



MEDIA RELEASE FROM DIPULA INCOME FUND

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Dipula secures 80% stake in R860 million property portfolio

Dipula Income Fund Limited today announced it has concluded a transaction to acquire an 80% interest in an R860 million portfolio of retail and industrial assets from members of the Moolman Group. Moolman Group will retain the remaining 20% interest in the portfolio.

The portfolio comprises 28 properties with a low vacancy of around 2.5% of gross lettable area. It features strong tenancies from national businesses such as Pepkor, Nedbank, Absa, Truworths, Shoprite, Game, Boxer and The Foschini Group.

The largest single investment in the portfolio is the R112.9 million 50% stake in the 15,166 m² Seshego Circle in Polokwane, Limpopo, which opened in 2013 and is anchored by Shoprite and Cambridge Food. It also includes a 10,400m² value centre in Soweto anchored by Builders Warehouse, and the Game centre in Groblersdal.

Izak Petersen, CEO of Dipula, says the transaction is in line with Dipula's strategy of acquiring retail and industrial assets in its chosen markets. Most the assets complement the Dipula portfolio but, Petersen notes, there may be some rebalancing through sales in order to optimise its portfolio.

Petersen comments: "The portfolio has excellent occupancy levels and is yield enhancing for investors. Moolman Group is a respected industry player with assets and expertise focused on the same market segment as Dipula. We believe this new joint venture relationship may be a source of further opportunities for both parties."

Moolman Group will continue to manage the property portfolio for a minimum of three years as part of the transaction. In addition, Moolman Group has provided rental guarantees for periods between one and two years across the property portfolio. The transaction is subject to certain conditions precedent.

Petersen adds: "The transaction increases the geographic diversity of our portfolio, especially in the Limpopo and North West provinces where we are currently underweight."



Dipula Income Fund is a JSE-listed REIT with exceptional B-BBEE credentials. It is managed by 100% black owned management company. Dipula originated from two majority black-owned property funds, Mergence Africa Property Fund and Dipula Property Fund.

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