

NEW EUROPE PROPERTY INVESTMENTS PLC

Incorporated and registered in the Isle of Man with registered number 001211V
Registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10
JSE share code: NEP BVB share code: NEP
ISIN: IM00B23XCH02
("NEPI")



ROCKCASTLE GLOBAL REAL ESTATE COMPANY LIMITED

Incorporated in the Republic of Mauritius
Registration number: 108869 C1/GBL
JSE share code: ROC
SEM share code: ROCK.N0000
ISIN: MU0364N00003
("Rockcastle")



NEPI ROCKCASTLE PLC

Incorporated and registered in the Isle of Man with registered number 014178V
JSE share code: NRP
Euronext share code: NRP
ISIN: IM00BDD7WV31
("NEPI Rockcastle")



MERGER OF NEPI AND ROCKCASTLE:

- LISTING OF NEPI ROCKCASTLE
- CASH PAYMENT DUE TO ROCKCASTLE SHAREHOLDERS IN RESPECT OF FRACTIONAL ENTITLEMENTS

NEPI and Rockcastle shareholders are referred to previous joint announcements relating to the merger of their businesses in NEPI Rockcastle ("**merger transaction**"), to be implemented on the basis of a share swap ratio of one NEPI share for every 4.7 Rockcastle shares ("**swap ratio**").

On Wednesday, 12 July 2017, 538 953 857 ordinary shares of NEPI Rockcastle were listed and commenced trading on the Main Board of the JSE Limited ("**JSE**") at an introductory price of ZAR175.60 per share, and on Euronext Amsterdam at an introductory price of €11.33 per share. The market capitalisation of NEPI Rockcastle on listing was approximately €6.1 billion (ZAR94.6 billion), NEPI Rockcastle being now the largest listed real estate player in Central and Eastern Europe and one of the largest real estate companies in Continental Europe.

Rockcastle shareholders will receive 1 NEPI Rockcastle share for every 4.7 Rockcastle shares held on the record date of 14 July 2017. Any entitlement to a fraction of a NEPI Rockcastle share will be rounded down to the nearest whole number (resulting in allocation of whole NEPI Rockcastle shares only) with a cash payment made to the relevant shareholder in respect of the fraction ("**cash payment**"). This will not apply to NEPI shareholders, who will receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date of 14 July 2017.

In accordance with the requirements of the JSE Limited, the value of a NEPI Rockcastle share to be utilised in determining the cash payment due to Rockcastle shareholders has been determined with reference to the volume weighted average price of a NEPI share on the JSE on Tuesday, 11 July 2017, discounted by 10%. On this basis, Rockcastle shareholders who will receive their NEPI Rockcastle shares on NEPI Rockcastle's South African register are advised that the gross value of a NEPI Rockcastle share to be utilised in determining the cash payment due to Rockcastle shareholders is ZAR158.1210.

From a South African tax perspective, for South African resident shareholders holding their Rockcastle shares on Rockcastle's South African register via the JSE, the tax in respect of a cash payment arising pursuant to fractional entitlements will be the same as the tax implications in respect of the balance of the dividend or return of capital obtained by the South African resident shareholder. In other words, the gross dividend or return of capital (depending on which option finds application to the shareholder), including any fractional entitlements pursuant to which a cash payment will be made to the shareholder, is subject to the South African tax implications as set out in paragraphs 7.1.1 and 7.1.2 of the circular to Rockcastle shareholders dated 9 June 2017. This entails the following by way of summary:

- (i) In the case of a dividend, the gross dividend (including any amount thereof that results in a fractional entitlement that will give rise to a cash payment to the shareholder) must be included in the gross income of South African resident shareholders and:
- will be fully exempt in the hands of South African resident companies; or
 - in the case of South African resident individuals, a portion equal to 25/45 of the dividend will be exempt with the balance being subject to income tax in the hands of the individual shareholder at his/her applicable income tax rate;
- (ii) In the case of a return of capital, the gross amount of the return of capital (including any amount thereof that results in a fractional entitlement that will give rise to a cash payment to the shareholder) must be applied to reduce the base cost of the Rockcastle shares in the hands of the South African resident shareholder and any excess will constitute a capital gain in the hands of the South African resident shareholder (assuming the Rockcastle shares were held as capital assets);
- (iii) In all instances, the gross amount of the dividend and return of capital (including any amount thereof that results in a fractional entitlement that will give rise to a cash payment to the shareholder) must be accounted for in the income tax returns of the shareholder in the year of assessment of the shareholder in which the transaction occurs and, if the shareholder is a provisional taxpayer, must be taken into account in determining the provisional tax payments of the shareholder in accordance with the applicable provisional tax principles.

The above does not constitute tax advice, is generic in nature and does not cater for all scenarios (such as exempt shareholders, trust shareholders, etc) nor does it take the particular circumstances of any shareholder into account. Shareholders should obtain their own tax advice should there be any uncertainty in respect of the tax implications of receipt of the cash payment.

NEPI is listed on the JSE and the BVB, and Rockcastle has its primary listings on both the JSE and the SEM, although trade in NEPI and Rockcastle shares has been suspended. NEPI Rockcastle is listed on the JSE and Euronext Amsterdam.

For further information please contact:

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The boards of directors of NEPI and Rockcastle accepts full responsibility for the accuracy of the information contained in this announcement.

13 July 2017

**Corporate advisor to NEPI; JSE sponsor to
NEPI, Rockcastle and NEPI Rockcastle**

JAVACAPITAL
