



DELTA AFRICA PROPERTY HOLDINGS LIMITED

(Registered by continuation in the Republic of Mauritius)

(Registration number 128881 C1/GBL)

JSE share code: DLA

SEM share code: DEL.N0000

ISIN: MU0473N00010

("Delta Africa" or "the Company")

THE PIVOTAL FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2005/030215/06)

JSE share code: PIV

ISIN: ZAE000196440

("Pivotal")

TRANSACTION UPDATE AND WITHDRAWAL OF DELTA AFRICA CAUTIONARY

1. INTRODUCTION

- 1.1. Shareholders of Delta Africa and Pivotal are referred to the companies' joint announcement dated 17 November 2015 ("**Transaction Announcement**"), regarding the companies' intention to join forces to leverage opportunities on the African continent ("**Transaction**"), and which sets out details of the Transaction, as well as to the update announcement on 7 December 2015.
- 1.2. Delta Africa and Pivotal wish to advise their shareholders of certain amendments to the Framework Agreement and other agreements concluded in respect of the Transaction and to provide their shareholders with an additional update on their progress with the Transaction.
- 1.3. Terms appearing in title case in this announcement and that are not otherwise defined herein, shall bear the meanings assigned to them in the Transaction Announcement.
- 1.4. For purposes of this announcement the Naivasha Acquisition, the Wings Acquisition, the termination of the Asset Management Agreement (as set out in the Transaction Announcement), the changes to the Board (as set out in the Transaction Announcement) and the conclusion of the Promoters Agreement (as set out in the Transaction Announcement), as well as the change of the Company's name to Mara Delta Property Holdings Limited (as set out in the Transaction Announcement) shall be referred to as the "**Pivotal Transaction**".
- 1.5. As indicated in paragraph 3.2 below, pursuant to the vendor consideration placings undertaken by Delta Africa in February and March 2016, Pivotal subscribed for 10 827 721 Delta Africa shares towards the total US Dollar equivalent of R300 million.
- 1.6. A Delta Africa circular, incorporating listing particulars, (collectively, "**the Circular**") will be sent to Delta Africa shareholders in the next few days with further information regarding the Pivotal Transaction and in order to convene a general meeting of Delta Africa shareholders at which those aspects of the Pivotal Transaction requiring shareholder approval will be presented to shareholders for approval.

2. AMENDMENT TO FRAMEWORK AGREEMENT AND OTHER AGREEMENTS

2.1. Framework Agreement

- 2.1.1. Shareholders are advised that pursuant to certain addendums to the Framework Agreement, the Framework Agreement has been amended, as summarised below:

- 2.1.1.1. the condition detailed in paragraph 3.1.4 of the Transaction Announcement, relating to the waiver of the mandatory offer has been deleted and the date for the fulfilment or waiver of the outstanding Framework Conditions Precedent has been extended; and
- 2.1.1.2. the Framework Agreement is no longer conditional on the Wings Sale Agreement becoming unconditional (accordingly the Naivasha Acquisition and the Wings Acquisition are no longer interconditional).
- 2.1.2. The Framework Agreement, as amended, will be detailed in the Circular.

2.2. **Naivasha Sale Agreement**

- 2.2.1. Shareholders are advised that the Naivasha Conditions Precedent detailed in paragraphs 5.1.1 and 5.1.3 of the Transaction Announcement have been fulfilled and the date for fulfilment or waiver of the final Naivasha Condition Precedent has been extended.
- 2.2.2. Shareholders are advised that pursuant to an addendum to the Naivasha Sale Agreement, the Naivasha Sale Agreement has been amended, as summarised below:
 - 2.2.2.1. the Naivasha asset will be acquired from Pivotal Global Proprietary Limited ("**Pivotal Global**"), a wholly owned subsidiary of Pivotal; and
 - 2.2.2.2. the effective date of the Naivasha Acquisition shall be 1 March 2016, notwithstanding the signature date and the closing date.
- 2.2.3. The Naivasha Sale Agreement, as amended, will be detailed in the Circular.

2.3. **Wings Sale Agreement**

Summary

- 2.3.1. Delta Africa will acquire 100% of Pivotal's shareholding in SB Wings through a combination of a subscription for shares in SB Wings for cash and the purchase of the remaining shares in SB Wings for cash from Pivotal on the later of –
 - 2.3.1.1. the first day of the month immediately following the month in which the last of the Wings Conditions Precedent is fulfilled;
 - 2.3.1.2. 1 September 2016; and
 - 2.3.1.3. the first day of the month immediately following the month in which the practical completion date for the property development currently being undertaken by Oando Wings on the land owned by it, to be known as "Oando Wings" ("**Wings Development**") occurs,
- (**"Delta Subscription Date"**).
- 2.3.2. It is anticipated that the aggregate consideration for the Wings Asset, under the subscription and the purchase referred to in paragraph 2.3.1 above, will amount to approximately USD73 236 000, as detailed in the Transaction Announcement.
 - 2.3.3. The date for the fulfilment or waiver of the final outstanding Wings Conditions Precedent has been extended.
 - 2.3.4. The number of Delta Africa shares held by Pivotal and its subsidiaries will be capped at 29.9% of the issued shares of Delta Africa in order to ensure that Pivotal does not trigger a mandatory offer to Delta Africa shareholders.

- 2.3.5. Pivotal has provided Delta Africa with an income guarantee for all vacant space intended to form part of the Wings Development once completed, such income guarantee to extend for a period of two years from the Delta Subscription Date for rental income in line with certain agreed projections.
- 2.3.6. Any party to the Wings Sale Agreement will be entitled to cancel the agreement by written notice during the 30 day period immediately following 31 August 2017, should practical completion of the Wings Development not have been achieved prior to that date.
- 2.3.7. The Wings Sale Agreement, as amended, will be detailed in the Circular.

3. SPECIFIC ISSUE

- 3.1. In terms of the Framework Agreement, Pivotal agreed that it will, during the period up to 30 September 2016, subscribe for Delta Africa shares, whenever called upon by Delta Africa to do so on a draw-down basis, for an aggregate maximum amount equal to the US Dollar equivalent of R300 million, less the aggregate US Dollar subscription price of any Delta Africa shares subscribed for by Pivotal in terms of a vendor placing conducted by Delta Africa between the signature date and the closing date of the Naivasha Acquisition, to enable Delta Africa to acquire approved pipeline acquisitions ("**Specific Issue**").
- 3.2. Pursuant to the vendor consideration placings undertaken by Delta Africa in February and March 2016, Pivotal subscribed for 10 827 721 shares in Delta Africa equal to the US Dollar equivalent of R284 266 668.

4. TERMINATION OF THE ASSET MANAGEMENT AGREEMENT

Shareholders are advised that pursuant to an addendum to the Freedom Termination Agreement, the date for the fulfilment or waiver of the final outstanding Freedom Termination CPs has been extended.

5. PRO FORMA FINANCIAL EFFECTS

The consolidated pro forma financial effects of the Pivotal Transaction and the category 2 acquisitions announced to the market but not incorporated in the unaudited financial statements of Delta for the 6 month period ended 31 December 2015 (being the Barclays House acquisition, the Bollore acquisition and the VDE Tete acquisition, all announced to the market) ("**Cat 2 Acquisitions**"), as set out below, are the responsibility of the directors of Delta Africa. The consolidated pro forma financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of the Company's accounting policies. The pro forma financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of the Company's financial position and results of operations post the adjustments set out below.

The table below summarises –

- the consolidated *pro forma* financial effects of the Pivotal Transaction and the Cat 2 Acquisitions on the statement of financial position of the Company; and
- the consolidated *pro forma* financial effects of the shares to be issued in respect of the termination of the Asset Management Agreement ("**Termination Issue**") on the statement of comprehensive income of the Company,

based on the unaudited financial statements of Delta for the 6 month period ended 31 December 2015.

For purposes of calculating –

- the net asset value ("**NAV**") per Share and tangible net asset value ("**TNAV**") per Share, it is assumed that the Pivotal Transaction and the Cat 2 Acquisitions were effected on 31 December 2015; and
- the earnings per Share and headline earnings per Share, it is assumed that the Termination Issue was effected on 1 July 2015.

	Before the Pivotal Transaction and the Cat 2 Acquisitions	After the Pivotal Transaction and the Cat 2 Acquisitions	% Change
NAV per share (excluding deferred tax) (USD) (cents)	161.78	161.87	0.06%
TNAV per share (excluding deferred tax) (USD) (cents)	159.47	160.64	0.73%

	Before Termination Issue	After Termination Issue	% Change
Earnings per share (cents)	16.48	16.18	(1.82%)
Headline Earnings per share (cents)	(18.71)	(19.00)	(1.55%)

The *pro forma* financial information, as summarised above, is provided to Shareholders in accordance with the JSE Listings Requirements. The Company will, in accordance with the requirements of the SEM Rules, also include, the *pro forma* financial information of Delta, based on the audited annual financial statements of the Company for the financial year ended 30 June 2015 in the listing particulars that will be distributed to shareholders with the Circular in relation to the Pivotal Transaction.

6. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the cautionary contained in the Transaction Announcement and to the various renewals of same and are hereby advised that, as Delta Africa has announced all relevant information in relation to the Transaction caution is no longer required to be exercised by shareholders when dealing in Delta Africa securities.

7. GENERAL

Shareholders are reminded that the Pivotal Transaction constitutes an undertaking in the ordinary course of business of Delta Africa and therefore does not fall under the scope of Chapter 13 of the SEM Listing Rules.

1 April 2016

JSE sponsor and corporate advisor to Delta Africa



JSE sponsor and corporate advisor to Pivotal



Attorneys



Company Secretary to Delta Africa



SEM sponsor to Delta Africa



Disclosure of Delta Africa information required under the SEM Listing Rules

Delta Africa directors: Sandile Nomvete (chairman), Greg Pearson*, Bronwyn Anne Corbett*, Peter Todd (lead independent), Maheshwar Doorgakant, Chandra Kumar Gujadhur, Ian Macleod and Leon van de Moortele*
(*executive director)

Company secretary of Delta Africa: Intercontinental Fund Services Limited

Registered address of Delta Africa: Level 5, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius

Transfer secretary (South Africa) of Delta Africa: Computershare Investor Services Proprietary Limited

Registrar and transfer agent (Mauritius) of Delta Africa: Intercontinental Secretarial Services Limited

Corporate advisor and JSE Sponsor of Delta Africa: PSG Capital Proprietary Limited

SEM sponsor of Delta Africa: Capital Markets Brokers Limited

This Notice is issued pursuant to the JSE Listings Requirements, SEM Listing Rule 11.3 and the Securities Act of Mauritius 2005.

The boards of directors of Delta Africa Property Holdings Limited and The Pivotal Fund Limited accept full responsibility for the accuracy of the information contained in this communiqué, insofar as such information relates to, respectively, Delta Africa and Pivotal.