

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")

ANNOUNCEMENT REGARDING THE ACQUISITION OF SARS BELLVILLE

1. Introduction

Delta linked unitholders are advised that Delta ("the purchaser") has entered into an agreement with Schaeffer Technologies Trust for the purchase of the property and letting enterprise commonly known as "SARS Bellville" ("the property"), situated at the corner of Teddington and De Lange Road, Bellville, Cape Town, Western Cape ("the acquisition"). The property is a multi-tenanted office building occupied primarily by the South African Revenue Services ("SARS").

The effective date of the acquisition will be the date of registration of transfer of the property into the name of Delta, which is expected to be 1 July 2013.

2. Rationale for the acquisition

In line with Delta's strategy around SARS, this acquisition, being a well-established property with a low risk tenant, represents an attractive investment that will enhance the overall quality and value of the portfolio. There is currently a negotiated three year letter of intent in place with SARS which Delta intends to convert to a lease once transfer has taken place.

3. Consideration for the acquisition

The purchase consideration for the acquisition is R185 000 000 (one hundred and eighty five million Rand) ("the purchase price"). The purchase price will be settled in cash upon registration of transfer of the property into the name of Delta, and will be financed through a combination of debt financing and existing equity.

4. Conditions precedent

The acquisition is subject to the purchaser being satisfied in its sole discretion with the results of a comprehensive due diligence of the acquisition.

5. Unaudited *pro forma* financial effects of the acquisition

The unaudited *pro forma* financial effects of the acquisition on the net asset value and net tangible asset value per Delta linked unit have not been disclosed as they are not significant.

6. Forecast information on the property

The summarised forecast financial information of the property for the 8 months ending 28 February 2014 and for the twelve months ending 28 February 2015 is set out below. The forecast financial information, including the assumptions on which it is based, is the responsibility of the directors of Delta. The forecast financial information has not been reviewed or reported on by independent reporting accountants.

	Forecast 8 months ending 28 February 2014 R'000	Forecast 12 months ending 28 February 2015 R'000
Rental income	12,742,947	20,339,191
Straight-line rental income accrual	12,850	(9,889)
Total revenue	12,755,796	20,329,301
Net operating profit	6,753,211	11,173,221
Net profit after tax	57,782	73,398
Distributable earnings attributable to linked unitholders	6,672,958	11,071,279

Notes:

1. The forecast information for the 8 months ending 28 February 2014 has been calculated from the anticipated effective date of the acquisition of 1 July 2013.
2. Contracted rental income for the 8 months to 28 February 2014 constitutes 4% of forecast gross rental income and 2% of forecast gross rental income for the 12 months to 28 February 2015.

7. Specific information relating to the property

Details regarding the property are set out below:

Property	Location	Sector	Gross lettable area m ²	Single or multi tenanted	Weighted average rental per m ²⁽¹⁾ R	Total purchase price ⁽²⁾ R	Value R ⁽³⁾
SARS Bellville	Cape Town, Western Cape	Office - other	17,270	Multi	87.58	185,631,000	185,631,000

Notes:

1. Based on office rental income for the period 1 July 2013 to 28 February 2014.
2. Includes capitalised costs of R631 000.
3. The value of the property was arrived at by a directors' valuation as at 1 June 2013.

8. Categorisation

The acquisition is a Category 2 transaction in terms of the JSE Limited Listings Requirements.

06 June 2013

Johannesburg

Investment bank and sponsor
Nedbank Capital