

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

FINANCIAL EFFECTS OF THE ACQUISITION OF TEMBISA MEGA MART AND OLD MUTUAL AND WITHDRAWAL OF CAUTIONARY

1.1 Introduction

Holders of Delta linked units ("Delta Linked Unitholders") are referred to the announcements released on SENS by the Company on 26 March 2014 and 22 April 2014 ("Cautionary Announcements") relating to the acquisition of the turnkey development of the letting enterprise and property commonly known as Tembisa Mega Mart and the acquisition of the letting enterprises and properties commonly known as: OMC Durban and the Marine, respectively (collectively, "the Acquisitions").

1.2 Forecast financial effects of the Acquisitions

The forecast financial effects of the Acquisitions ("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 International Financial Reporting Standards.

The Forecasts have been prepared with effect from 1 September 2014 ("the Effective Date"), and include forecast results for the 6 months ending 28 February 2015 and the 12 months ending 28 February 2016.

The effects of the Acquisitions on Delta's net asset value and net tangible asset value per Delta linked unit are not material and accordingly have not been disclosed.

Summarised forecast in respect of the acquisition of Tembisa Mega Mart:

	Forecast 6 months ending 28 February 2015	Forecast 12 months ending 28 February 2016
	R	R
Rental income	12 835 577	27 410 655
Straight-line rental income accrual	2 836 726	3 934 610
Total revenue	15 672 302	31 345 265
Net operating profit before finance charges	12 918 690	25 606 546
Net operating profit after finance charges	7 982 139	15 733 444
Net profit after tax	2 836 726	3 934 610
Distributable earnings attributable to linked unitholders	5 145 413	11 798 833

Notes:

1. The forecast information for the 6 months ending 28 February 2015 has been calculated from the anticipated effective date of the acquisition being 1 September 2014.
2. Contracted revenue is based on existing lease agreements. Uncontracted revenue in respect of this property amounts to 0% for both the years ending 28 February 2015 and 29 February 2016.
3. Net operating profit after finance charges includes asset management fees, property management fees and transaction costs.
4. Distributable income excludes any antecedent interest from the issue of new linked units.

Summarised forecast in respect of the acquisition of OMC Durban:

	Forecast 6 months ending 28 February 2015	Forecast 12 months ending 29 February 2016
	R	R
Rental income	25 641 427	49 924 242
Straight-line rental income accrual	(29 133)	1 287 139
Total revenue	25 612 293	51 211 381
Net operating profit before finance charges	15 104 335	28 448 412
Net operating profit after finance charges	9 823 536	17 886 814
Net profit after tax	(29 133)	1 287 139
Distributable earnings attributable to linked	9 852 670	16 599 674

	Forecast	Forecast
	6 months ending	12 months ending
	28 February 2015	29 February 2016
	R	R
unitholders		

Notes:

1. The forecast information for the 6 months ending 28 February 2015 has been calculated from the anticipated effective date of the acquisition being 1 September 2014.
2. Contracted revenue is based on existing lease agreements. Uncontracted revenue in respect of this property amounts to 0% for the year ending 28 February 2015 and 7% for the year ending 29 February 2016.
3. Net operating profit after finance charges includes asset management fees, property management fees and transaction costs.
4. Distributable income excludes any antecedent interest from the issue of new linked units.

Summarised forecast in respect of the acquisition of the Marine:

	Forecast	Forecast
	6 months ending	12 months ending
	28 February 2015	29 February 2016
	R	R
Rental income	16 262 296	31 084 805
Straight-line rental income accrual	(422 533)	598 304
Total revenue	15 839 762	31 683 109
Net operating profit before finance charges	10 596 611	20 433 679
Net operating profit after finance charges	6 901 548	13 043 553
Net profit after tax	(422 533)	598 304
Distributable earnings attributable to linked unitholders	7 324 081	12 445 249

Notes:

1. The forecast information for the 6 months ending 28 February 2015 has been calculated from the anticipated effective date of the acquisition, 1 September 2014.
2. Contracted revenue is based on existing lease agreements. Uncontracted revenue in respect of this property amounts to 0% for the year ending 28 February 2015 and 9% for the year ending 29 February 2016.
3. Net operating profit after finance charges includes asset management fees, property management fees and transaction costs.
4. Distributable income excludes any antecedent interest from the issue of new linked units.

Summarised consolidated forecast in respect of the Acquisitions:

	Forecast 12 months ending 28 February 2015	Forecast 12 months ending 29 February 2016
	R	R
Rental income	54 739 299	108 419 701
Straight-line rental income accrual	2 385 059	5 820 054
Total revenue	57 124 358	114 239 755
Net operating profit before finance charges	38 619 637	74 488 637
Net operating profit after finance charges	24 707 223	46 663 810
Net profit after tax	2 385 059	5 820 054
Distributable earnings attributable to linked unitholders	22 322 164	40 843 757

Notes:

1. The forecast information for the 6 months ending 28 February 2015 has been calculated from the anticipated effective date of the Acquisitions being 1 September 2014.
2. Contracted revenue is based on existing lease agreements. Uncontracted revenue in respect of this property amounts to 0% for the year ending 28 February 2015 and 6% for the year ending 29 February 2016.
3. Net operating profit after finance charges includes asset management fees, property management fees and transaction costs.
4. Distributable income excludes any antecedent interest from the issue of new linked units.

1.3 Withdrawal of the cautionary

Having regard to the information set out above, the Cautionary Announcements in respect of the Forecasts are hereby withdrawn.

4 June 2014

Johannesburg

Investment bank and sponsor

Nedbank Capital