

Delta Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000194049
("Delta" or the "Company")
REIT status approved

Finalisation announcement for the Dividend Reinvestment Alternative

Shareholders are referred to Delta's reviewed provisional condensed consolidated results for the year ended 28 February 2018 released on SENS on Monday, 4 June 2018 (the "**Results Announcement**") which included reference to a cash dividend in the amount of 50.84210 cents per Delta share (the "**Cash Dividend**") with the election to reinvest the Cash Dividend in return for Delta shares (the "**Dividend Reinvestment Alternative**"). Full details of the Dividend Reinvestment Alternative were also set out in a circular posted to shareholders on Wednesday, 6 June 2018 (the "**Circular**").

The price applicable to a Delta shareholder electing the Dividend Reinvestment Alternative is R6.18147 (the "**Reinvestment Price**"), being the five-day volume weighted average traded price ("**VWAP**") (cum dividend) of Delta shares on the JSE prior to the finalisation date of 19 June 2018.

The ratio in respect of the Dividend Reinvestment Alternative is 8.22492 Delta shares for every 100 Delta shares held on the record date by South African resident shareholders exempt from dividend withholding tax ("**Dividend Tax**") and 6.57994 Delta shares for every 100 Delta shares held on the record date by non-resident shareholders subject to Dividend Tax at 20%.

1. Dividend Tax implications

Dividend Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in Section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from Dividend Tax in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries in respect of certificated shares:

- a declaration that the distribution is exempt from Dividends Tax; and
- a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. If resident shareholders have not submitted the abovementioned documentation to confirm their status as a South African resident, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

Dividend Tax implication for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and will be exempt from income tax in terms of the exemption in section (10)(1)(k)(i) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to Dividend Tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("**DTA**") between

South Africa and the country of residence of the non-resident shareholders. Assuming Dividend Tax will be withheld at the current rate of 20%, the net dividend amount due to non-resident shareholders is 40.67368 cents per share. A reduced Dividend Tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform the CSDP, broker or the transfer secretary, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. If applicable, non-resident shareholders are advised to contact their CSDP, broker or the transfer secretary, as the case may be, to arrange for the abovementioned documents to be submitted prior to the payment of the dividend if such documents have not already been submitted.

Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

2. Fractions

Trading in the Strate environment does not permit fractions or fractional entitlements. Accordingly, where a shareholder's entitlement to the Delta shares in relation to the Dividend Reinvestment Alternative calculated in accordance with the ratio above gives rise to a fraction of a new Delta share, such fraction will be rounded down to the nearest whole number and the cash balance will be paid to the shareholder.

3. Impact on Delta shareholders

An example illustrating the impact for South African resident shareholders and non-resident shareholders electing to either receive the Cash Dividend or the Dividend Reinvestment Alternative and applying the rounding principle set out in paragraph 2 above are as follows:

	South African resident shareholders exempt from Dividend Tax	Non-resident shareholders subject to Dividend Tax
Cash Dividend		
Dividend per share (cents)	50.84210	50.84210
Dividend Tax of 20% per share (cents)	0	(10.16842)
Net dividend per share (cents)	50.84210	40.67368
Dividend Reinvestment Alternative		
Number of shares held	100	100
Reinvestment price (R)	6.18147	6.18147
Total amount available for reinvestment (cents)	50.84210	40.67368
Number of shares issued in terms of the Dividend Reinvestment Alternative	8	6

4. Foreign shareholders

The right to elect the Dividend Reinvestment Alternative in jurisdictions other than the Republic of South Africa may be restricted by law and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Accordingly, shareholders will not be entitled to receive the Dividend Reinvestment Alternative, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend. More specifically, the Delta shares have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

5. Salient dates and times

Shareholders electing the Dividend Reinvestment Alternative should note that settlement of the Delta shares will occur 3 business days after the record date, which differs from the conventional one business day after the record date settlement process.

Shareholders are reminded that the last day to elect to receive the Dividend Reinvestment Alternative is 12:00 on Friday, 29 June 2018. No action is required if you wish to receive the Cash Dividend.

The salient dates and times for the Cash Dividend and the Dividend Reinvestment Alternative as set out in the results announcement and the Circular remain unchanged.

19 June 2018

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