-	(39 015)	-	-
Exchange differences on translation of foreign operations	-	-	-	-	(1 401)	(1 401)
Balance at 30 June 2016	1 351 387	411 383	116	(186 429)	2 476	1 578 933
Profit for the period	-	22 140	537	-	-	22 677
Shares issued and dividend paid	32 289	(44 350)	-	-	-	(12 061)
Transfer to non-distributable reserves	-	(17 706)	-	17 706	-	-
Exchange differences on translation of foreign operations	-	-	(121)	-	(32 790)	(32 911)
Balance at 31 December 2016	1 383 676	371 467	532	(168 723)	(30 314)	1 556 638
Profit for the period	-	53 341	(276)	-	-	53 065
Shares issued and dividend paid	40 313	(49 063)	-	-	-	(8 750)
Transfer to non-distributable reserves	-	34 238	-	(34 238)	-	-
Exchange differences on translation of foreign operations	-	-	(28)	-	67 487	67 459
Balance at 30 June 2017	1 423 989	409 983	228	(202 961)	37 173	1 668 412

ROCKCASTLE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	30 Jun 2017	30 Jun 2016
Profit after income tax	53 065	163 099
Adjustments	3 267	(130 949)
Distributions received from joint ventures	1 408	729
Interest received	3 058	-
Interest and coupon paid	(5 607)	(7 440)
Changes in working capital	(17 314)	93 972
Cash flows from operating activities	37 877	119 411
Earnings distribution	(8 636)	(2 835)
Net movements in bank loans	158 330	(135 656)
Other proceeds/payments	(528)	-
Cash flows from financing activities	149 166	(138 491)
Investments in acquisitions and developments	(31 926)	(140 296)
Net cash flow (used in)/from investments in financial assets	(152 451)	169 621
Cash flows (used in)/from investing activities	(184 377)	29 325
Net increase in cash and cash equivalents	2 666	10 245
Cash and cash equivalents brought forward	24 090	6 110
Cash and cash equivalents carried forward	26 756	16 355

ROCKCASTLE SEGMENTAL ANALYSIS	Direct property	Listed securities	Corporate	Total
30 June 2017 (unaudited)				
Profit before income tax expense	42 482	18 626	(4 829)	56 279
Total Assets	1 481 424	794 332	22 083	2 297 839
30 June 2016 (unaudited)				
Profit before income tax expense	12 728	151 310	(842)	163 196
Total Assets	575 459	1 851 324	26 478	2 453 261

ROCKCASTLE RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS	30 Jun 2017
Profit for the period	53 065
Reverse indirect result	(20 524)
Foreign exchange (gain)/loss	(7 833)
Acquisition fees	-
Fair value adjustments of investment property for controlled subsidiaries	(6 823)
(Profit)/Loss on disposal of investment property	-
Fair value loss of financial investments	16 645
Net result on sale of financial investments	-
Dividends and other income received from financial investments	(22 839)
Fair value adjustment of financial assets and liabilities for controlled subsidiaries	(181)
Deferred tax expense for controlled subsidiaries	480
Adjustments related to joint ventures	-
Fair value adjustment on sale of interest in joint ventures	27
Fair value adjustments of investment property for joint ventures	-
Fair value adjustment of financial assets and liabilities for joint ventures	-
Deferred tax expense for joint ventures	-
Foreign exchange loss/(gain) for joint ventures	-
Company specific adjustments	22 612
Amortisation of financial assets	-
Realised foreign exchange loss for controlled subsidiaries	-
Realised foreign exchange (loss)/gain for joint ventures	-
Accrued dividend for financial investments	22 711
Non-controlling interest	(99)
Antecedent dividend	466
Distributable earnings for the period	55 619
Less: Distribution declared	(55 619)
Interim distribution	(55 619)
Earnings not distributed	-
Number of shares entitled to distribution	963 155 909
Distributable earnings per share for the period (USD cents)	5.775
Less: Distribution declared per share (USD cents)	(5.775)
Interim distribution per share (USD cents)	(5.775)
Earnings not distributed (USD cents)	-

ROCKCASTLE RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS	30 Jun 2017	30 Jun 2016
Basic earnings - profit for the period attributable to equity holders	53 341	163 278
Adjusted for:		
fair value gain on investment property (net of tax effect)	(5 527)	(3 906)
fair value adjustment on sale of interest in joint ventures	27	706
Headline earnings	47 841	160 078
Headline earnings per share (USD cents)	5.01	17.32

Rockcastle has no dilutionary instruments in issue.

ROCKCASTLE PREPARATION, ACCOUNTING POLICIES AND AUDIT OPINION

Rockcastle is required to publish financial results for the six months ended 30 June 2017 in terms of Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. Accordingly, this announcement presents the financial results of Rockcastle in respect of the six month period from 1 January 2017 to 30 June 2017 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 31 December 2016. Cash and cash equivalents exclude restricted cash held by the prime brokers serving as collateral for the listed security portfolio. The balance as at 30 June 2017 was USD 438 242 000 (30 June 2016: USD Nil).

The summarised unaudited consolidated interim financial statements for the six months ended 30 June 2017 ("financial statements") have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the requirements of IAS 34: Interim Financial Reporting, and the Securities Act of Mauritius 2005.

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

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

Contact person: Mrs Smitha Algoo.

This communiqué is issued pursuant to section 88 of the Securities Act of Mauritius 2005. Rockcastle Board of Directors accepts full responsibility for the accuracy of the information contained in these financial statements.

The directors of Rockcastle are not aware of any matters or circumstances arising subsequent to the period ended 30 June 2017 that require any additional disclosure or adjustment to the financial statements. These financial statements were approved by Rockcastle Board of Directors.