

REVIEWE

provisional condensed consolidated results

for the year ended 29 February 2016

HIGHLIGHTS

- Achieved forecast 8% increase in full year distribution to 90.79 cents per share
- Successfully concluded the R1.26 billion Redefine portfolio acquisition
- Improvement of loan to value to ca.42% from 47.2% at year end
- 83% of debt hedged
 - Industry leading Level 2 B-BBEE rated listed property company
- Successful renewal of 80% of 2015 expiring leases

Delta Property Fund Limited (I	Incorporated in th	ne Republic of South
Consolidated statement of comprehensive in	come	
•	Gro	au
	2016 R'000	2015 R'000
Revenue		
Contractual rental income Straight-line rental income accrual	1 220 632 26 950	940 623 68 584
ou aignivime rental income accidal	1 247 582	1 009 207
Property operating expenses	(322 051)	[244 323]
Net property rental and related income	925 531 7 266	764 884 13 590
Other income Profit on disposal of listed investments	/ 200	20 425
Loss on foreign exchange differences	(57 834)	(12 366)
Gain from bargain purchase Administration expenses	(82.744)	127
Net operating profit	(82 744) 792 219	<u>(51 008)</u> 735 652
Fair value adjustments	259 124	458 985
Profit from operations	1 051 343	1 194 637
Finance costs Interest income	(412 713) 26 593	(316 380) 3 965
Amortisation of debenture premium	-	264 883
Share of profit in associate	33 537	-
Cancellation fee Impairment of development right	(11 542)	(41 200)
Share of loss in joint venture	(2)	(15 582) -
Profit before debenture interest and taxation	687 216	1 090 323
Debenture interest Profit before taxation	687 216	(177 044) 913 279
Taxation	-	[2 211]
Profit for the year from continuing operations	687 216	911 068
Loss from discontinued operations Profit for the year	(38 089) 649 127	(45 070 <u>)</u> 865 998
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Exchange gain on translation of foreign subsidiary Reclassification of foreign currency translation reserve on loss	83 649	63 813
of control of subsidiary	(43 843)	-
Share of foreign currency translation reserve of associate	(43 796)	-
Taxation related to components of other comprehensive income Total comprehensive income for the year	645 137	
Profit for the year attributable to:	043 137	323 011
Owners of the parent:		
Profit for the year from continuing operations Loss for the year from discontinued operations	687 216 (36 011)	911 068 (25 648)
Loss for the year from discontinued operations	651 205	885 420
Non-controlling interest:		
Loss for the year from discontinued operations	(2 078) 649 127	(19 422 <u>)</u> 865 998
Total comprehensive income	043 127	003 330
Owners of the parent	607 409	912 605
Non-controlling interest	37 728	17 206
B The Control of the	645 137	929 811
Reconciliation of earnings from continuing operations: Profit for the year from continuing operations	687 216	911 068
Debenture interest	-	177 044
Earnings from continuing operations	687 216	1 088 112
Loss for the year from discontinued operations Profit for the year attributable to owners of the parent	(36 011) 651 205	<u>[25 648]</u> 1 062 464
Reconciliation of headline earnings from continuing operations:	55.255	-
Profit for the year from continuing operations	687 216	1 088 112
Change in fair value of investment property Change in fair value of investment property	(373 286)	[485 224] (485 224)
Change in fair value of investment property Change in fair value of investment property of associate	(304 200) (69 086)	(485 224) -
Gain from bargain purchase	-	[127]
Impairment of development right net of tax Impairment of development right		15 582 15 582
Tax effect	-	
Headline earnings from continuing operations	313 930	618 343
Reconciliation of headline earnings from continuing and		
discontinued operations: Profit for the year from continuing and discontinued operations	651 205	- 1 062 464
Change in fair value of investment property	(373 286)	(542 838)
Change in fair value of investment property	(304 200)	(570 208)
Change in fair value of investment property of associate Deferred taxation	(69 086)	27 370
Gain from bargain purchase	-	(127)

15 582 15 582 Impairment of development right net of tax Impairment of development right Non-controlling interest 277 919 Headline earnings from continuing and discontinued operations Headline earnings from continuing operations 313 930 613 980 Fair value loss on derivative financial instruments 45 077 20 990 Straight-line rental income accrual Antecedent interest 9 010 3 425 41 200 11 542 Cancellation fee Deferred taxation - other adjustments 8 955 Fair value loss on investments 5 249 Dividend income 36 779 18 247 Share of profit in associate (33537)Share of loss in joint venture Unrealised loss on foreign exchange difference 57 794 12 366 Amortisation of debenture premium (264 883) Profit on disposal of listed investments (20 425) Accrued distribution from listed investments `11 905 6 141 Amortisation of debt structuring fee Change in fair value of investment property of associate 69 086 Distributable earnings attributable to owners of the parent

- Interim

- Interim

Year-end

Retained distribution

- Year-end (declared after 29 February 2016)

Weighted average number of shares in issue

Basic and diluted earnings per share (cents)

Basic and diluted earnings per share from continuing operations

Basic and diluted headline earnings per share (cents)

Year-end (declared after 29 February 2016)

Basic and diluted earnings per share from discontinued operations

Basic and diluted headline earnings per share from continuing operations Basic and diluted headline earnings per share from discontinued

Actual number of shares in issue

Distribution per share (cents)

44.06 84.07 Consolidated statement of financial position as at 29 February 2016

Consolidated Statement of Illiancial position	as at Lo I col	dai y EO 10
	Gro	up
	2016	2015
	R'000	R'000
Assets		
Non-current assets		
Investment property	8 684 700	8 393 900
Fair value of property portfolio	8 500 183	8 213 035
Straight-line rental income accrual	184 517	180 865
Property, plant and equipment	4 331	2 923
Investment in associate Derivative financial instruments	383 327 13 401	-
Derivative financial instruments		
2	9 085 759	8 396 823
Current assets Loans due from related parties	77 115	
Current tax receivable	1 153	1 153
Trade and other receivables	252 938	284 036
Derivative financial instruments	545	=
Cash and cash equivalents	187 362	60 730
	519 113	345 919
Non-current assets held-for-sale	1 410 481	26 500 2 110 030
Assets associated with disposal group held-for-sale	11 015 353	10 879 272
Total assets	11015353	108/92/2
Equity and liabilities Share capital	3 450 593	2 778 064
Reserves	215 924	27 185
Retained income	1 990 112	1 815 732
Equity attributable to owners of the parent	5 656 629	4 620 981
Non-controlling interest	-	453 190
Total equity	5 656 629	5 074 171
Liabilities		
Non-current liabilities Derivative financial instruments	49 981	20 990
Interest-bearing borrowings	3 560 275	3 652 300
Cash-settled share-based payment arrangement	559	-
Deferred tax	-	19_
	3 610 815	3 673 309
Current liabilities		
Interest-bearing borrowings	1 534 035	856 265
Trade and other payables Derivative financial instruments	102 233 30 032	103 163
Bank overdraft	81 609	21
	1 747 909	959 449
Liabilities associated with disposal group held-for-sale	-	1 172 343
Total liabilities	5 358 724	5 805 101
Total equity and liabilities	11 015 353	10 879 272
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Consolidated statement of changes in equity

	Share capital	Foreign currency translation reserve	Deferred consideration	Total	Retained	Total shareholders' interest	Non-controlling interest	Total
R'000	сарісаі	translation reserve	consideration	reserves	income	interest	meresi	equity
Balance at 1 March 2014	317 544	_	_	_	924 311	1 241 855	_	1 241 855
Total comprehensive income for the year	017 044	27 185	_	27 185	885 420	912 605	17 206	929 811
Profit for the year					885 420	885 420	(19 422)	865 998
Other comprehensive income	_	27 185	_	27 185	-	27 185	36 628	63 813
Issue of linked units as consideration for investment property	161 966					161 966	-	161 966
Capital issue expenses	(14 139)	_	_	_	_	(14 139)	_	(14 139)
Cum distribution number 03*	(5 836)		_	_	_	(5 836)	_	(5 836)
Cum distribution number 04 and 05*	(3 425)	_	_	_	_	(3 425)	_	(3 425
REIT conversion	2 321 954	_	_	_	_	2 321 954	_	2 321 954
Non-controlling interest on acquisition of disposal group		_	_	_	_		457 747	457 747
Transfer between equity holders	_	_	_	_	6 001	6 001	(6 001)	-07 7-7
Dividends paid	_	_	_	_	-	-	(15 762)	(15 762)
Balance at 1 March 2015	2 778 064	27 185		27 185	1 815 732	4 620 981	453 190	5 074 171
Total comprehensive income for the year		(43 796)	_	(43 796)	651 205	607 409	37 728	645 137
Profit for the year		(48 788)		[40700]	651 205	651 205	(2 078)	649 127
Other comprehensive income	_	(43 796)	_	(43 796)	-	(43 796)	39 806	(3 990)
Loss of control of subsidiary		(27 185)		(27 185)		(27 185)	(490 918)	(518 103
Issue of shares issued as consideration for investment property	76 950	(27 100)	_	(27 100)	_	76 950	(-100 0 10)	76 950
Issue of shares issued as consideration for cash	658 169	_	_	_	_	658 169	_	658 169
Issue of shares dividend reinvestment programme	45 207	_	_	_	_	45 207	_	45 207
Capital issue expenses	(15 514)	_	_	_	_	(15 514)	_	(15 514
Share capital not eliminated in prior period	5 971	_	_	_	(5 971)	(10014)	_	(10017
Share buy-back	(98 254)	_	_	_	(0 0 / 1)	(98 254)	_	(98 254)
Deferred consideration#	(30 23-)	_	259 720	259 720	_	259 720	_	259 720
Dividends paid*	_	_			(470 854)	(470 854)	_	(470 854)
Balance at 29 February 2016	3 450 593	(43 796)	259 720	215 924	1 990 112	5 656 629	_	5 656 629

Consolidated statement of cash flows

* Acquisition of properties to be settled by the issue of 28 857 764 shares at a fixed price of R9 per share

	Gro	auc
	2016	2015
	R'000	R'000
Cash generated from operations	827 846	483 116
Interest received	10 227	3 965
Dividends received	36 837	-
Finance costs	(374 449)	(315 593)
Taxation paid	-	[4 914]
Dividends paid	(470 854)	` -
Net cash from operating activities	29 607	166,574
Purchase of property, plant and equipment	(4 449)	(1 027)
Acquisition of investment properties	(801,449)	(572 108)
Capital expenditure on investment properties	(304 073)	(148 134)
Proceeds on disposal of investment properties	104 859	_
Loans advanced to related parties	(77 115)	_
Proceeds on disposal of listed securities	-	348 809
Acquisition of shares in associate	(9 123)	_
Acquisition of shares in joint venture	(2)	
Net cash outflow on acquisition of subsidiary	-	[8 720]
Net cash from investing activities	(1 091 352)	(381 180)
Proceeds from issue of shares	703 376	_
Share buy-back	(98 254)	_
Capital issue expenses	(15 514)	(8 168)
Proceeds from interest-bearing borrowings	1,376,946	1,310,036
Repayment of interest-bearing borrowings	(859 765)	_
Repayment of other financial liabilities	-	(266 656)
Changes in shareholding of subsidiary	-	(492 335)
Debenture interest paid	-	[349 622]
Net cash from financing activities	1 106 789	193,255
Net movement in cash and cash equivalents	45 044	(21 351)
Cash at the beginning of the year	60 709	82 060
Total cash at the end of the year	105 753	60 709

COMMENTARY:

Introduction
Delta is a black managed JSE listed Real Estate Investment Trust ("REIT") focused on long-term sovereign underpinned properties.
The Fund is a Level 2 B-BBEE contributor and will continue to be the dominant sovereign listed property fund in South Africa. Delta has the management knowledge and experience to manage the sovereign underpin and has become the leading management team in relation to government-tenanted assets.

Financial performance
Global economies have experienced a steady deterioration in trading conditions during the period, with the local economy being significantly impacted by rising inflation, political uncertainty and rising interest rates coupled with the strengthening of the US dollar against the Rand. Delta, however, managed to remain resilient and steadfast among the economic challenges encountered due to its sovereign underpin and has delivered an excellent set of results.

beta has declared a full year distribution of 90.79 cents per share for the financial period ending 29 February 2016, representing an increase of 8% over the prior year.

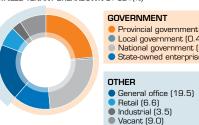
Contractual rental income increased 29.8%, benefiting 7.8% from weighted average rate escalations and 13.5% from new acquisitions. Net cost-to-income ratio was impacted by new acquisitions, increasing from 10.2% to 12.2%, and is expected to normalise during the new financial year once Delta takes over the management of these assets and undertakes the redevelopment work on the Free State portfolio.

Fair value adjustment to investment properties decreased during the current year, reflecting the change in market conditions together with the increased vacancy of the portfolio. The depreciation of the Rand against the US dollar negatively impacted the fair value of cross-currency swaps and Dollar-denominated loan resulting in an unrealised foreign exchange loss of R57.8 million. Administration expenses increased primarily due to a R10.1 million reversal of a prior year accrual and increase in asset

Finance costs increased 30.5% during the period, driven by a combination of acquisitions and increased cost of borro. The interest cover ratio, excluding occupational interest on the Free State portfolio, improved to 2.38 from 2.17 in the prior Property portfolio

Delta's property portfolio of R10.1 billion, consists of 100 properties with a total GLA of 813 505m². Assets held for sale comprise 17 properties with a total GLA of 134 754m² and a combined value of R1.4 billion.

The segmental and geographic breakdown of the portfolio (per tenant) at the reporting date was as follows **DETAILED TENANT BREAKDOWN** BY GLA (%)



382 425 180 469

201 956

458 409 836

451 042 442

458 409 836

242.74

(5.72) 237.02

137.94

(12.46) 125.48

40.01

232 608

255 354

535 182 853

542 316 733

533 097 436

128.41

58.66

42.89

912

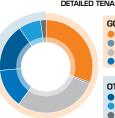
GOVERNMENT Provincial government (23.6)
Local government (0.4)
National government (24.7) State-owned enterprise (12.7)



Gauteng (38.0) KwaZulu-Natal (24.9) • Western Cape (5.1) • Mpumalanga (3.4) Free State (8.4)

GEOGRAPHIC PROFILE BY 36.5% **GAUTENG**

Gauteng (36.5) KwaZulu-Natal (31.2) rn Cape (4.7) Mpumalanga (3.1)



DETAILED TENANT BREAKDOWN BY REVENUE (%) GOVERNMENT Provincial government (30.7)
Local government (0.4)
National government (29.0) State-owned enterprise (13.7)

> OTHER General office (16.5)
> Retail (7.9) Industrial (1.8)

Of these 14 properties related to the Free State portfolio with a combined GLA of 77 829m². The acquisitions were funded by a combination of debt and equity. Acquisitions and major capital projects

Delta entered into an agreement with Redefine for the acquisition of their government property portfolio consisting of 15 properties and a total GLA of 191 668m² for R1.25 billion at a property yield of 13.27%. Conditions precedent for the majority of the properties within the transaction were approved during March 2016 and accordingly 155 230 511 shares amounting to R1.20 billion were issued to Redefine during April 2016. The outstanding shares of 6 812 568 totalling R0.05 billion will be issued when the conditions precedent to the final property is met.

Delta together with other landlords embarked on a significant inner-city redevelopment initiative within the Durban central business districts (CBD). Delta is one of the largest landlords in the CBD and its significant investment is based on the support of government for the node and the large working harbour which secures many other tenants. The major projects undertaken

CMH House, Durban CMH House is Delta's first major inner-city redevelopment project undertaken in Durban CBD.

This project was completed during November 2015 at an estimated cost of R156 million with a 15-year lease signed, creating a new A grade motor dealership show room and 450 parking bays. The additional parking bays will be predominantly let to the Liberty building tenants which has created significant value to the Liberty building due to the shortage of parking in the CBD. 88 Field Street, Durban This project is currently in progress with an estimated R85 million spent to date and is expected to re-establish itself as a landmark building in the Durban CBD upon completion.

snagement has earmarked 17 non-core properties, with a total GLA of 134 754m² and valued at R1.4 billion, for disposal

The proceeds from disposals will either be deployed to higher yielding assets or to reduce gearing. Sale agreements for five properties have been concluded totalling R551.3 million has been concluded at year-end and management are confident the remaining assets will be sold during the 2017 financial period.

3.3 Letting and vacancies The lease expiry profile of the portfolio per segment based on GLA at 29 February 2016 was as follows

		Le	ase expiry pro	ofile at year-e	nd February		
Segment	2016 vacancies	2017	2018	2019	2020	2021	Beyond 2021
Office - sovereign	5.9%	40.5%	18.9%	9.4%	6.2%	12.7%	6.4%
Office - other	13.7%	27.9%	23.3%	18.7%	9.1%	2.4%	4.9%
Retail	5.4%	13.7%	5.9%	5.9%	25.8%	1.4%	41.9%
Industrial	28.5%	3.1%	29.0%	0.0%	0.0%	39.4%	0.0%
Leases in respect of 62 are continuing on a mont	th-to-month basis. Th						

Vacancies increased to 8.98% of gross lettable area compared with 7.1% in 2015. Properties earmarked for disposal is expected to reduce vacancies. Management continues to engage with government on longer term lease renewals and is confident that its strategy as a specialist sovereign fund will result in the renewal of expiring leases.

Delta's loan to value ratio at financial year-end has improved to 47.2% from 49.8% in the prior year, positively influenced by disposals of non-core property and increased fair value of investment properties. Post the Redefine transaction, the loan to value ratio has improved to ca.42%.

Management remains committed to manage Delta's gearing levels at around a 40% range. Interest-bearing borrowings increased R585.7 million due to funding requirements for new acquisitions and capital projects. Delta's weighted average cost of debt increased from 8.10% to 8.75% due to increased market lending rates. The weighted average expiry of Delta's debt facilities is 2.3 years, and management intends to extend the debt expiry period by either utilising proceeds from disposals to pay down debt or refinance expiring debt facilities.

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Condensed consolida	tea segn	nental al	iaiysis			
For the year ended					Admin and	
29 February 2016		Office	Office		corporate	
R'000	Retail	government	other	Industrial	costs	Total
Contractual rental income	87 875	912 667	201 134	18 956	-	1 220 632
Straight-line rental income						
accrual	10 051	22 363	671	(6 135)	-	26 950
Property operating expenses	(31 060)	(213 658)	[71 453]	(5 880)	_	(322 051)
Net property rental and						
related income	66 865	721 373	130 351	6 942		925 531
Fair value adjustments	(85 269)	329 648	22 095	37 726	(45 076)	259 124
Investment property	(85 269)	329 648	22 095	37 726	. .	304 200
Derivative instruments					(45 076)	(45 076)
Assets						
Investment property		7 733 442		177 300		10 095 181
Fair value of property portfolio	422 241	6 795 035	1 282 907	-	-	8 500 183
Straight-line rental income	4.040	400 700	44.440			404547
accrual	4 349	168 726	11 442	-	-	184 517
Investment property held-						
	206 000	760 601	257 500	177 200		1 /10 /01
for-sale	206 000	769 681	257 500	177 300	Admin and	1 410 481
for-sale For the year ended	206 000			177 300	Admin and	1 410 481
for-sale		Office	257 500 Office	177 300	corporate	1 410 481
for-sale For the year ended 28 February 2015 R'000	Retail	Office government	Office other	Industrial		Total
for-sale For the year ended 28 February 2015 R'000 Contractual rental income		Office	Office		corporate	
for-sale For the year ended 28 February 2015 R'000	Retail	Office government	Office other	Industrial	corporate	Total
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual	Retail 25 102	Office government 588 251	Office other 296 169	Industrial 31 101	corporate	Total 940 623
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income	Retail 25 102 260	Office government 588 251 48 914	Office other 296 169 13 830	Industrial 31 101 5 580	corporate	Total 940 623 68 584
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses	Retail 25 102 260	Office government 588 251 48 914	Office other 296 169 13 830	Industrial 31 101 5 580	corporate	Total 940 623 68 584
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and	Retail 25 102 260 (7 021)	Office government 588 251 48 914 [136 188]	Office other 296 169 13 830 (95 383)	Industrial 31 101 5 580 (5 731)	corporate	Total 940 623 68 584 [244 323]
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income	Retail 25 102 260 (7 021) 18 341	Office government 588 251 48 914 (136 188) 500 977	Office other 296 169 13 830 (95 383) 214 616	Industrial 31 101 5 580 (5 731) 30 950	corporate costs - - -	Total 940 623 68 584 (244 323) 764 884
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property Investments	Retail 25 102 260 (7 021) 18 341 (8 286)	Office government 588 251 48 914 (136 188) 500 977 317 817	Office other 296 169 13 830 (95 383) 214 616 190 365	Industrial 31 101 5 580 (5 731) 30 950 (14 672)	corporate costs - - - - - (52 478)	Total 940 623 68 584 (244 323) 764 884 432 746
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property	Retail 25 102 260 (7 021) 18 341 (8 286)	Office government 588 251 48 914 (136 188) 500 977 317 817	Office other 296 169 13 830 (95 383) 214 616 190 365	Industrial 31 101 5 580 (5 731) 30 950 (14 672)	corporate costs - - - - (52 478) (26 239)	Total 940 623 68 584 (244 323) 764 884 432 746 458 985
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property Investments	Retail 25 102 260 (7 021) 18 341 (8 286)	Office government 588 251 48 914 (136 188) 500 977 317 817	Office other 296 169 13 830 (95 383) 214 616 190 365	Industrial 31 101 5 580 (5 731) 30 950 (14 672)	corporate costs - - - - [52 478] [26 239] [5 249]	Total 940 623 68 584 [244 323] 764 884 432 746 458 985 [5 249]
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property Investments Derivative instruments Assets Investment property	Retail 25 102 260 [7 021] 18 341 [8 286] [8 286]	Office government 588 251 48 914 (136 188) 500 977 317 817 317 817 - - 5 206 800	Office other 296 169 13 830 [95 383] 214 616 190 365 190 365 2 751 400	Industrial 31 101 5 580 [5 731] 30 950 [14 672] (14 672) - - - 227 900	corporate costs - - - - [52 478] [26 239] [5 249]	Total 940 623 68 584 [244 323] 764 884 432 746 458 985 [5 249] [20 990] 8 393 900
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property Investments Derivative instruments Assets	Retail 25 102 260 (7 021) 18 341 (8 286) (8 286)	Office government 588 251 48 914 (136 188) 500 977 317 817 - -	Office other 296 169 13 830 (95 383) 214 616 190 365 190 365	Industrial 31 101 5 580 (5 731) 30 950 (14 672) (14 672)	- (52 478) (26 239) (5 249) (20 990)	Total 940 623 68 584 (244 323) 764 884 432 746 458 985 (5 249) (20 990)
for-sale For the year ended 28 February 2015 R'000 Contractual rental income Straight-line rental income accrual Property operating expenses Net property rental and related income Fair value adjustments Investment property Investments Derivative instruments Assets Investment property	Retail 25 102 260 [7 021] 18 341 [8 286] [8 286]	Office government 588 251 48 914 (136 188) 500 977 317 817 317 817 - - 5 206 800	Office other 296 169 13 830 [95 383] 214 616 190 365 190 365 2 751 400	Industrial 31 101 5 580 [5 731] 30 950 [14 672] (14 672) - - - 227 900	- (52 478) (26 239) (5 249) (20 990)	Total 940 623 68 584 [244 323] 764 884 432 746 458 985 [5 249] [20 990] 8 393 900

This segmental report has been populated based on a per building classification which is in accordance with the majority tenant.

The Group concluded R1 billion worth of three-year interest rate swaps during February 2016 at an average rate of 8.1%, maintaining an 83:17 fixed exposure, excluding the revolving debt facilities. The weighted average expiry of interest rate swaps and fixed debt has improved to 2.13 years from 1.91 years at Delta's interim reporting period.

Share capital movements
During March 2015, the Company successfully concluded an oversubscribed capital raise of R503.2 million, through the issue of 56 535 800 shares at an issue price of R8.90. Delta issued a further 17 415 730 shares at R8.90 for R155.0 million in May 2015. The proceeds of these issuances were utilised to settle debt facilities and to acquire additional assets. Delta shareholders holding 102 877 519 shares, elected to participate in the share re-investment alternative. As a result, 5 222 759 additional Delta shares were issued to shareholders at R8.66 per share equating to a total value of R45.2 million.

A total of 12 911 297 shares, amounting to R98.2 million at an average price of R7.61 per share, were bought back by Delta between August 2015 and December 2015. Events subsequent to the reporting period
Pursuant to the conclusion of the Redefine property acquisition, Mr A Konig has been appointed as a non-executive director to the board from 1 April 2016 and will remain in office for as long as Redefine holds more than 5% of the shares in Delta. acquired as part of the Free State transferred on 14 April 2016

arend. This transfer will add R34.78 million to the carrying value of investment property and will be settled through the ssue of shares and the raising of debt. Shareholders are advised that Mr Paul Simpson has resigned as an independent non-executive director from the board of Delta with effect from 13 May 2016. The board wishes to express their thanks to Paul for his contribution to the Company.

Changes to directorate during the period Mrs Marelise de Lange has been appointe Unanges to arrectorate during the period Mrs Marelise de Lange has been appointed as an independent non-executive director of Delta Property Fund from 2 November 2015. She is the Chairperson of the Remuneration Committee, as well as a member of the Investment Committee and the Audit, Risk and Compliance Committee. Marelise is a CA[SA] who has more than 20 years' experience in both the financial services industry and the listed property industry, on both the operational and financial sides.

Mr Greg Booyens resigned as Chief Financial Officer of Delta with effect from 31 December 2015. Delta wishes to thank Greg for his contribution to the Company since 2012 and wishes him well in his future endeavours. his contribution to the Company since 2012 and wishes him well in his future endeavours.

Mr Shaneel Maharaj has been appointed as Chief Financial Officer of Delta Property Fund with effect from 1 December 2015.

He is a seasoned CA(SA) with an H.Dip Tax and has 15 years' work experience, with over nine years spent in the listed environment.

Ms Nombuso Afolayan has been appointed as an independent non-executive director with effect from 29 February 2016. She is currently a non-executive director of Umngeni Water and Ithala Development Corporation and General Manager: KZN Port Operations of Transnet and has an MBA – Finance (Masters in Business Administration) from The Regent College (University of Utrop). Operation of Luton).

Provision of financial assistance
Delta shareholders are referred to Special Resolution Number 3 relating to the provision of direct or indirect financial assistance in terms of Section 45 of the Companies Act, No 71 of 2008 ("the Companies Act") to related or inter-related companies, which was approved at the annual general meeting of Delta on 19 August 2015.

The standard Resolution Politic characteristics of the Companies Act, that the Board of directors

Further to the above, Delta shareholders are notified in terms of Section 45(5)(a) of the Companies Act, that the Board of directors of the Company ("the Board") passed a resolution on 13 May 2016 ("the board resolution") granting financial assistance to the following related companies:

Delta Property Asset Management Proprietary Limited - R12 095 127 in the ordinary course of business

MPI Property Asset Management Proprietary Limited – R6 538 444 in the ordinary course of business.

Somnipoint Proprietary Limited – R43 321 778 in respect of a recoverable property deposit paid.

Delta International Mauritius Limited - R5 072 345 in respect of a guarantee fee charged.

Heattrix Proprietary Limited – R235 863 904 in the ordinary course of business.

K2014000273 Proprietary Limited – R127 373 894 in the ordinary course of business.

277 Vermeulen Street Properties Proprietary Limited – R13 132 127 in the ordinary course of business. Hendisa Investments Proprietary Limited – R33 614 in the ordinary course of business. Baystone Holdings Limited – R58 432 372 in order to acquire a property.

The financial assistance provided, as detailed above, is greater than one-tenth of 1% of Delta's net worth as at the date of the board

The board further confirms that immediately after providing the financial assistance, the Company continues to satisfy the solvency and liquidity test as contemplated in Section 4 of the Companies Act and that the terms and conditions of the financial assistance are fair and reasonable to the Company.

Prospects

While the domestic economy continues to face increasing headwinds and low economic growth, the Board and management remain positive that Delta's defensive sovereign portfolio is well positioned for any downturn. Delta's portfolio will not be impacted by the market conditions which impact B grade office portfolios, due to the need for government to occupy buildings in the major CBD nodes and Delta's majority sovereign underprin. We believe that Delta's Level 2 B-BBEE status will support our efforts and ability to negotiate favourable longer lease terms both with government and other empowerment sensitive tenants.

Management anticipates combined distribution growth of 7% to 8% for the year ahead, on the assumption that trading conditions and the macroeconomic environment remains stable with no major tenant and corporate defaults. The forecast has not been reviewed nor reported on by the Group's auditors.

10. Declaration of final dividend ("the cash dividend") Shareholders are advised that dividend number 7 of 47.90846 cents per share for the six months ended 29 February 2016 has been declared. The abbreviated timetable is as follows:

Monday, 16 May 2016 Friday, 3 June 2016 Last day to trade cum-dividend Shares to trade ex-dividend Monday, 6 June 2016

Record date Monday, 13 June 2016

Shareholders may not dematerialise or rematerialise their shares between Monday, 6 June 2016 and Friday, 10 June 2016, both days included.

In accordance with Delta's status as a REIT shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of Section 25BB of the Income Tax Act, No 58 of 1962 ("Income Tax Act"). An announcement informing shareholders of the tax treatment of the distributions will be released separately on SENS.

Basis of preparation and accounting policies

The condensed consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronuncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of these condensed consolidated financial statements are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements. The condensed consolidated financial statements have been compiled under the supervision of the Chief Financial Officer, Mr Shaneel Maharaj CA(SA)/H.Dip Tax.

These provisional consolidated financial statements for the year ended 29 February 2016 have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review opinion.

A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

The auditors' report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' work they should obtain a copy of that report together with the accompanying financial information from the registered office of the Company.

The directors take full responsibility for the preparation of the provisional report and the financial information has been correctly extracted from the underlying financial statements.

Delta has complied with IFRS and JSE Listings Requirements by disclosing earnings and headline earnings per share. Distribution per share has been disclosed additionally.

By order of the Board: JB Magwaza (Chairman)

SH Nomvete [Chief Executive Officer]

Directors: JB Magwaza^ (Chairman), SH Nomvete* (CEO), BA Corbett* (COO), S Maharaj* (CFO), JJG Da Costa^, N Khan^*, DN Motau^, ID Macleod^, M de Lange^, N Afolayan^, A Konig'
*Executive; ^Independent Non-Executive; "Lead Independent Director; "Non-Executive

Registered office: Silver Stream Office Park, 10 Muswell Road South, Bryanston [Postnet Suite 210, Private Bag X21, Bryanston, 2021] $\textbf{Transfer secretaries:} \ Computer share \ Investor \ Services \ Proprietary \ Limited$ Sponsor: Nedbank Corporate and Investment Banking