Rockcastle grows interim reward after strong performance in Poland

By Alistair Anderson

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Rockcastle Global Real Estate, which invests in Eastern Europe, grew its aggregate distribution 12.1% in the six months to December because of a strong performance from its Polish shopping centres. On Wednesday, 15 February, CEO Spiro Noussis said his company changed its financial year-end from June 30 to December 31 in order to better align itself with the market in which it operated.

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It therefore released financial results for the eighteen months to December, wherein it declared a distribution of 5.189 US cents per share for the period July 1 2016 to December 31.

This, combined with 4.782c per share for the period January 1 2016 to June 30 and 4.631c per share for the period July 1 2015 to December 31, resulted in an aggregate distribution of 14.602c per share for the 18-month period to December 31 2016.

Noussis said Rockcastle expected to be 90% invested in direct property and 10% in listed securities by the end of 2017.

Rockcastle is in the process of merging with Romanian shopping centre owner New Europe Property Investments (Nepi).

The combined entity will be the largest Eastern European real estate investment trust in the world, with a market capitalisation of about R80bn.

The merger is expected tobe implemented with an effective share swap ratio of 4.5 Rockcastle shares for every one Nepi share.During the reporting period, Rockcastle concluded 1.08bn of direct property acquisitions in Poland and the Czech Republic.

Its portfolio of retail centres represented 52% of investment assets, based on gross listed security exposure.

"Total capital invested in Central and Eastern Europe now amounts to $1.29bn and is expected to increase further in the 2017 financial year," said Noussis.

Source: Business Day