



Arrowhead Properties Limited
("Arrowhead")

ARROWHEAD SIGNS AGREEMENT TO ACQUIRE 22% OF B LINKED UNITS IN DIPULA INCOME FUND

Wednesday, 19 March 2014. Arrowhead, the JSE-listed property company, has concluded an agreement to acquire 34,5 million Dipula B linked units (comprising 22% of Dipula's B linked units) from Investec Asset Management.

The acquisition is unconditional and the purchase price will be discharged by the allotment and issue of 18,8 million Arrowhead A and 18,8 million Arrowhead B linked units to Investec Asset Management on or about 27 March 2014.

Gerald Leissner, Arrowhead CEO, says, *"It is not Arrowhead's objective to become a hybrid company by owning property directly and holding, for the long term, shares in other property companies. Arrowhead will only acquire an investment in other property companies with the objective of converting the investment into physical property over time. The Dipula transaction, which is revenue enhancing to Arrowhead, is in line with this strategy as it provides Arrowhead with a strategic stake in Dipula's R3.75 billion portfolio of commercial and retail properties that are complementary to Arrowhead's property portfolio."*

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Arrowhead Properties

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TO EDITORS:

Arrowhead Properties

Arrowhead Properties has a Real Estate Investment Trust (REIT) status with the JSE Limited. It holds a diverse portfolio of retail, industrial, commercial and residential buildings in secondary locations throughout South Africa. It was established through an unbundling of a portfolio of 98 properties from Redefine Properties in November 2011 and subsequently listed on the JSE main board on Friday, 9 December 2011.

Secondary properties bring additional business risk. This is managed by having a growing portfolio, as diversified as possible in terms of the number of properties, a spread of tenants, a spread of locations throughout South Africa and a spread of properties over the retail, office, industrial and residential sectors of the property market.

Arrowhead's main focus is to pay growing income returns to its investors. This will be achieved through escalating rentals in terms of leases with tenants, satisfactory renewal of leases with existing tenants, renting of vacant space within the portfolio, managing and reducing, where possible, costs associated with the portfolio and by acquiring revenue-enhancing properties.

Assets are managed internally by Arrowhead's executive and asset managers with property management provided by JHI.

Leadership and Management Team

- Arrowhead is led by an experienced management team, with strong credentials, who manage the fund internally and who have extensive experience of the sector and the asset portfolio. Executive directors include Chief Executive Officer Gerald Leissner, Chief Operating Officer Mark Kaplan and Imraan Suleman as Chief Financial Officer:
- **Leissner** brings with him 50 years' worth of experience in the listed property sector. He was previously CEO of ApexHi Properties Limited for eight years until its merger with Redefine
- **Kaplan** was managing director of Aengus Property Holdings which controlled a portfolio of assets with a value in excess of R300 million
- **Suleman** is a Chartered Accountant previously with Java Capital and has significant experience on a wide range of transactions including listings, mergers and acquisitions, capital raisings and empowerment transactions.

Non-Executive Directors

- Taffy Adler Independent non-executive chairman
- Elize Stroebele Independent non-executive director
- Matthew Nell Independent non-executive director
- Selwyn Noik Independent non-executive director

ARROWHEAD PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2011/000308/06)
JSE share code: AWA ISIN: ZAE000158101
JSE share code: AWB ISIN: ZAE000158119
(Approved as a REIT by the JSE)
("Arrowhead")



ACQUISITION OF 22% OF THE B LINKED UNITS IN DIPULA INCOME FUND LIMITED ("DIPULA") AND CAUTIONARY ANNOUNCEMENT

Arrowhead has concluded an agreement to acquire 34 543 497 Dipula B linked units (comprising 22% of Dipula's B linked units) from Investec Asset Management (the "**acquisition**"). The acquisition is unconditional and the purchase price will be discharged by the allotment and issue of 18 826 206 Arrowhead A and 18 826 206 Arrowhead B linked units to Investec Asset Management on or about 27 March 2014.

The transaction is in line with Arrowhead's strategy of only making distribution enhancing acquisitions and provides Arrowhead with a strategic stake in, and indirect exposure to, Dipula's R3.75 billion portfolio of commercial and retail properties that Arrowhead considers complementary to its own portfolio.

The acquisition is a category 2 transaction in terms of the JSE Listings Requirements. The financial effects of the acquisition are still in the process of being finalised and Arrowhead linked unitholders are advised to exercise caution when dealing in their linked units until they have been announced.

19 March 2014

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