

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 ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ATTERBURY PARKDEV CONSORTIUM PROPRIETARY LIMITED

1. Introduction

Delta linked unitholders are advised that Delta has entered into a sale and subscription agreement with Atterbury Investment Holdings Limited ("AIH") to acquire the entire issued share capital of Atterbury Parkdev Consortium Proprietary Limited ("sold shares") ("the acquisition"), which is the owner of the property and letting enterprise commonly known as "Harlequins Office Park", situated at 606 Toituis Street, Groenkloof, Pretoria ("the property").

The effective date of the acquisition was 1 July 2013, on which date all income attributable to the property accrued to Delta.

2. Rationale for the acquisition

In line with Delta's strategy of actively pursuing investment opportunities that will enhance the overall quality and value of its portfolio, the acquisition represents an attractive investment to Delta linked unitholders by introducing a well-established property with low risk tenants. Included in the acquisition of the property, there is additional available bulk adjacent to the building for future development.

3. Consideration for the acquisition

The purchase consideration for the acquisition is R136 000 000 (one hundred and thirty six million Rand), which will be settled with a combination of cash and shares as set out below:

- R95 200 000 will be settled in cash through new debt facilities and existing equity; and
- R40 800 000 will be settled by the issue of 4 883 469 Delta linked units ("the consideration units").

The consideration units will be allotted and issued to AIH as settlement for the sold shares by no later than Wednesday, 28 August 2013.

4. Conditions precedent

All of the conditions precedent to the acquisition have been fulfilled.

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 forecasts have been prepared on the assumption that the acquisition will be implemented with effect from 1 July 2013 and include forecast results for the 8 months ending 28 February 2014 and the year ending 28 February 2015.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the board of directors of Delta. The forecasts have not been reviewed or reported on by the independent reporting accountants.

The forecasts presented in the tables below have been prepared in accordance with Delta's accounting policies and in compliance with IFRS.

Summarised forecast in respect of the property:

	Forecast 8 months ending 28 February 2014 R'000	Forecast 12 months ending 28 February 2015 R'000
Rental income	10,549	16,978
Straight-line rental income accrual	361	37
Total revenue	10,910	17,015
Net operating profit before finance charges	7,877	12,289
Net operating profit after finance charges	2,846	4,790
Net profit after tax	278	61
Distributable earnings attributable to linked unitholders	2,460	4,705

Contracted revenue is based on existing lease agreements. Uncontracted revenue in respect of this portfolio amounts to 0% and 42% for the years ending 28 February 2014 and 2015, respectively.

Net operating profit after finance charges includes both asset management fees and property management fees.

7. Specific information relating to the property

Details regarding the property are set out below:

Property	Property description / location	Sector	Gross lettable area m ²	Single or multi tenanted	Weighted average net rental per m ² (1) R	Annualised property yield (3)	Purchase price R	Value ^{(2) (3)} R
Harlequins Office Park	Erf 606, Groenkloof, Guateng	Office-Government	5,428	Multi	161.68	9.18%	136 000 000	137 163 057

Notes:

1. Based on net rental income for the 12 month period from the anticipated date of transfer, assuming the property is fully let.
2. No independent valuation has been carried out and the value of the property of R137 163 057 (one hundred and thirty seven million, one hundred and sixty three thousand and fifty seven Rand), was arrived at by Delta's management company, MPI Property Asset Management Proprietary Limited.
3. After taking into account acquisition costs of R1 163 057 (one million one hundred and sixty three thousand and fifty seven Rand).

8. Categorisation

The acquisition is a Category 2 transaction in terms of the JSE Limited Listings Requirements due to the aggregation of the acquisition with the acquisition of the rental enterprise commonly known as "Block G", which was acquired with effect from 02 November 2012.

23 August 2013

Johannesburg

Investment bank and sponsor
Nedbank Capital