Delta Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
JSE share code: DLT
ISIN: ZAE000172052
("Delta" or "the Company")

RESULTS OF THE PRIVATE PLACEMENT

1. **Introduction**

Delta linked unitholders are advised that the Company has, pursuant to a private placing, successfully raised a total of R207.8 million through the issue of 24,740,304 new linked units ("Private Placement Units") at an issue price of R8.40 per linked unit to selected institutional investors ("the Private Placement"). The Private Placement Units were issued by Delta, under its existing general authority to issue linked units for cash, at no discount to the 30 day volume weighted average traded price per Delta linked unit measured over the 30 trading days prior to the date that the price of the Private Placement Units were agreed to by Delta and the investors subscribing for the Private Placement Units. Delta is pleased to announce that the Private Placement was significantly oversubscribed.

The Private Placement Units were issued and commenced trading on the JSE with effect from Wednesday, 06 March 2013 and rank *pari passu* with existing Delta linked units in issue.

2. **Rationale**

It was announced on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on 25 January 2013 and 19 February 2013, respectively, that Delta had entered into agreements with various vendors to acquire rental enterprises in respect of an additional 25 properties ("the Proposed Acquisitions"). The proceeds from the Private Placement will be utilised by Delta to partially settle the purchase considerations of the rental enterprises in respect of the properties commonly known as the Bestmed building, the Anchor House building, the In 2 Fruit building, the Protea Coin portfolio and the Unisa House building (the "Private Placement Acquisitions"). The balance of the purchase considerations of the Proposed Acquisitions will be funded through third party bank debt, vendor placements and the proceeds from the rights offer that was announced on SENS on Thursday, 28 February 2013.

3. Financial effects on Delta

The *pro forma* financial effects of the Private Placement and the Private Placement Acquisitions on Delta's distribution per linked unit, earnings per linked unit headline earnings per linked unit net asset value ("NAV") per linked unit and tangible net asset value ("TNAV") per linked unit, are set out below.

The *pro forma* financial effects have been prepared in accordance with Delta's accounting policies and in compliance with IFRS. The *pro forma* financial information has been prepared for illustrative purposes only and because of its nature may not give a true picture of Delta's financial position, nor the effect and impact of the issue of new Delta linked units on Delta going forward. The *pro forma* financial information is the responsibility of the directors of Delta. The *pro forma* financial effects have not been reviewed or reported on by the independent reporting accountants.

	Unadjusted before the Private Placement and the Private Placement Acquisitions	*Pro forma* after the Private Placement and the Private Placement Acquisitions	% Change
Distribution per unit (cents)	78.78	79.48	0.89%
Earnings per linked unit (cents)	92.58	94.46	2.03%
Headline earnings per linked unit (cents)	92.58	94.46	2.03%
NAV per linked unit (cents)	771.28	771.64	0.05%
Tangible NAV per linked unit (cents)	771.28	771.64	0.05%
Units in issue ('000)	164 935	189 676	15.00%

Notes:

- The amounts set out in the "Unadjusted before the Private Placement and the Private Placement Acquisitions" column have been extracted, without adjustment, from Delta's pre-listing statement issued on 23 October 2012.
- The "*Pro forma* after the Private Placement and the Private Placement Acquisitions" figures are based on the assumption that the Private Placement and related Private Placement Acquisitions were completed on 1 March 2013 for the purpose of distribution, earnings and headline earnings per linked unit and on 31 August 2012 for the purpose of NAV and TNAV per linked unit.
- Contracted revenue, which comprises rental income and expense recoveries from existing tenants, is based on existing lease agreements for the duration of such agreements.
- Rental income in respect of current vacant space, reported under forecast gross rental income, has been excluded from the forecast information.
- Leases expiring during the forecast period have been forecast on a lease-by-lease basis. In circumstances where the tenants occupy the premises on a month-to-month basis, it has been assumed that where such tenants have indicated that they are satisfied with the premises, they will continue to occupy the premises at the same rates and escalations. In circumstances where the existing lease agreements will expire during the periods under review and the current tenants have indicated that they are satisfied with the premises, it has been assumed that such tenants will continue to occupy the premises at the same rates and escalations as per the existing lease agreement, unless they have specifically indicated otherwise.
- Forecast uncontracted rental income included in the forecast information amounts to 1.00 per cent of the total forecast rental income for the 12 months ending 28 February 2014.
- Forecast recoveries in respect of municipal expenses have been based on the terms of the existing lease agreements.
- Straight-line rental adjustments are performed on an individual lease basis, are based on current lease agreements and exclude any assumptions of renewals or new leases during the respective forecast periods.

- Total operating expenditure has been forecast on a line-by-line basis for each property based on the historical financial information, supplier service contracts and where available, vendor budgets and the directors knowledge of and experience in the property industry.
- Debenture interest paid to linked unitholders will be deductible in full for company taxation purposes. Deferred taxation has been raised in respect of the straight-line rental adjustments at the company taxation rate of 28 per cent.
- The Property Acquisitions are accounted for in terms of IAS 40 – Investment Property.
- The Property Acquisitions were concluded for an aggregate purchase price of R337 927 765 (comprising the purchase consideration of R335 531 653 and capitalised acquisition costs of R2 396 112).
- Total transaction costs, excluding those directly related to the property acquisitions, amounted to R3 921 201, of which R1 588 131 is written off against share capital in terms of IAS 32 – Financial instruments, as it directly relates to the rights issue and R2 333 070 is expensed.
- The aggregate purchase consideration of R341 848 966 (comprising the purchase consideration for the properties of R337 927 765 and transaction costs of R3 921 201) is assumed to be funded in part (R207 818 560) by means of the Private Placement, and in part (R134 030 406) through debt funding.
- Interest payable on the debt funding will be at an average rate of 7.69 per cent.
- All adjustments, with the exception of the incurrence of transaction costs, will have a continuing effect.

Johannesburg
14 March 2013

Investment Bank and Sponsor
Nedbank Capital