



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")

IMPROVED CREDIT RATING REFLECTING THE PLANNED MERGER BETWEEN NEPI AND ROCKCASTLE

MOODY'S CHANGES THE OUTLOOK ON NEPI'S 'BAA3' RATING FROM STABLE TO POSITIVE, AND S&P ASSIGNS A 'BBB' CREDIT RATING WITH A STABLE OUTLOOK TO NEPI ROCKCASTLE

On 31 May 2017, Moody's Investors Service ("Moody's") changed the outlook on NEPI's Baa3 long-term issuer rating and senior unsecured bond rating from stable to positive, considering NEPI's planned merger with Rockcastle. The positive outlook primarily reflects the significantly larger property portfolio and improved geographical diversification of the envisaged merged entity, NEPI Rockcastle plc ("NEPI Rockcastle" or "the company"), which will own a portfolio of direct properties valued at approximately EUR3.9 billion, with strong market positions in Romania, Poland and Slovakia. The positive outlook also reflects Moody's view that the rating of NEPI *pro forma* for the merger could be a notch higher than that of the Romanian government (Baa3/Stable), as the concentration of properties in Romania will decrease significantly. Additionally, Moody's expects the proceeds from the disposal of Rockcastle's large holdings in listed securities to be reinvested in acquisitions of shopping centres in Central and Eastern Europe (CEE). In Moody's view, NEPI Rockcastle will become a leading owner of shopping centres in Eastern Europe.

On 1 June 2017, S&P Global Ratings ("S&P") assigned NEPI Rockcastle a 'BBB' preliminary long-term corporate credit rating with a stable outlook. S&P noted that NEPI Rockcastle should emerge as a leading real estate investment group in CEE following the merger of NEPI and Rockcastle. Upon completion of the merger transaction, the company will own and manage a large asset portfolio, mostly comprising prime quality shopping centers in Romania and Poland, as well as a significant portfolio of listed securities. NEPI Rockcastle will also exhibit very low debt leverage and enough liquidity resources to absorb an economic stress scenario in Romania. S&P's assessment of NEPI Rockcastle's financial risk profile is underpinned by the company's prudent financial policy. The stable outlook reflects S&P's view that NEPI Rockcastle should continue to benefit from the healthy economic trends in Romania and Poland, thanks to its good quality assets.

Both rating actions depend on the successful completion of the envisaged merger. The reports issued by Moody's and S&P are available on NEPI's website, www.nepinvest.com.

This announcement is for information purposes only.

NEPI is listed on the JSE and the BVB. Rockcastle has its primary listings on the JSE and the SEM.

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5 June 2017

This notice is issued pursuant to the JSE Listings Requirements, the SEM Listing Rule 11.3, the Mauritian Securities Act 2005 and the Listing Rules of the Bucharest Stock Exchange.

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

JSE sponsor to NEPI and Rockcastle

JAVACAPITAL

**SEM authorised representative and sponsor to
Rockcastle**

