



Arrowhead Properties Limited
("Arrowhead")

**ARROWHEAD PAYS DISTRIBUTION FOR THE QUARTER ENDED
31 December 2013**

Arrowhead A-Linked units participate in distribution growth sooner than anticipated

- A-linked units participate in distribution growth
 - 15.10 cents per Arrowhead A-linked unit; 15.10 cents per B-linked unit
 - Total combined distribution of 30.20 cents for the quarter 11.4% ahead of distribution for comparative quarter
 - Only JSE-listed property company to pay quarterly distributions
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Wednesday, 12 February 2014. Arrowhead, the only JSE listed property company to pay quarterly distributions, announced its ninth distribution for the quarter ended 31 December 2013.

The board has approved a cash interest distribution of 15.10 cents per A-linked unit and 15.10 cents per B-linked unit for the quarter. The combined distribution of 30,20 cents for the A and B linked units is 11,4% higher than the combined distribution of 27,10 cents for the comparative quarter ended 31 December 2012.

The A-linked units participate in the distribution growth as the distribution exceeds 15 cents or 50% of the distributable income for the quarter, whichever is the greater. This has been achieved sooner than anticipated by the market.

"We are extremely pleased with the performance of the company, and in particular the participation of the A-linked unitholders in the distribution growth this quarter. Once again, we have met and exceeded market expectations" commented Gerald Leissner, Chief Executive Officer.

"We remain committed to expanding Arrowhead's asset base both with income-enhancing and high-yielding property acquisitions throughout South Africa" he concluded.

Salient dates of the interest distribution to unitholders have been announced on SENS and payment date is stated as Monday, 10 March 2014.

- Ends -

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Arrowhead Properties

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NOTES 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 will be 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.

Arrowhead holds an A and B unit structure which caters for investors with different risk and reward appetites. The A unit is aimed at risk averse investors, earning distributions of 15 cents or 50% of the distributable income per quarter, whichever is the greater, and the B units for investors with a greater appetite for risk, earning the balance.

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 Stroebe Independent non-executive director
- Matthew Nell Independent non-executive director
- Selwyn Noik Independent non-executive director