



Reviewed provisional condensed consolidated results for the year ended 28 February 2017

Increased year-end distribution by 7.1% to 97.24 cents per share

Reduced gearing to 41.5% from 47.2% at 29 February 2016

Successfully refinanced R1.2 billion in debt

Renewed 100 364m² of gross lettable area

Vacancy of 9.1% below the SAPOA national average of 11.1%

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME table with columns for Group/Company 2017/2016 and rows for Revenue, Expenses, Profit, etc.

RECONCILIATION OF EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS table with columns for Group/Company 2017/2016 and rows for Profit for the period, Headline earnings, etc.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION table with columns for Group/Company 2017/2016 and rows for Assets, Liabilities, Equity, etc.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW table with columns for Group/Company 2017/2016 and rows for Cash generated from operations, Finance costs, etc.

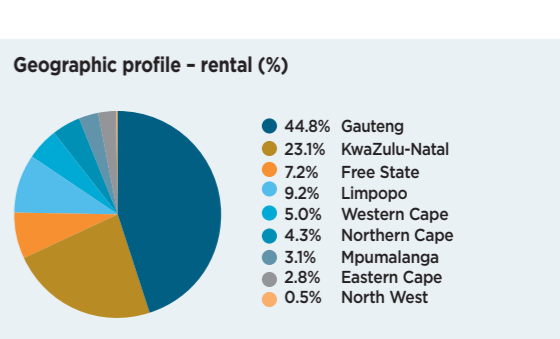
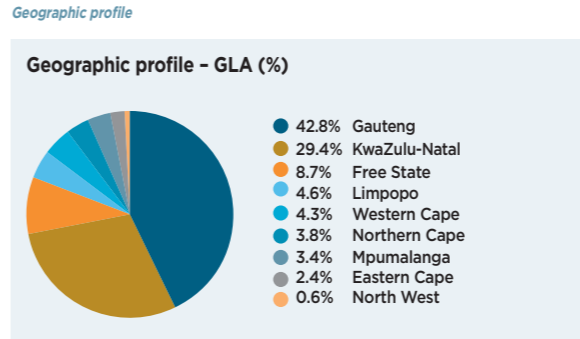
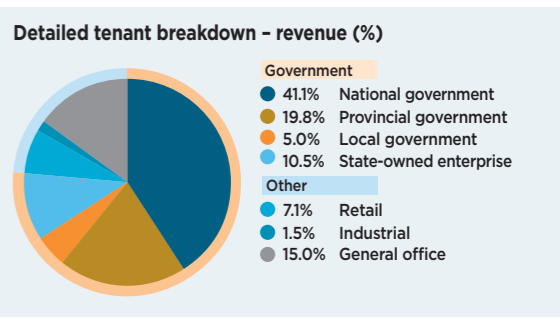
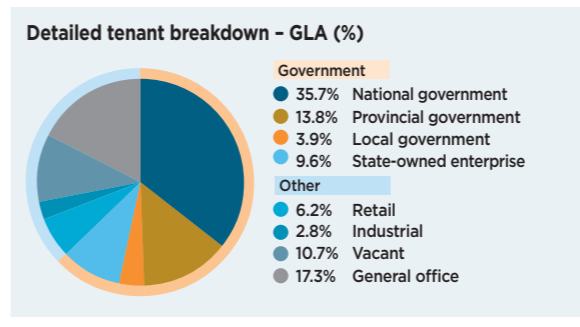
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY table with columns for Group/Company 2017/2016 and rows for Balance at 1 March 2015, Profit, etc.

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS table with columns for Retail, Office, Industrial, Administration and corporate costs, Total and rows for Group 2017, 2016, etc.

Commentary

Company profile: Delta is a JSE listed Real Estate Investment Trust ("REIT") with a property portfolio of R11.4 billion and a market capitalisation of R5.9 billion as at 28 February 2017. The Fund is black managed with a level 2 B-BBEE contributor status which is the highest in the sector...

Tenant profile: Delta's portfolio of R11.4 billion consists of 112 properties with a total GLA of 971 777m², which includes assets held-for-sale comprising 18 properties with a total GLA of 126 144m² and a combined value of R1.3 billion.



Acquisitions: Delta did not embark on any new acquisitions during the current year, choosing to rather focus inwardly on assets acquired, filling up vacancies and renewal of leases. The R1.3 billion Redefine portfolio acquired in 2015 transferred between April 2016 and August 2016. Major capital projects: Delta continues to invest substantial capital in its property portfolio to ensure that it maintains a higher quality and grade of assets that meets the requirements of its tenants...

Vacancies increased to 9.1% with a GLA of 105 119m² and reduced to 9.1% post-year-end. The weighted average in-force escalation at year-end is 6.9% with a weighted average rental per m² of R105.21. Lease renewals of 100 364m² and new leases totalling 12 073m² were also concluded during the year.

National Treasury, together with national and provincial departments of Public Works, is in the process of finalising a new framework for the procurement of leases. Following the directive of the finance minister to renegotiate leases, DPW and National Treasury established a high-level negotiation team to engage landlords. This team is well advanced in the negotiation process, having consulted with all relevant stakeholders. Delta together with other landlords have responded to the call by government to renegotiate all leases...

Funding: Delta's loan to value ratio has improved significantly to 41.5% (2016: 47.2%), benefiting from acquisitions funded with equity and the settlement of debt on disposals. The weighted average all-in cost of funding is 9.2% (2016: 8.8%), with 85.1% (2016: 83.5%) of borrowings being fixed through a combination of swap contracts and fixed rate loans for an average period of 2.2 years (2016: 2.1 years). The average debt facility expiry period is 1.9 years (2016: 2.3 years) with the interest cover ratio at 2.5 (2016: 2.4).

Provision of financial assistance: Delta shareholders are referred to special resolution 4 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 21 September 2016. 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 25 May 2017 ("the Board resolution") granting financial assistance to the following related companies:

Disposals: 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 resolution. 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.

Changes to directorate during the period: Since the release of the 2017 interim results announcement, Marelise de Lange stepped down as Chairman of the Remuneration Committee, member of the Investment Committee and an independent non-executive director of the Board with effect from 23 February 2017. We thank Marelise for her contributions to Delta and wish her well in her future endeavours. Mfundiso Johnson Ntabankulu ("JJ") Njike has been appointed as an independent non-executive director of the Board from 1 April 2017.

Events after the reporting period: Delta entered into a sale agreement with an unrelated UK-based company for the disposal of its 10% shareholding in joint venture Baystone Holdings Limited, which was concluded on the 7 April 2017. The decision to dispose was based on the UK commercial property market being negatively affected by the Brexit outcome, together with Delta's ambition to more effectively manage its balance sheet. The disposal has resulted in free cash of R16.1 million being released from a cash guarantee issued in favour of Baystone, which will be more effectively deployed within the Group.

Prospects: South Africa's downgrade to sub-investment or "junk" status reflects the rating agency's belief that political risks will remain elevated this year, that policy shifts are likely which could further affect fiscal and economic growth outcomes and that interest rates could rise. Delta will be exposed to rising interest rates in the medium term and management will endeavour to manage this downside risk and to reduce gearing to below 40%. Significant effort is being channelled into addressing the ownership pillar per the proposed new BBBEE codes, ensuring compliance and qualification for long-term leases per the much anticipated DPW leasing policy framework. We believe this will result in a healthier balance sheet and improved long-term sustainability of the business.

Management and the Board remain committed to Delta's sovereign strategy, and remain positive that the defensive nature of Delta's portfolio will reward investors on a total return basis. We forecast earnings remaining flat for the 2018 financial year primarily due to one-off lease adjustments being traded off for longer-term leases, and disposal of non-current assets held-for-sale. The Group's independent auditor has not reviewed or reported on this forecast.

Declaration of final dividend ("the cash dividend"): Shareholders are advised that dividend No 9 of 51.30719 cents per share for the year ended 28 February 2017 has been declared. The source of the cash dividend is from distributable income. The abbreviated timetable is as follows: Declaration date: Monday, 29 May 2017; Last day to trade cum dividend: Tuesday, 30 May 2017; Shares to trade ex dividend: Wednesday, 31 May 2017; Record date: Friday, 23 June 2017; Payment date: Monday, 26 June 2017.

Shareholders may not dematerialise or rematerialise their shares between Wednesday, 21 June 2017 and Friday, 23 June 2017, both days included. In accordance with Delta's status as a REIT with effect from 8 December 2014, 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 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim results are in terms of IFRS and are consistent with those applied in the previous annual financial statements.

The condensed consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, Mr Shanel Maharaj CA(SA)/HDipTax, and have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. 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 auditor's 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 auditor's 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.

Directors: JB Magwaza* (Chairman), SH Nomvete* (CEO), S Maharaj* (COO), ON Tshabalala* (COO), N Khan*, DN Motau, ID Macleod*, MJN Njike*, NN Afolayan*, BA Corbett*, AJ König* *Executive, *Independent non-executive, *Non-executive, *Lead independent director
Registered office: Silver Stream Office Park, 10 Muswell Road South, Bryanston (Postnet Suite 210, Private Bag X21, Bryanston, 2021)
Transfer secretaries: Computershare Investor Services Proprietary Limited
Sponsor: Nedbank Corporate and Investment Banking

By order of the Board
JB Magwaza (Chairman) SH Nomvete (Chief Executive Officer)