

Delta Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000194049
("Delta" or "the Company")
REIT status approved

Further announcement regarding the termination of the existing asset management agreement and renewal of cautionary announcement

1. Termination of asset management agreement

Further to the announcement dated 12 February 2015 in which Delta shareholders were advised that Delta's board of directors intended to approach shareholders for approval to exercise the termination clause in its existing asset management agreement with MPI Property Asset Management Proprietary Limited ("MPIPAM") ("Existing Manco Agreement") and simultaneously enter into an asset management agreement ("New Manco Agreement") with a new asset management company ("New Manco"), the board wishes to provide Delta shareholders with an update regarding these matters.

As previously announced, if approved the termination will be concluded in terms of the provisions of the Existing Manco Agreement, which permits Delta to terminate the Existing Manco Agreement on notice if approved by Delta shareholders and subject to the payment of the relevant termination fee ("Termination Fee"). Based on the methodology set out in the Existing Manco Agreement, the Termination Fee is not anticipated to exceed R10m (ten million Rand). It should however be noted that the actual Termination Fee payable can only be calculated after the date on which the termination becomes effective.

2. New Manco Agreement

Delta will seek to ensure that the New Manco complies with the requirements of the Department of Public Works for purposes of its leases with Delta.

It is envisaged that New Manco will employ the staff of MPIPAM and will be wholly-owned by a trust to be established for the benefit of its black employees ("Trust"). None of the existing shareholders of MPIPAM will be beneficiaries of the Trust.

As previously announced, Delta will seek to conclude the New Manco Agreement on terms no less favourable to Delta than those contained in the Existing Manco Agreement, including as regards the monthly asset management fee payable to New Manco is proposed to remain as one twelfth of 0.35% of Delta's enterprise value.

Delta will be looking to appoint the New Manco for a period of 5 years, with the option for Delta to extend this by further 3 year periods.

No termination fees payable by Delta are anticipated and it is proposed that the demobilisation fees payable on termination are restricted to the costs actually incurred by New Manco.

3. Finalisation of terms and shareholder approval

Delta shareholders are advised that the envisaged terms set out above remain, *inter alia*, subject to agreement with New Manco, review by the JSE, and shareholder approval.

Termination of the Existing Manco Agreement is also subject to shareholder approval in terms of the JSE Listings Requirements and accordingly, Delta is in the process of preparing a circular, which will incorporate a notice of general meeting, to provide Delta shareholders with full details and to convene a general meeting of Delta shareholders to consider and, if deemed acceptable, approve the resolutions required to terminate the Existing Manco Agreement and approve the New Manco Agreement.

4. Renewal of cautionary announcement

In light of the above, Delta shareholders are advised to continue to exercise caution when dealing in the Company's securities until a further announcement is made.

9 March 2015

Johannesburg

Investment bank and sponsor

Nedbank Capital

Legal advisor

Bowman Gilfillan Inc.

Communications advisor

Instinctif Partners