

Delta Property Fund Limited
(formerly Tuffsan 89 Investment Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000172052
("Delta" or "the Company")

ANNOUNCEMENT REGARDING THE ACQUISITIONS OF LETTING ENTERPRISES AND PROPERTIES AND CAUTIONARY ANNOUNCEMENT

1. Introduction

Linked unitholders are advised that Delta has concluded agreements for the acquisitions of property letting enterprises ("the Acquisitions") together with their related immovable properties ("the Properties") from various vendors ("the Vendors"). Details of the Vendors are set out in paragraph 8 below.

2. Rationale for the Acquisitions

In line with Delta's strategy of actively pursuing investment opportunities that will enhance the overall quality and value of its portfolio, the acquisitions represent an attractive opportunity for Delta to diversify its portfolio from a geographical spread perspective as well as from an office focus to incorporate certain strategic industrial properties. In addition, 21% of the Properties are tenanted by non-government tenants.

3. Effective date of the Acquisitions

The effective date ("the Effective Date") of the Acquisitions will be the date on which transfer of the Properties takes place, other than in respect of Hendisa, in which case the effective date will be on fulfilment of the conditions precedent as set out in paragraph 5 below, which are expected to be on or about 31 March 2013.

4. Consideration for the Acquisitions

The total purchase consideration payable by Delta in respect of the Acquisitions is R1 713 058 546 (one billion seven hundred and thirteen million fifty eight thousand five hundred and forty six rand) ("the Purchase Price"). The Purchase Price will be settled in cash upon registration of transfer of each property into the name of Delta, and will be financed through a combination of debt financing and equity to be raised from new and/or existing linked unitholders.

5. Conditions precedent

The Acquisitions are subject to, *inter alia*, the fulfilment or waiver of the following suspensive conditions:

- 5.1 The completion by Delta of a due diligence investigation of the Properties, to the extent required.

- 5.2 The boards of directors and shareholders of the Vendors approving the Acquisitions, to the extent required.
- 5.3 The counterparties to the lease agreements in respect of the Properties consenting in writing to the assignment of all of the Vendors' rights and obligations under the leases to Delta.
- 5.4 JSE approval of the Acquisitions (to the extent required) and Competition Commission approval (to the extent required).
- 5.5 Delta shareholder approval to the extent required.
- 5.6 Delta providing written confirmation of a letter of finance and or confirmation that it has arranged for sufficient equity on such terms and conditions as are acceptable to the Vendors.
- 5.7 Approval of the Acquisitions by the Company's board of directors.

6. Specific information on the Properties

Details regarding the Properties are set out below:

Vendor	Property description/ location	Sector	Gross lettable area m ²	Single or multi tenanted	Weighted average gross rental per m ² ⁽³⁾ R	Annualised property yield ⁽¹⁾ %	Purchase price R	Value ⁽²⁾ R
Cedar Falls Properties 166 Proprietary Limited	Protea Coin Cape Town, Erf 733, Rustdal, City of Cape Town, Division Stellenbosch	Industrial	5 700	Single	38,80	9,6	26 000 000	26 347 368
Desert Charm Trading 150 Proprietary Limited	Protea Coin Pretoria, Erf 20, Samcor Park, Ext 1, City of Tshwane	Industrial	7 640	Multi	33,00	8,3	31 000 000	31 030 303
Bostwich CC	Protea Coin Durban, Erf 620 Bellair, City of Ethekwini, Durban	Industrial	4 365	Single	44,20	10,0	21 000 000	21 200 000
Sugarcreek Trading 278 Proprietary Limited	Bestmed Building, 36 Hamilton, Erf 1284, Arcadia, Pretoria	Office (Government)	3 684	Single	124,70	9,8	64 000 000	64 030 612
Hendis Investments Proprietary Limited ("Hendis")	Cnr Landros Mare & Rabie Streets, Erf 6061, Polokwane, Limpopo	Office (Government)	14 230	Single	160,20	9,0	290 000 000	290 000 000
Frutek Proprietary	In 2 Fruit Building, Erf 1281, Bardene	Industrial	11 177	Single	54,60	11,3	63 721 653	63 636 364

Vendor	Property description/ location	Sector	Gross lettable area m ²	Single or multi tenanted	Weighted average gross rental per m ² (3) R	Annualised property yield ⁽¹⁾ %	Purchase price R	Value ⁽²⁾ R
Limited	Extension							
Ingwazi Property Fund	Anchor House, Erf 943, 63 Maitland, Bloemfontein	Office (Government)	2 645	Single	101,00	10,3	29 300 000	29 356 098
Trifecta Holdings Proprietary Limited / Trifecta Trading 434 Property 4 ProprietaryLim ited ("Trifecta")	95 Du Toitspan Street, Erf 10405, Kimberley	Office (Government)	8 095	Multi- tenant	92,33	9,8	99 500 000	99 500 000
Trifecta	Themo Thumo, 162 George Street, Erf 29879, Kimberley	Office (Government)	2 300	Single	109,67	10,0	26 600 000	26 600 000
Trifecta	5 Elliot Street, Erf 7365, Kimberley	Office (Government)	2 300	Single	109,00	10,0	27 800 000	27 800 000
Trifecta	13 Elliot/9 Kelvin Street, Erf 12180, Kimberley	Office (Government)	4 400	Single	99,63	10,0	44 600 000	44 600 000
12 New Street South CC	12 New Street South, Erf 1227, Marshalltown	Office	2 914	Multi- tenant	94,60	10,0	36 000 000	36 000 000
14 New Street South Shareblock ProprietaryLim ited	14 New Street South, Erf 1132, Marshalltown	Office	2 794	Multi- Tenant	94,57	10,5	29 140 000	29 140 000
O Property Holdings Proprietary Limited	UNISA House, 25 & 29 Rissik Street, Erven 242, 246 & 1100, Marshalltown	Office	10 055	Multi- tenant	80,62	9,6	100 510 000	100 510 000
SEG Alliance Proprietary Limited	The Edcon Building, 5 Handel Street, Erf 372, Ormonde	Office	6 188	Single	97,29	8,8	53 000 000	53 000 000
Manaka Property Investments Proprietary Limited ("Manaka")	Manaka House, Portion 1 of Erf 466, Pretoria Township, Registration division JR, Gauteng	Office (Government)	11 528	Multi- tenant	99,00	9,9	140 637 347	142 400 000
Manaka	Manaka Heights, Erf 3005, Pretoria Township, Registration Division JR, Gauteng	Office (Government)	17 948	Multi- tenant	113,30	9,8	225 206 469	234 000 000

Vendor	Property description/ location	Sector	Gross lettable area m ²	Single or multi tenanted	Weighted average gross rental per m ² (3) R	Annualised property yield ⁽¹⁾ %	Purchase price R	Value ⁽²⁾ R
Manaka	Hallmark Building, Erf 232, Pretoria Township, Registration Division JR, Gauteng	Office (Government)	25 926	Single	113,00	9,9	317 323 296	317 000 000
Manaka	Manaka Continental, Portion 1 of Erf 689, Pretoria Township, Registration Division JR, Gauteng	Office (Government)	4 133	Multi- tenant	95,00	10,0	46 184 969	47 200 000
Sechaba Property Investments ("Sechaba") ⁽⁴⁾	539 Church Street, Pretoria, Erf 1336 Arcadia	Office (Government)	4 488	Single	89,20	10,5	41 534 812	41 534 812
TOTAL							1 713 058 546	1 724 885 557

Notes:

1. Based on net rental income for the 12 month period from the anticipated date of the Acquisitions, assuming the Properties are fully let.
2. No independent valuation has been carried out and the value of the Properties of R1 724 885 557 was arrived at by the management company, MPI Property Asset Management Proprietary Limited.
3. The weighted average rental per square meter for the 12 month period from the anticipated date of the Acquisitions.
4. The acquisition of 539 Church Street, Pretoria from Sechaba is a voluntary announcement. This asset has already been acquired and is in the process of being transferred.

7. Categorisation of the Acquisitions

The Acquisitions are classified as a Category 2 transaction in terms of the JSE Limited ("JSE") Listings Requirements, other than the acquisition of the four properties from Manaka, which constitute a Category 1 transaction and require Delta unitholder approval. Accordingly, a circular to Delta linked unitholders will be prepared and posted in due course.

8. Cautionary Announcement

The unaudited pro forma financial effects of the Acquisitions ("Financial Effects"), as required in terms of the JSE Listings Requirements, are in the process of being finalised and have not been disclosed in this announcement.

Delta linked unitholders are therefore advised to exercise caution when dealing in their linked units until the Financial Effects of the Acquisitions have been announced.

25 January 2013

Investment bank and sponsor

Nedbank Capital

